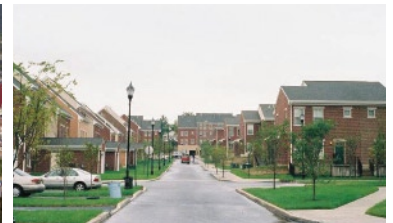


OpportunityNewark:

Jobs and Community Development for the 21st Century



OPPORTUNITY  **NEWARK**
Jobs and community development for the 21st century

ICIC 
 Initiative for a Competitive Inner City

NA Newark Alliance

Table of Contents

<i>Executive Summary</i>	3
<i>Introduction</i>	23
<i>Cluster Action Plans</i>	
<i>Transportation, Logistics, & Distribution</i>	26
<i>Health Services</i>	35
<i>Education & Knowledge Creation</i>	45
<i>Entertainment, Arts & Retail</i>	51
<i>Business Environment Action Plans</i>	
<i>Economic Development Infrastructure</i>	55
<i>City Perception: Image and Identity</i>	62
<i>Urban Business Investment</i>	67
<i>Workforce Development Infrastructure</i>	71
<i>Implementation</i>	78
<i>Conclusion</i>	79
<i>Acknowledgements</i>	80

Executive Summary

Newark is an important economic center for the state of New Jersey. It is home to Port Newark, which, combined with the Elizabeth Marine Terminal, is the largest port on the East Coast and 3rd largest port in the country; has the largest education center in the state with over 50,000 students and faculty at its five colleges and universities; houses the premiere arts and cultural center in the state, the New Jersey Performing Arts Center; and has flourishing cultural hubs and neighborhoods, such as the Ironbound District. For more than ten years, Newark has been building upon its competitive assets leading to its current revitalization.

Years of planning and investments have led to an unprecedented influx of development efforts, market-rate housing, infrastructure projects and private investments. Major redevelopment projects such as the new Newark Arena and associated hotel and retail initiatives, the Joseph G. Minish Passaic River Waterfront Park redevelopment, the minor league baseball stadium, the new Newark Light Rail Link and over 10,000 units of planned downtown housing are tangible signs of Newark's renewal. To some, Newark is a best-kept secret. In 2000, the *Washington Post* called it "an unexpectedly rich day trip from...Manhattan" and said "Newark is making a slow, steady comeback." Newark's growing popularity coupled with the dedicated leadership of the Newark Community make now an ideal time to leverage the current momentum to enhance Newark's burgeoning economy, and to increase the quality of life for all of Newark's residents.

What is OpportunityNewark?

OpportunityNewark is an ambitious economic development initiative designed to advance Newark's progress. It is a market-driven economic model for creating jobs and wealth for Newark's residents by leveraging its competitive advantages to retain, attract and grow businesses. OpportunityNewark is not just about job creation, but preparing and connecting Newark residents to jobs that already exist and jobs expected in the future. What makes the initiative different from past efforts is its fact-based and inclusive approach to economic development where all aspects of the community participate in the strategy development process.

Development Projects

Entertainment, Arts & Leisure

- Newark Arena
- Newark Arena Hotel
- Sports/Entertainment Themed Retail
- Smithsonian Sponsored Museum of African/American Music
- Ice Skating Facility & Sports Fitness Center
- Community Theater

Residential Housing

- University Residences
- Mulberry Commons
- Trophy Building
- 1180 Raymond Boulevard
- Hahnes/Griffith
- Westinghouse
- Branford Lofts
- 786 Broad Street
- NJPAC Residences
- Waterfront/Matrix

Office Development

- Matrix – *McCarter & English, 400K SF*
- 1 Washington Square – *400K SF, Currently Undergoing Redesign*
- 570 Broad Street – *200K SF, Completely Retrofitted*
- ReMarketing of Gateway One – *140K SF, Replacement for FBI*

Infrastructure Improvements

- Light Rail
- McCarter Highway Widening
- Penn Station Connection
- Broad Street/Downtown Streetscape
- City Hall Restoration
- Urban Park Restoration/New Park Plans
 - Military Park
 - Penn Plaza/Arena Park
 - Minish Park
 - Edison Plaza

Over 400 stakeholders, including Fortune 500 corporations, small businesses, minority-owned companies, city and state government, community groups, churches, and industry associations have contributed their best counsel to OpportunityNewark.

OpportunityNewark is not event-driven. Rather, it is designed to transform the basic infrastructure so that Newark competes in a structured and organized way that reduces, if not eliminates, fragmented efforts.

OpportunityNewark aims to connect local residents to the over 6,000 jobs that are expected annually over the next six years in the target industry clusters. The Newark Community must link the opportunities generated from its economy to local residents in order to fulfill OpportunityNewark's vision:

Within the next decade, Newark will be a city defined by its diverse neighborhoods, attractive jobs and thriving downtown, creating opportunities for success for all residents.

The Process

In October 2004, the Newark Alliance sponsored and convened private, public and civic leaders to engage the Initiative for a Competitive Inner City (ICIC) to conduct a competitive assessment and strategy for Newark. ICIC is a national nonprofit organization whose mission is to promote economic prosperity in America's inner cities through private sector engagement that leads to jobs, income and wealth creation for local residents. ICIC was founded in 1994 by Harvard Business School professor Dr. Michael Porter, an international authority on strategy and competitiveness.

ICIC partnered with the community to develop a comprehensive market-based strategy to further Newark's revitalization, built around concrete opportunities. The methodology is grounded in a thorough analysis of the economy of the city and its relationship to the region including an assessment of current and historic economic development and research efforts. The analysis looks at the potential to enhance industry clusters that can generate both business and workforce development opportunities while enhancing the competitiveness of Newark as a business location.

OpportunityNewark's focus is on **industry clusters**¹ and **competitive advantages** because sustained innovation and competitive success arise within dynamic clusters of businesses, not from individual organizations. The enduring competitive advantages of firms lie within clusters in their local business environments. For example, companies within the movie industry derive locational competitive advantages by being in Hollywood, California.

The project's approach is also focused upon the private sector because it is the primary source of job creation. The real opportunity to create change is to tap the resources of the private sector to generate workforce and business opportunities. These resources take the form of everyday company decisions with respect to where to locate, whom to hire, which markets to sell to, and where to purchase supplies. The public sector also plays a critical role by creating an enabling environment in the form of policies and processes that can accelerate business growth and influence market decisions.

OpportunityNewark participants were engaged in an 18-month strategic planning process where more than 100

"This is not a research project; it is a strategic process with action as the outcome."

—Arthur Ryan, Chairman & CEO
of Prudential Financial, Inc. and
Co-Chair of OpportunityNewark



¹ Clusters are concentration of interconnected companies and institutions, linked together through customer, supplier, or similar relationships in a particular industry. Examples of well-known clusters are high technology in Silicon Valley or film making in Hollywood.

“For too long, we have relied on government to provide all the solutions. We’re pleased that the private sector – business owners and investors – are leading the OpportunityNewark effort and driving the economic development agenda for the city.”

– City of Newark Mayor, Sharpe James

reports were reviewed, 400 stakeholders were interviewed and the city’s six previous strategic plans were analyzed.

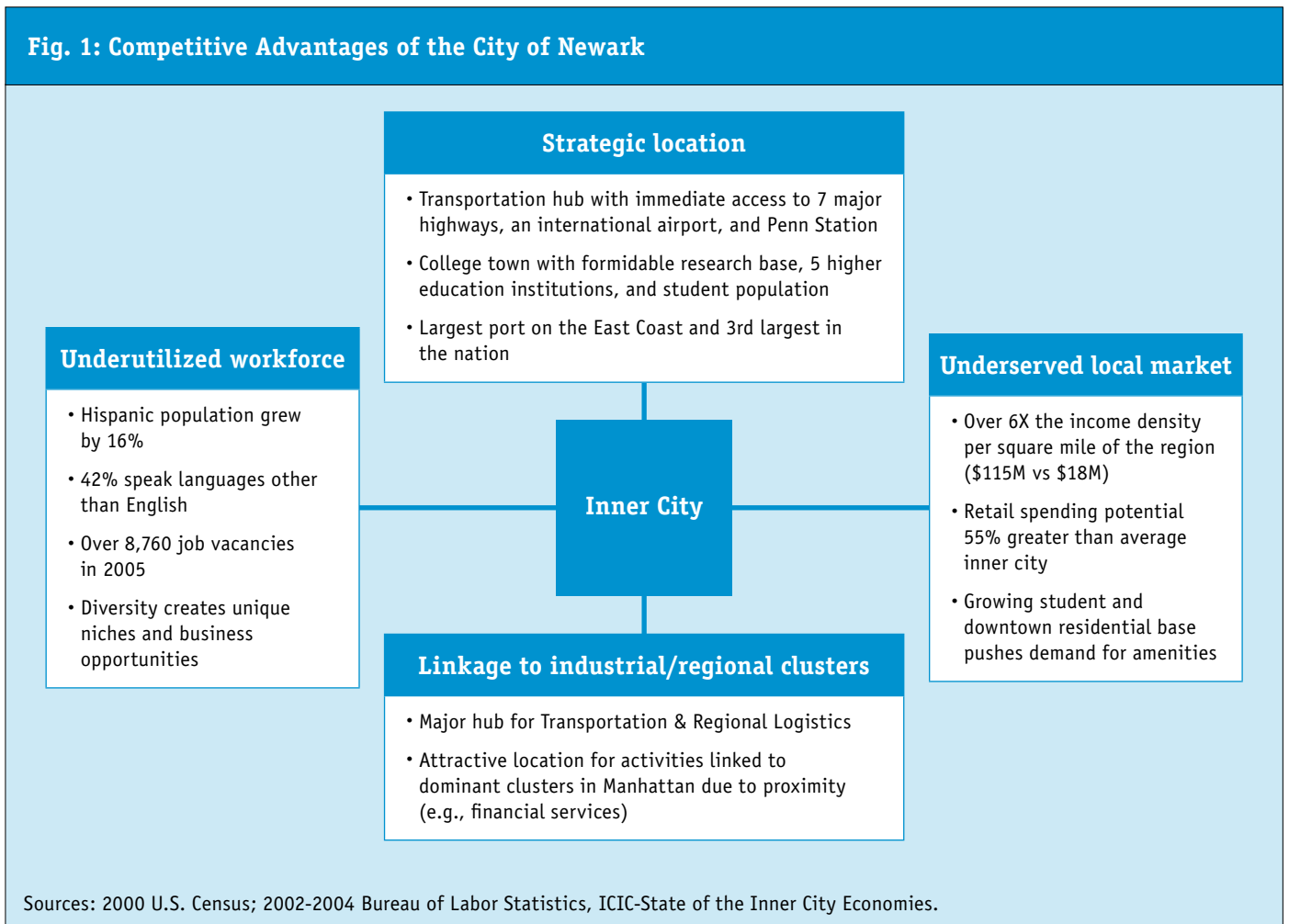
The following report outlines OpportunityNewark’s analysis and recommended strategies. The recommendations are focused on addressing economic issues while complementing existing social and economic initiatives. The Newark Community recognizes that OpportunityNewark is not a panacea for all of its challenges. However, it will create a sustainable economic infrastructure to identify, develop and implement opportunities that lead to increased job opportunities for local residents, and a more competitive position for Newark in the region and the global marketplace.

The Facts

Competitive Advantages

Newark has many of the right ingredients for a continued economic transformation. Its strategic location offers unparalleled transportation links that give Newark busi-

Fig. 1: Competitive Advantages of the City of Newark



nesses access to more than 21 million regional customers and one-day access to more than 105 million consumers.² The city's close proximity to New York City's behemoth economy also offers economic opportunities.

In addition, despite a median household income that is less than half that of the region's (\$22,226 versus \$51,221), Newark has more than six times the income density per square mile than does the region (\$115 million vs. \$18 million), making it ripe for an influx of retail development.³ A further asset can be found in Newark's growing Latino population. This population provides Newark with a bilingual workforce – a key asset in a global economy and one which is generally underutilized.

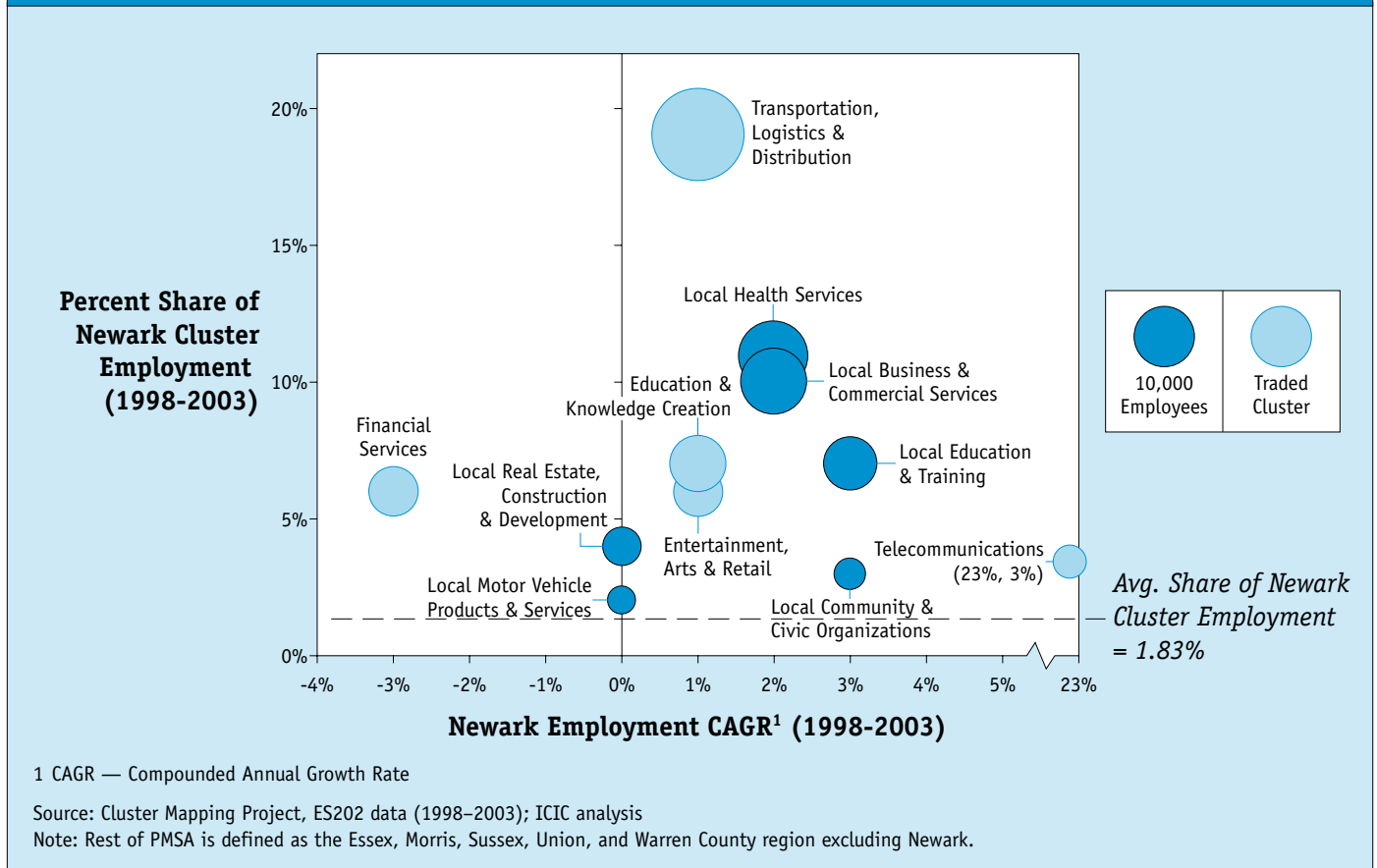
In addition to these core assets, Newark is fortunate to have a dedicated business community, strong collaborative associations (e.g., the Council of Higher Education in

Newark (CHEN) and the Newark Regional Business Partnership (RBP)), supportive state entities, and an active city government. Together, these groups have been the backbone of Newark's transformation.

Economic Base

Newark's diverse business base is largely focused around the city's key competitive advantages, specifically Newark's strategic location and strong base of higher education institutions and hospitals. The Transportation, Logistics & Distribution Services (TLD) cluster – inclusive of businesses that utilize the port, airport, rail, highway and transit infrastructure – has the largest employment base of all of the clusters. Health Services, the second largest cluster in Newark by employment, and Education & Knowledge Creation (EKC), also a high-employing cluster in Newark, are built off of the city's strong universities and research base.

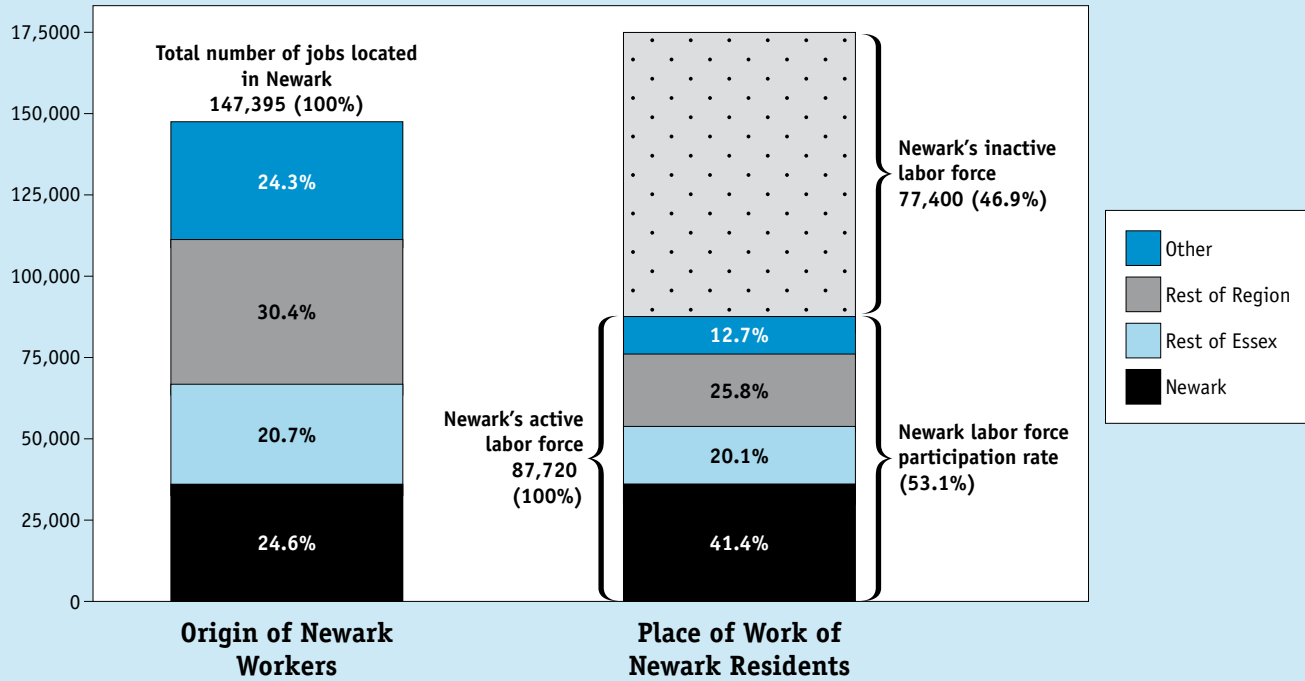
Fig. 2: City of Newark Top 10 Traded & Local Clusters



² Warehousing and Distribution Center Context: NJTPA Brownfield Economic Redevelopment Project, A. Strauss-Wieder, Inc., February 2001.

³ ICIC Research – State of the Inner City Economies (SOICE). Note: “Region” is defined as the area of Essex, Morris, Sussex, Union and Warren Counties.

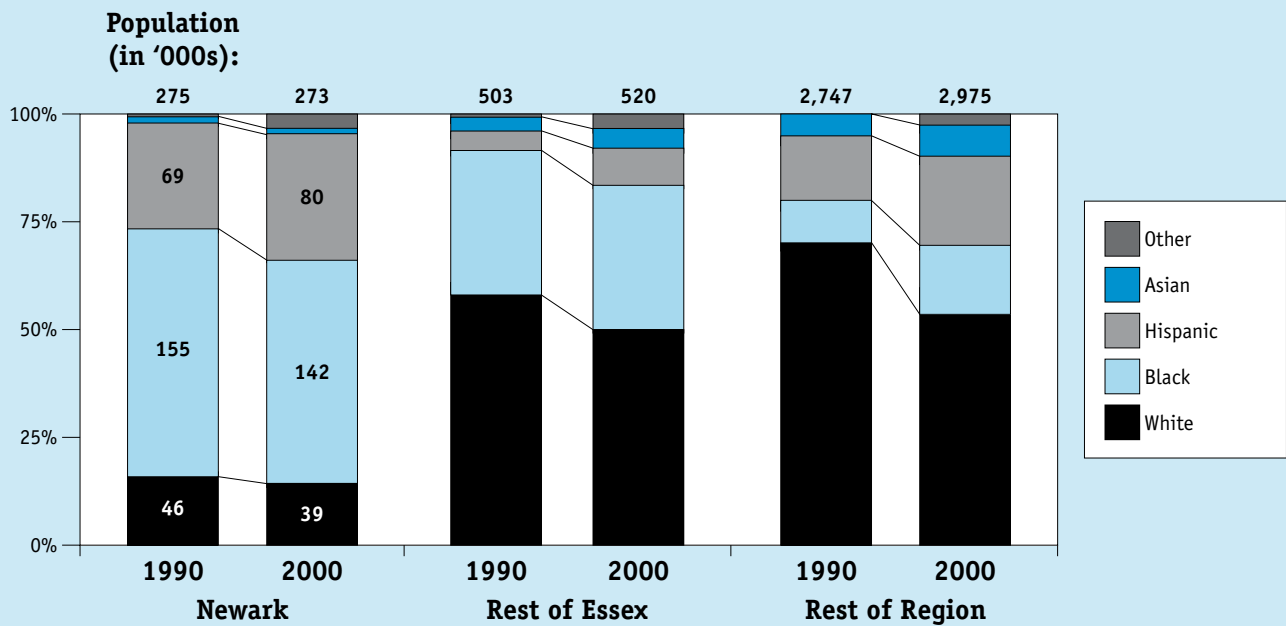
Fig. 3: Commuting Patterns of Newark Residents and Workers



Source: 2000 US Census

Note: Rest of Essex does not include Newark, and Rest of Region includes Bergen, Hudson, Morris, Passaic, and Union counties, but not Essex.

Fig. 4: Ethnic / Racial Mix of Population



Source: 1990 US Census, 2000 US Census

Note: Rest of Essex does not include Newark, and Rest of Region includes Bergen, Hudson, Morris, Passaic, and Union counties, but not Essex.

However, while Newark’s strongest employment bases are built off of the city’s key assets, data shows that there has been little employment growth in these clusters for the period from 1998–2003. TLD, for example, grew at a modest 1 percent compounded annual growth rate (CAGR) for the 1998–2003 period. Likewise, Health Services grew by only 2 percent over the same period. While Newark’s 3,000-plus businesses collectively employ more than 95,000 people, additional resources and alignment of current development projects can help increase Newark’s employment growth in these key areas.

Demographic Profile

Newark is home to an incredibly diverse population. Almost 90 percent of Newark’s total population consists of minorities, compared to 35 percent in the region. Additionally, the increase in the Latino population is accountable for stabilizing Newark’s decades of population decline. From 1990 to 2000, while the white and black populations in Newark fell 15 percent and 8 percent, respectively, the Hispanic population rose by 16 percent.⁴

Newark’s population has also been increasing in educational attainment, yet there is still room for improvement. From 1990 to 2000, the number of Newark residents who had achieved some degree of college education increased by more than 25 percent in Newark, more than twice the gain shown in the remainder of Essex County.⁵ In the same timeframe, the number of Newark residents with less than a high school diploma declined by almost 13 percent.⁶ However, with 41 percent of Newark residents still lacking even a high school degree or equivalent, the city must continue to focus on helping its residents attain higher degrees of education.⁷

Within the labor force, there is a need to link Newark workers to Newark jobs. While 41 percent of Newark’s active labor force works in Newark, Newark residents hold only 25 percent of local jobs. Clearly, there needs to be additional emphasis placed on ensuring Newark residents have the skills and access to obtain jobs within the city. Increasing the linkages between Newark workers and jobs is essential if the city is to combat rising poverty rates. Despite

the economic boom of the 1990s, Newark’s poverty rate increased from 26 percent to 28 percent from 1990 to 2000.⁸ The city’s poverty rate is the second highest in the state and three times the national average.

While Newark’s diverse ethnic community is a potential resource in an increasingly global economy, the educational and workforce indicators raise a need for Newark’s redevelopment efforts to be linked to the community to ensure that while the city flourishes, the residents share in the rewards.

The Need

Redevelopment efforts—such as the addition of new cultural centers; bright, safe, and inviting streetscapes; and improved infrastructure—are intended to improve a location’s economy and the futures of the people who live there. It is even more important, however, for leaders to couple their redevelopment efforts with serious attention to the educational and employment needs of the community.

OpportunityNewark’s goal is to ensure that this vital connection occurs in Newark. The demographic profile described above amplifies the urgency of addressing unemployment and underemployment in order to help Newark residents capitalize on the opportunities inherent in the city’s revitalization. The project’s objective is to help connect current redevelopment efforts so that local residents are ready and



4 1990 US Census, 2000 US Census.

5 Ibid.

6 Ibid.

7 Ibid.

8 Ibid.

able to access jobs and other economic opportunities (like entrepreneurship) that are generated as community leaders implement OpportunityNewark’s cluster strategies.

The Target Clusters

OpportunityNewark’s Executive Committee selected four industry clusters that collectively are the anchors to Newark’s economy and provide attractive workforce and business development opportunities both now and in the future.⁹ By interviewing industry stakeholders and experts and reviewing numerous research reports, ICIC and the OpportunityNewark Executive Committee conducted a thorough analysis of Newark’s cluster strengths, weaknesses, opportunities and threats. A set of clusters was then selected that would:

- Strengthen Newark’s competitive positioning in the regional and global marketplace;
- Provide economic opportunities to both Newark residents and businesses; and
- Leverage existing initiatives, investments and leadership.

It is important to note that all clusters are important for economic performance and can be made more productive. The first four clusters collectively represent the best current opportunities to strengthen Newark’s competitive position. The strategies that the Newark Community lays out for these four clusters are meant to be starting points of a continuous process.

Target Clusters:

- Transportation, Logistics & Distribution Services (TLD)
- Health Services
- Education & Knowledge Creation (EKC)
- Entertainment, Arts & Retail (EAR)

Cluster Action Plans

A growing economy relies on both established and emerging economic engines to sustain job growth. Strong economic engines have solid job demand such as Transportation, Logistics & Distribution Services (TLD) and Health Services. Therefore the focus of the TLD and Health Services action plans is linking residents to jobs that already exist.

Emerging economic engines create new opportunities from existing and latent assets as in the case of Education & Knowledge Creation (EKC) and Entertainment, Arts & Retail (EAR). Therefore the focus of the EKC and EAR action plans is on building the infrastructure to attract additional opportunities.

For each target cluster, a Cluster Action Team was formed. Each Cluster Action Team looked at the obstacles and opportunities for growth within each cluster in Newark in order to develop action-oriented strategies to increase employment opportunities for Newark residents and improve the competitiveness of the business environment to retain, grow and attract businesses.

“OpportunityNewark provides a venue for business, government and civic leaders to exchange ideas, debate issues and develop solutions while acknowledging shared accountabilities, which is the critical infrastructure needed to sustain positive change in Newark.”

— Al Koeppe, President & CEO of Newark Alliance and Co-Chair of OpportunityNewark

⁹ OpportunityNewark’s Executive Committee includes The Newark Alliance Board, CHEN, local community leaders, the mayor, members of the City Council, and representatives of the city’s faith-based community.

The Cluster Action Teams provided a forum to brainstorm, plan and execute a strategic plan in a collaborative manner.

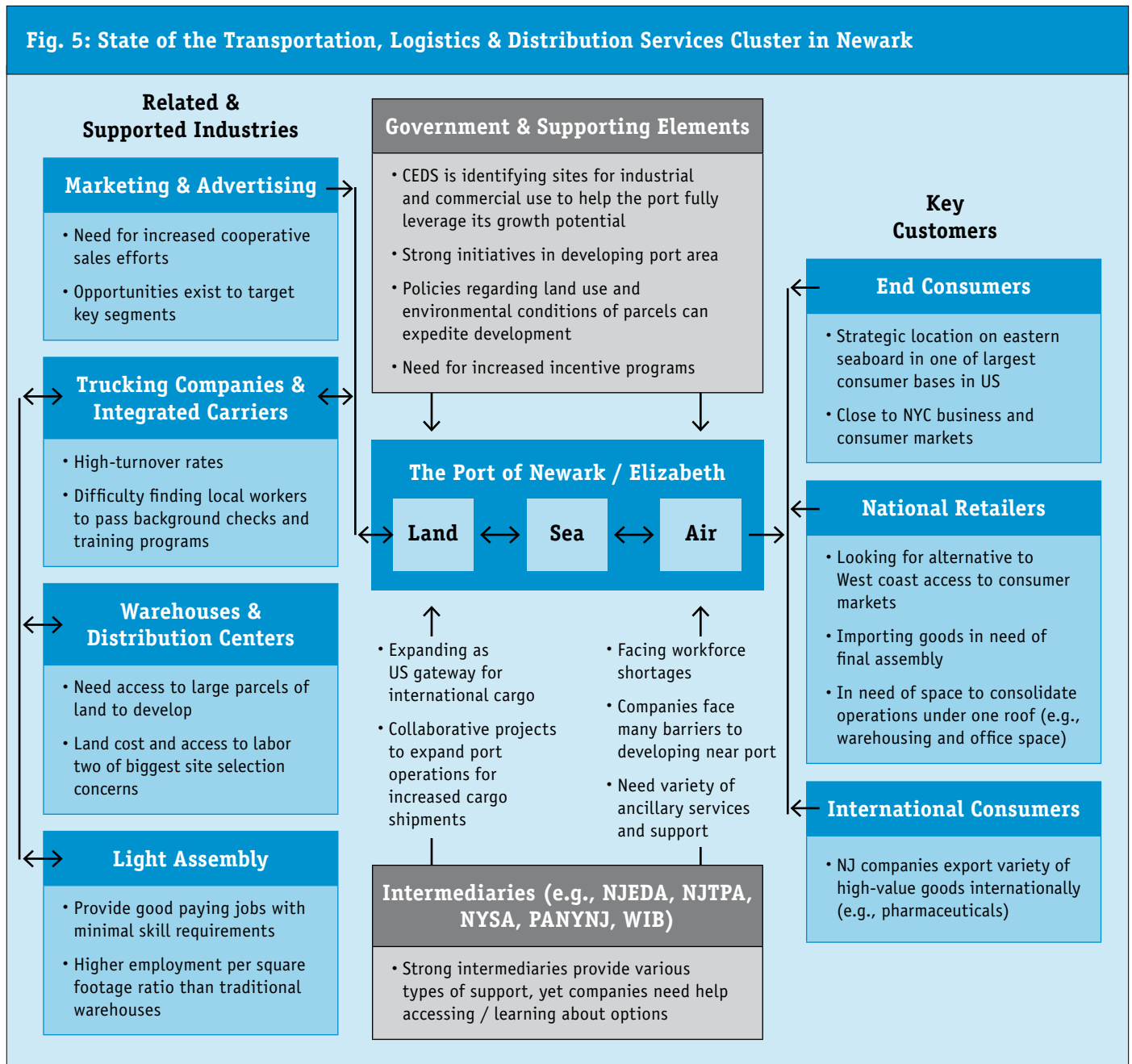
A Strategy Board consisting of approximately 50 well-connected business, government, academic and civic leaders met regularly to provide guidance to the action teams' work and ensure plans were linked to existing resources and initiatives.

Throughout the 18-months of strategic planning, OpportunityNewark participants reviewed a considerable amount of data to inform the recommendations described in the action plans found in the subsequent pages.

Transportation, Logistics & Distribution Services

Newark's port, as the largest on the East Coast and the 3rd largest in the country, is an important competitive advantage for the city. Foreign trade coming through the port is expected to double by 2020, creating many business and employment opportunities. To prepare for this growth, port leaders have planned more than \$1 billion in investments that will increase port capacity and accommodate large freighters. The Portfields and Portways initiatives are already rehabilitating lands in the port area in order to

Fig. 5: State of the Transportation, Logistics & Distribution Services Cluster in Newark



increase the number of port businesses and help facilitate efficient cargo transportation. Experts expect that these capacity increases will triple the number of containers that come and go from the port; moreover, the improvements will double the number of jobs available at the port.

The Newark Community expects that the port's growth will attract owners of a variety of businesses (including distribution, customization, assembly, and packaging) to relocate to Newark. The TLD cluster anticipates job growth of 1,025 jobs per year through 2012.¹⁰ Jobs in this cluster are important because they are not only accessible to low-skilled residents – 75 percent of these jobs require minimal training – but they also provide good wages. Almost 60 percent of the jobs in this cluster pay at least \$25,000 annually, and 25 percent pay more than \$50,000.¹¹ Truck driving jobs currently face one of the biggest labor shortages in this sector with estimates ranging from 500 to 750 truck driver openings in the Newark area.

The TLD Cluster Action Team's recommendations focus on identifying and addressing workforce development and business issues and strategic infrastructure to help local residents gain access to jobs and to improve the competitiveness of the Port.

TLD Action Plan:

High Priority Areas¹²

- **To help solve the shortage of truck drivers and other port workers:**

1. **Establish a port-based One-Stop screening and placement agency that will help fill trucking, rail, warehousing, light assembly, and airport jobs (underway).** The One-Stop in partnership with the Waterfront Commission has streamlined the screening and certification process. Together, these efforts will better connect Newark residents with port employment opportunities and will provide port-area companies with easier access to city services. The Newark One-Stop is leading this effort and will be supported by the Newark Alliance.
2. **Establish scholarships to help local residents attend private truck driver training programs and work with**

insurance companies to address barrier to insuring drivers under 21 years of age and without two years of experience. These efforts will increase the number of Newark residents who are able to enter the truck driving profession. While the scholarship program will help Newark residents who previously were unable to afford the truck driving training necessary to obtain a commercial drivers license (CDL), addressing the larger insurance issues facing new drivers will help alleviate some of the restrictions companies face when hiring competent drivers with limited experience. The Newark Alliance is leading this effort, working with the Newark One-Stop, area trucking companies, insurance companies, and the New Jersey Department of Banking and Insurance.

3. **Create an insurance pool to offset trucking companies' higher insurance costs for new drivers.** As with the above scholarship and insurance recommendations, this effort will help increase the number of Newark residents who are eligible for truck driving opportunities by alleviating the insurance burden placed on trucking companies. The Newark Alliance is leading this effort, working with the Newark One-Stop, area trucking companies, insurance companies, and the New Jersey Department of Banking and Insurance.

- **To facilitate further development of land in and around the port, which can be used to attract TLD-related companies:**

1. **Implement the recently executed Memorandum of Understanding (MOU) between the New Jersey Economic Development Authority (NJEDA) and the New Jersey Department of Environmental Protection (NJDEP) designed to speed up the environmental permitting process for redevelopment of brownfields and other underutilized sites which can become locations for the construction of competitive warehouse, distribution and other facilities which support port, airport, rail and related commerce (underway).** Several actions called for in the MOU will help advance NJDEP's project permitting process for brownfields redevelopment in and around the port. This will help developers seeking a faster and more efficient development approval process for their port commerce-related projects. The NJEDA is leading this initiative and working with the NJDEP on implementation of the MOU.

10 New Jersey Department of Labor and Workforce Development, Labor Market & Demographic Research, 8/20/04.

11 Bureau of Labor Statistics. Nov. 2003 Occupational Employment and Wage Estimates by NAICS Code.

12 High Priority Areas represent "quick-win" opportunities that will offer substantial job opportunities and/or significantly improve the business environment when implemented.

- **To significantly increase the awareness of the port's strategic importance outside of the region:**

1. **Create a strategic marketing plan to publicize the Port's assets to key market segments (underway).** A \$2 million marketing campaign is underway by the NJEDA to promote Portfields areas to developers and international companies that conduct port, airport, rail and related commerce that requires warehousing and distribution facilities. The funding has been made available by the Port Authority of New York and New Jersey (PANYNJ) through the New Jersey Commerce, Economic Growth and Tourism Commission. Public Service Electric & Gas (PSE&G) has also begun developing marketing materials to publicize key facts about developers, city resources and port resources. The marketing campaign is currently underway and is being done on a collaborative basis by the various public entities noted.

Other Action Areas

- **To improve coordination around economic development efforts involving the port and ensure that the land around the port is used for its highest and best use:**

1. **Establish a special regional council to develop a shared vision for the Port's future related to economic development activities and strengthen the role of intermediaries in economic development.** Sam Crane of Maher Terminals is leading this initiative and is working to establish a collaborative council of private industry representatives, intermediaries, and state and local government entities under the Liberty Corridor proposal.
2. **Reinforce the importance of completing the new Master Plan for the City of Newark as this will help alleviate uncertainty over zoning (commercial vs. residential) for specific lands around the port.** The City of Newark has been working on updating the city's Master Plan.

- **To strengthen the Port of Newark's competitive position:**

1. **Improvements in the rail infrastructure will benefit Newark and the Port. The rail improvements provide an opportunity to increase the amount of freight that can travel on rail, and move the cargo more efficiently in, out and through the city and the region. It will allow Newark to remain competitive with other port cities that are investing heavily in rail infrastructure (i.e., Norfolk and Baltimore). A more comprehensive rail infrastructure will also help the region maximize the competitive**



use of its various lands leading to increased job opportunities and economic development. There have been several efforts to evaluate and improve the region's rail infrastructure, and the infrastructure needs of the port to support the development of the port area for freight and goods movement purposes. The New Jersey Department of Transportation (NJDOT) is also working with the PANYNJ and private railroad companies to develop a capital investment plan to increase the available rail infrastructure.

2. **Commission a study to demonstrate how employing advances in parking structures and vertical warehouses can free up valuable space at the port.** Such structures would enable more efficient use of valuable lands close to the port, enabling the port to handle increased cargo volumes leading to additional job opportunities. The NJEDA has agreed to take the lead in performing the cost-benefit analysis associated with understanding the benefits of various parking structures and vertical warehouses as a part of their Portfields Initiative along with their Portfields partners, including the PANYNJ.

Health Services

Health Services is the 2nd largest cluster in Newark and the sector is growing nationally due to the aging of America, a surge in long-term health conditions such as diabetes, and continued biomedical and medical advances. As the demand for healthcare grows, so do the employment opportunities. The New Jersey Department of Labor and Workforce Development predict that the average number of job openings in the Health Services cluster will be 1,260 every year over the next six years for Essex County. However, the pace of employment growth is currently outstripping the supply of trained workers. For Newark, these current and future shortages represent a significant workforce development opportunity. With structured training, Newark residents can move from entry-level positions into solid, long-term healthcare careers that offer good pay and benefits. Presently, the average Newark-based health professional earns more than \$52,000, according to the U.S. Department of Labor's Quarterly Census of Employment and Wages.

Labor shortages in Health Services, coupled with the rising demand and cost for healthcare, make it difficult to operate a healthcare organization and to access high-quality care. Newark has numerous healthcare resources, but the delivery of quality healthcare is challenged by a variety of issues, such as the high cost of medical insurance, overburdened emergency care facilities, and the insufficient number of private practice physicians, which are affecting cities nationwide. Roughly 30 percent of Newark residents are uninsured and seek care in emergency rooms instead of primary-care facilities. Newark’s hospitals are overwhelmed by the demand for their services and by the costs of providing them without adequate reimbursements. At the same time, the cost of medical malpractice, school loan payments, and office administrations make it challenging for physicians to operate private practices in Newark, while relying on government reimbursements as payment for their services.

The Health Services Cluster Action Team discussed these issues leading to recommendations, which focus on workforce development and strategic infrastructure improvements.

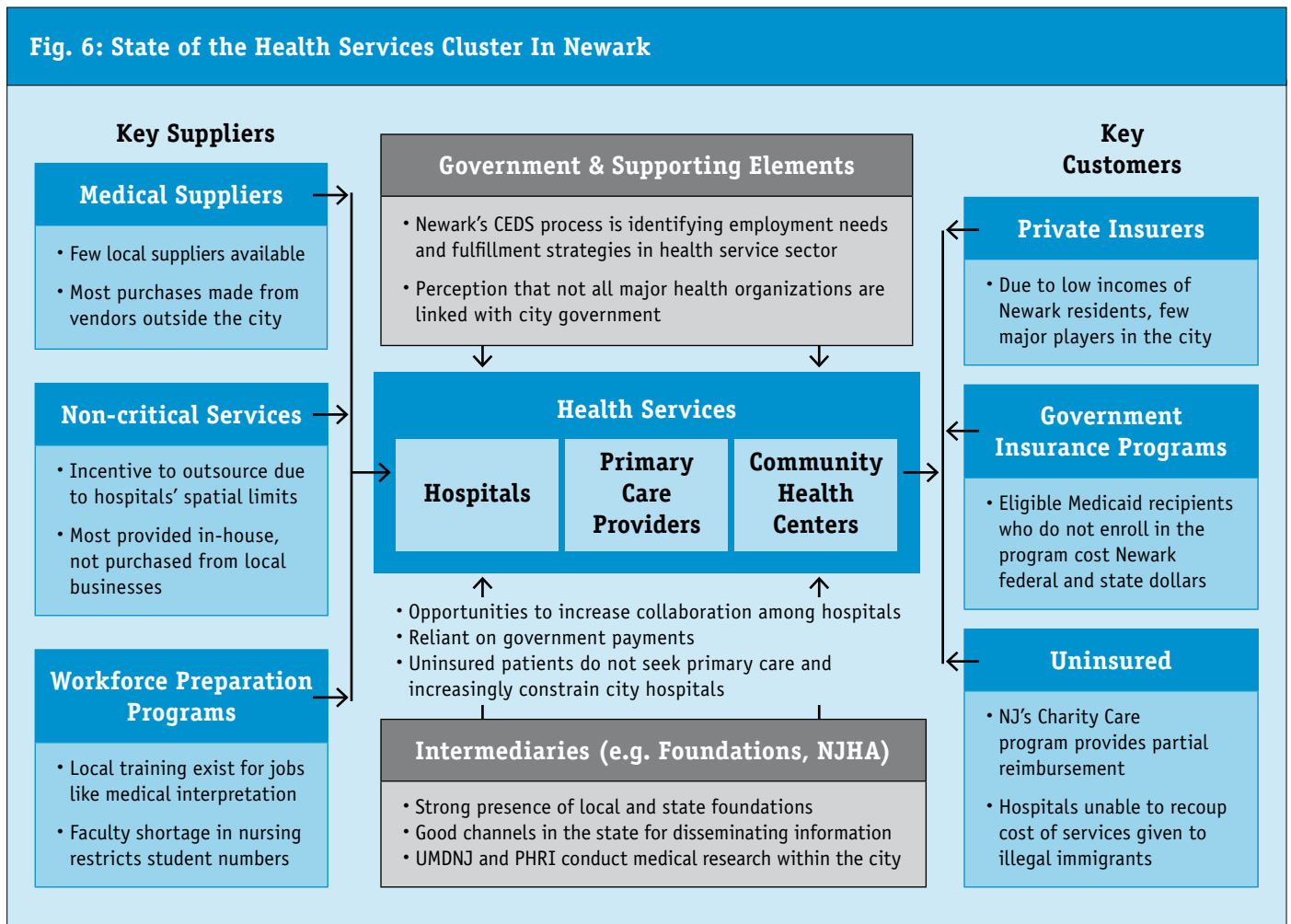
Health Services Action Plan:

High Priority Area

• To help solve the labor shortage in Health Services:

1. **Form a Health Services career lattice that will involve the Newark Workforce Investment Board, the Newark One-Stop, the New Jersey Department of Labor, health-care providers and educational institutions to screen, hire and train incumbent workers to qualify for higher skilled positions.** This is a collaborative approach to address workforce challenges using a competency-based apprenticeship model. Participants will be able to “earn while they learn” with an increasing wage scale as they progress. The Health Services Collaborative Advisory Committee (HSCAC), composed of members of the Health Services and workforce development communities, will oversee the development and implementation of the career lattice, with assistance from the funding, screening and recruitment, career advancement, and training

Fig. 6: State of the Health Services Cluster In Newark



curriculum sub-committees. In addition, a Health Services career lattice coordinator will be engaged to provide day-to-day support for this initiative.

residents, hospital closings, and malpractice insurance, among other issues.

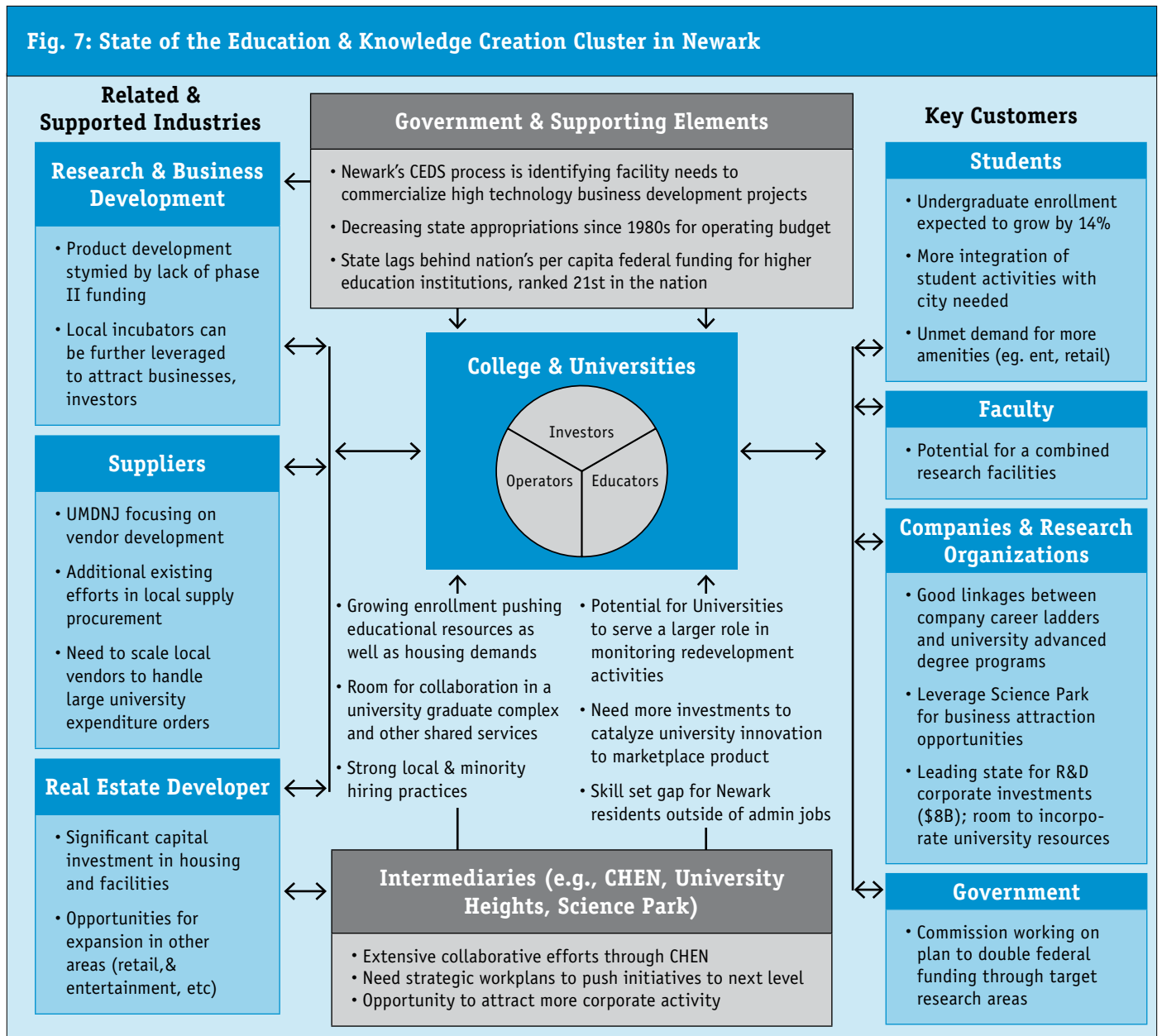
Other Action Areas

To improve access and delivery of healthcare:

- 1. Develop a comprehensive strategic plan for Newark’s healthcare system led by the City of Newark in coordination with the Newark Health Services Community, the State of New Jersey, and the federal government to ensure that Newark can efficiently meet the healthcare needs of its residents.** The plan should address the number of private physician offices, the number of insured

Education & Knowledge Creation

Newark is the largest higher education center in New Jersey. It is home to five leading universities and colleges (Essex County College, New Jersey Institute of Technology (NJIT), Rutgers University, Seton Hall Law School, and the University of Medicine and Dentistry of New Jersey (UMDNJ)). It also has a wealth of newly developed interdisciplinary resources that bring together leaders, students, entrepreneurs, corporate executives, and investors — in education, research, and entrepreneurship. These resources



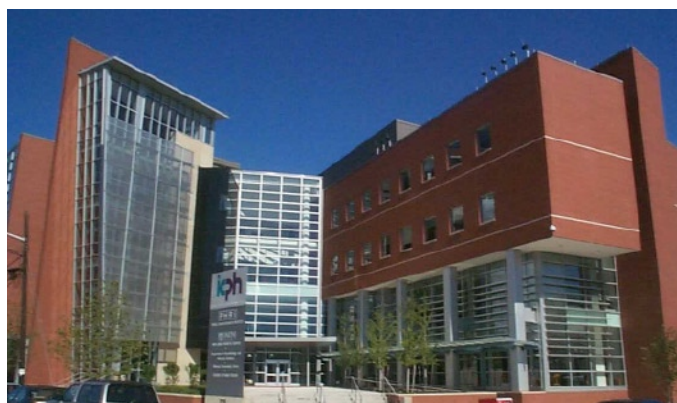
— premiere among them University Heights Science Park (UHSP), a \$350 million science and technology park adjacent to universities in the central ward — provide Newark with significant competitive advantages when it comes to building new businesses, recruiting companies to move to Newark, stimulating research into new and promising science, medical and technological arenas, and encouraging Newark’s young people to prepare themselves for future careers in science and technology.

According to the New Jersey Department of Labor and Workforce Development, annual job growth through 2012 is projected to average 1,695 positions within the EKC cluster. To capitalize on these trends, the EKC Cluster Action Team developed strategies to position Newark to become more competitive in building, recruiting, retaining and starting businesses using and/or creating advanced technology. Similarly, the EKC Cluster Action Team focused on recommending strategies that will make Newark residents more job ready by increasing their technology skills. Consequently, the EKC cluster recommendations are focused on two targets: Technology Business Development and closing the “Digital Divide.”

EKC Action Plan:

- **To strengthen and increase the number of technology-based businesses in Newark:**

1. A Newark Innovation Zone Board has recently been established by the NJEDA consisting of high-powered stakeholders to oversee the current technology initiatives and develop new programs. **The Newark Innovation Zone Board will also encourage collaboration among universities and industry and ensure the successful implementation of NJEDA’s investments in UHSP, including recruiting recognized anchor tenants to UHSP.** The Chief Executive Officer of the Newark Alliance is also the Chairman of the Innovation Zone Board.



2. **Create a commercialization engine, or “Innovation/Business Accelerator.”** This collaborative effort among Newark’s research universities will strengthen the universities’ technology transfer offices and provide world-class guidance, business support, proof-of-concept reviews, mentors, pre-seed funds, and access to emerging companies, scientists and entrepreneurs. It will increase the number of start-ups, spin-outs and spin-ins; enhance UHSP’s reputation; and increase federal and private-sector research and development (R&D) investments in Newark. The “Innovation/Business Accelerator” will be part of the Innovation Zone effort and structure, with the same individuals leading the initiative.

3. **Build the advanced technology resources and skills of the Greater Newark Business Development Consortium (GNBDC) so that it can manage its own complex business more effectively and so that it is able to provide higher levels of technology support to its clients.** To accomplish this, the GNBDC will be assisted by with help from major technology vendors and BCT Partners in Newark.

- **To close the digital divide:**

1. **Rapidly implement wireless hotspots initially in Newark’s key business centers, such as Downtown and UHSP, then throughout all Newark neighborhoods.** Communities around the country are deploying wireless networking strategies to attract businesses and to position themselves as hi-tech centers. A wireless strategy would strengthen Newark’s competitiveness relative to other cities and provide greater Internet access to Newark’s residents, which is key to closing the digital divide. The Newark Alliance will take the lead in forming an advisory board to assess the various models, implementation options, costs and sponsors.
2. **Establish a major Community Technology Center to provide opportunities for Newark young people and residents to become proficient in using technology and the Internet.** Seton Hall University and New Communities Corporation are leading this effort.
3. **Develop a three-year Science, Technology, Engineering and Mathematics (STEM) communications campaign to raise awareness of the critical importance of science, math and technology to residents’ future economic success.** The Newark Alliance will take the lead role in implementing this effort.

• **To prepare residents for technology jobs:**

1. **Develop a comprehensive, industry-led technology training consortium patterned after the Health Services Career Lattice and Biotech Workforce Development model to prepare Newark residents for jobs as technicians in the biotechnology, electronics, computer, semiconductor and telecommunications industries.**
The Newark Alliance, partnering with the Newark One-Stop, will take the lead role in implementing this effort.

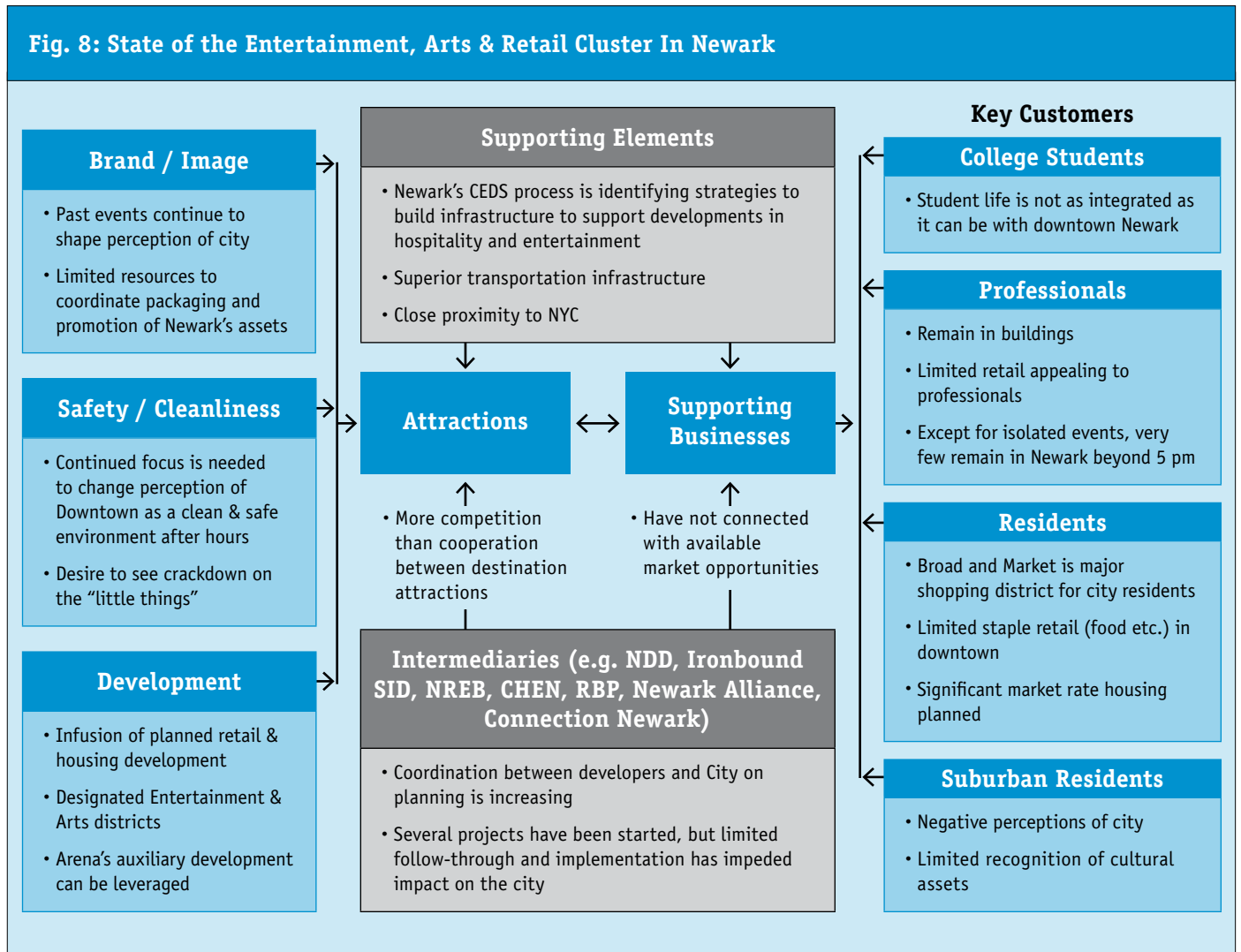
• **To improve Newark universities' capacity to educate future entrepreneurs:**

1. **Apply for a \$5 million Kauffman Foundation Campus Initiative Grant to dramatically increase the entrepreneurial curricula and enhance the entrepreneurial culture at Newark's universities and colleges.** One of the central features of universities positioning themselves as leading technology and innovation centers is

the existence of strong entrepreneurship programs. The Kauffman grant would complement existing efforts to strengthen Newark's position as a global innovation center. NJIT is coordinating the application for this grant.

Entertainment, Arts & Retail

Newark is home to some of the most unheralded beautiful places in the nation, including the cherry-blossom-laden Branch Brook Park, designed by Frederick Law Olmstead, the Newark Museum, and the Newark Public Library, which are celebrated for their Beaux-Arts and Art Deco architecture. More than \$1.4 billion will be invested in cultural and entertainment projects, including expansion of the New Jersey Performing Arts Center, the Newark Arena, the Passaic Riverfront Center, the Mulberry Street Promenade, the Smithsonian-sponsored Museum of African/American Music, more than 10,000 new residential units with ground-floor retail shops, and a subway extension opening



this summer that will connect five downtown destinations. Artists are moving into Newark and opening galleries and holding open studios. The Ironbound neighborhood – the largest Portuguese community in the country – has solidified its reputation as the capital of Portuguese dining as well as a culinary destination for a range of Latin fare. Together, these developments, which create a vibrant downtown, will position Newark as a 24/7 destination and an attractive location for businesses, residents, students and tourists. A thriving downtown is paramount to changing perceptions about Newark and can be a key catalyst for Newark’s continued transformation, not only within the downtown area, but within the neighborhoods as well.

As this cluster grows, so will its workforce. The hospitality industry is the second-fastest-growing sector in the nation, and the need for qualified labor is increasing rapidly. The job opportunities in this cluster match the needs and skills of many of Newark’s residents. The average annual job openings in the EAR cluster for Essex County are 2,250 jobs through 2012, according to the New Jersey Department of Labor and Workforce Development. OpportunityNewark is partnering with existing initiatives to ensure that Newark residents have greater access to these job opportunities.

Given the pace of development in Newark and the need to promote Newark’s transformation to the world, the EAR work focused on two areas: Economic Development Infrastructure and City Perception. Given the significance of both these issues, they are classified as cross-cutting issues (i.e., issues that are not unique to the EAR cluster, but impact every cluster), and two separate business environment action teams were formed to address these matters. Therefore, the EAR action plan is solely focused on workforce development.

EAR Action Plan:

- **To improve Newark residents access to hospitality-related jobs:**

1. **Create the Newark Hospitality & Culinary Institute to train Newark residents to access career opportunities in this field.** Training will involve a broad curriculum including specialty areas such as training to be a chef, restaurant manager, hotel manager and soft skills training. Danny Gale is currently leading this effort in conjunction with the Newark Public School’s “School to Career” program, the Newark Workforce Investment Board, the New Jersey Department of Labor, and Johnson & Wales University. Securing of seed funding is

underway and being led by Newark Hospitality and Culinary Institute.

Business Environment Action Plans

In addition to Cluster Action Teams, Business Environment Teams were formed to identify issues that could improve the overall business environment and further accelerate Newark’s growth. Business environment issues are cross-cutting issues that impact all clusters and the overall economy. The four business environment issues that emerged from the cluster work are:

- Economic Development Infrastructure
- City Perception: Image and Identity
- Urban Business Investment
- Workforce Development Infrastructure

Economic Development Infrastructure

With over \$4 billion of development that is ongoing and in the pipeline, Newark’s explosive economic growth is evidence of a renewal in action. Newark has all the right ingredients



for an economic transformation – strategic location, international business base, engaged private sector, pioneering development projects, and dedicated city and state partners. Developers have embraced Newark and the city has approved several major development projects that will lead to thousands of new office workers, residents, and students, living, shopping and spending their leisure time in Newark.

As a commerce and transportation hub, Newark is a strategic point-of-entry for goods, services and people. The opportunity to sustain Newark’s economic growth in key high priority catalytic areas, such as the port, waterfront, downtown and Science Park, and in the neighborhoods, rests on building the right economic development infrastructure to support the current pace of development and encourage more private sector investment.

Economic Development Infrastructure Action Plan:

- ***To address the city’s economic development capacity:***

1. **Increase economic development resources to complement existing city resources.** Additional capacity will enhance planning efforts, expedite development on planned projects and expand business attraction and retention activities. The City of Newark, with support from the Newark Alliance, the Newark Redevelopment Trust Fund, and the NJEDA will lead this effort.
2. **Launch a Newark Community Foundation to build a permanent endowment for the City of Newark.** The initial focus of the foundation will be to support key catalytic economic development and job creation projects. The Newark Community Foundation is considering leveraging the infrastructure of the New Jersey Community Foundation. This effort will be led by the Newark Alliance.
3. **Pursue feasibility of implementing the 3D virtual urban planning tool.** This tool utilizes the latest GPS technology to develop virtual reality models that provide state-of-the-art technology for urban planning. New Jersey Institute of Technology can develop the tool for the City of Newark to assist with master planning efforts. The City of Newark, partnering with NJIT and with support from the Newark Alliance, is leading this effort.
4. **Identify the interrelationships between Newark’s economic development plan and the Governor’s Economic Growth Plan to ensure proper alignment of city and state resources.** The Newark Alliance, working with

the City of Newark, the Newark Redevelopment Trust Fund and the NJEDA, will define the linkages.

City Perception: Image and Identity

Perception of the City of Newark has shown positive improvement, from Harper’s worst city in America (1970’s) to Business Week’s best city for entrepreneurs (2005). However, more can be done to more aggressively promote Newark’s progress and reinforce Newark’s changing positive image.

Image and perception impact all aspects of economic development. They are key economic drivers that if appropriately addressed can accelerate Newark’s revitalization efforts, help realize the 24/7 downtown, improve neighborhoods, and create hundreds of jobs within the EAR cluster. Promoting a unified vision and image of Newark’s “renaissance” activities is key to positioning the city as a destination for businesses, residents, workers, students and visitors. Increasingly, cities are aggressively investing resources to market and brand their assets as a key economic development tool. Newark is uniquely positioned to capitalize on the resurgence of private investment in the city by enhancing its image and identity through strategic and collaborative marketing efforts. The City Perception action team identified strategies to strengthen existing marketing and promotion efforts by building on the positive momentum already underway.

City Perception Action Plan:

High Priority Areas

- ***To promote Newark’s assets:***

1. ***Execute a collaborative marketing function***
A collaborative marketing function will be executed to leverage Newark’s assets by aggregating capacity and activities into marketable packages to attract events to the city. This function, which will be coordinated by the Newark Office of the Urban Enterprise Zone (NOUEZ) with assistance from various partners, has three components: reestablishing the Collaborative Marketing Association; packaging of assets; and, identifying and implementing common/shared communication and marketing tools.
- ***Reestablish the Collaborative Marketing Association***
The Collaborative Marketing Association (the Association), which was operational in 2003, will be

reestablished to develop a strategy for leveraging the collective assets and related resources to increase the visibility of Newark as a cultural and entertainment center. The Association, which will include stakeholders from arts and cultural institutions, and restaurateurs, as well as key intermediaries such as the Newark Downtown District (NDD) and the Ironbound Business Improvement District (IBID), will focus on developing strategies to package and promote Newark's cultural and entertainment assets. Additionally, the Association will provide a platform for these stakeholders to share and exchange ideas, leverage resources and advocate collectively on arts and entertainment issues impacting the city.

- *Packaging of Assets*

When assessing Newark's assets, the whole is greater than the sum of its parts. **An opportunity exists to package Newark's assets and promote them to attract events such as business meetings, amateur sporting events and small conventions, to name a few. By packaging the assets and aggressively promoting the aggregate capacity of all of its venues, the city will be better positioned to attract activities and events that are currently not being captured.** This packaging would be a tool used to present the city to the media, developers, hotel operators, tourism organizations and retail operators. Additionally, the city's aggregate capacity linkages will be strengthened with the state's tourism organizations and initiatives (e.g., Gateway Tourism Region), better positioning the city to advocate for cultural affairs issues within the city and state.

- *Implement Shared Marketing Tools*

The NOUEZ will be charged with developing world-class marketing collateral and tools to promote Newark. For example:

- **Website:** The RBP currently maintains the GoNewark website. The website provides accessible real-time information about Newark "at work," "at play," and "at home." As the collaborative marketing function is developed, this website should be evaluated for its effectiveness as a shared/common platform for communicating and executing the shared vision of the stakeholder group. The RBP, as a partner with the NOUEZ, will manage the website.

- **Collateral:** The NOUEZ will coordinate the production of marketing materials that share the unified brand and vision for the City of Newark.

2. *Launch a Marketing Campaign to Existing Populations*

Changing the perception of a city starts with changing the perception at home. With Newark's current population of residents, employees, students and Newark International Airport travelers, over 400,000 individuals pass through the city daily. **The NOUEZ will launch a campaign focused on educating this population on all of Newark's amenities including retail, restaurants, arts and culture, and recreational activities to increase the patronage of existing facilities.**

3. *Launch a Marketing Campaign to Key Stakeholders*

In addition to reaching the existing Newark population, it is important that marketing efforts target key influencers, such as retail operators, real estate developers, hotel operators and, other tourism related organizations. **The NOUEZ will lead efforts to promote Newark to this critical target audience.**

4. *Execute Events that Garner National Exposure*

The Newark Alliance, in coordination with its partners will identify and execute major events in Newark that will draw national media attention. The objective of these efforts is to demonstrate in a tangible way Newark's progress to the rest of the country. Queen Latifah's Last Holiday Movie Premiere was the first of such events.

Other Action Areas

- *To develop Newark's identity:*

1. *Launch a unified brand for Newark*

Communicating a unified brand is critical to the further development of Newark's EAR cluster. The unified brand, developed around a shared vision of stakeholders, will provide a consistent message and convey current realities that match individuals' personal experiences when visiting the city. Brand development, which is a continuous process, will provide an overarching platform for institutions promoting their individual activities within the city. The Star Ledger, in

partnership with the NOUEZ, will provide leadership on this initiative.

- **To promote Newark's assets:**

1. *Launch a Destination Marketing Organization or Conventions and Visitor's Bureau*

An organization, with a dedicated, sustainable funding stream, is needed in the long run to ensure that the marketing, promotion and branding activities for the city are effectively managed. Based on benchmarking performed, it is recommended that a Destination Marketing Organization (DMO) or Conventions and Visitor's Bureau (CVB)-like organization be launched to provide Newark with the appropriate infrastructure to aggressively promote and market the city on an ongoing basis. These organizations, in the cities benchmarked, generate significant dollars for each dollar spent in advertising. For example, a study commissioned by the Greater Philadelphia Tourism Marketing Corporation found that for every \$1 spent in advertising, it generated \$185 in direct, indirect and induced spending and \$13 in regional and state taxes.

Urban Business Investment

There is a rich source of business assistance services in Newark with organizations such as NJEDA's Entrepreneurial Training Institute, the GNBDC, the Institute For Entrepreneurial Leadership, Prudential's Young Entrepreneurs Program, and Rutgers University's Small Business Development Center. These organizations provide a wide range of services including micro-loans (under \$35,000), management consulting, strategic planning, specialized workshops, and peer-to-peer support, among others.

Despite these services, more needs to be done to strengthen Newark's small, minority and women-owned business community. The New Jersey and Essex County disparity studies found that there is significant discrepancy in the availability and utilization of minority and women's business enterprises (M/WBE) regardless of procurement category. Interviews with local businesses, many that have annual sales of more than \$1 million and have been in business over 10 years, found that there are challenges in accessing capital and procuring contracts within Newark's business community. The Urban Business Investment (UBI) Action Team focused on

recommendations that will strengthen the services to small businesses and address the most urgent gaps.

UBI Action Plan:

- **To improve access to capital:**

1. **Introduce a vehicle that provides a new source of patient capital to help established businesses that have strong growth potential reach the next level while creating jobs.** A white paper outlining the structure, goals and objectives of this source of capital will be completed. Providing another source of capital that is tied to job creation will benefit Newark businesses and the broader community. The Newark Alliance is spearheading the effort to introduce such a financial vehicle to Newark.

- **To improve the awareness and coordination of business assistance resources:**

1. **Conduct joint marketing to increase awareness of the business assistance resources available to Newark area businesses.** The marketing and promotion of these services would be more effective as a joint venture, versus individual efforts. This will further enhance program coordination among existing providers and better leverage assets such as the One-Stop Business Resource Center to streamline referrals and provide a clearinghouse for programs and services. This will help to better coordinate existing resources and highlight services provided by each organization. The Newark Alliance, working with the business assistance organizations, will manage this effort.

Workforce Development Infrastructure

Newark has many workforce development assets, including high-quality training programs, strong educational institutions, an active Workforce Investment Board, and important employment resources, such as the Newark One-Stop. However, job seekers and employers are unaware of the many resources within the city for finding and filling jobs and training people for new careers. This lack of awareness, which also includes workforce intermediaries, social services organizations, and training providers, leads to fragmented efforts to improve career opportunities for

Newark residents and to satisfy the employment needs of Newark employers. The workforce development system's potential to guide residents to training programs and employment opportunities can be enhanced with better coordinated marketing and promotion among training programs and workforce intermediaries.

Workforce Development Infrastructure Action Plan:

• **To improve access and awareness of workforce development resources:**

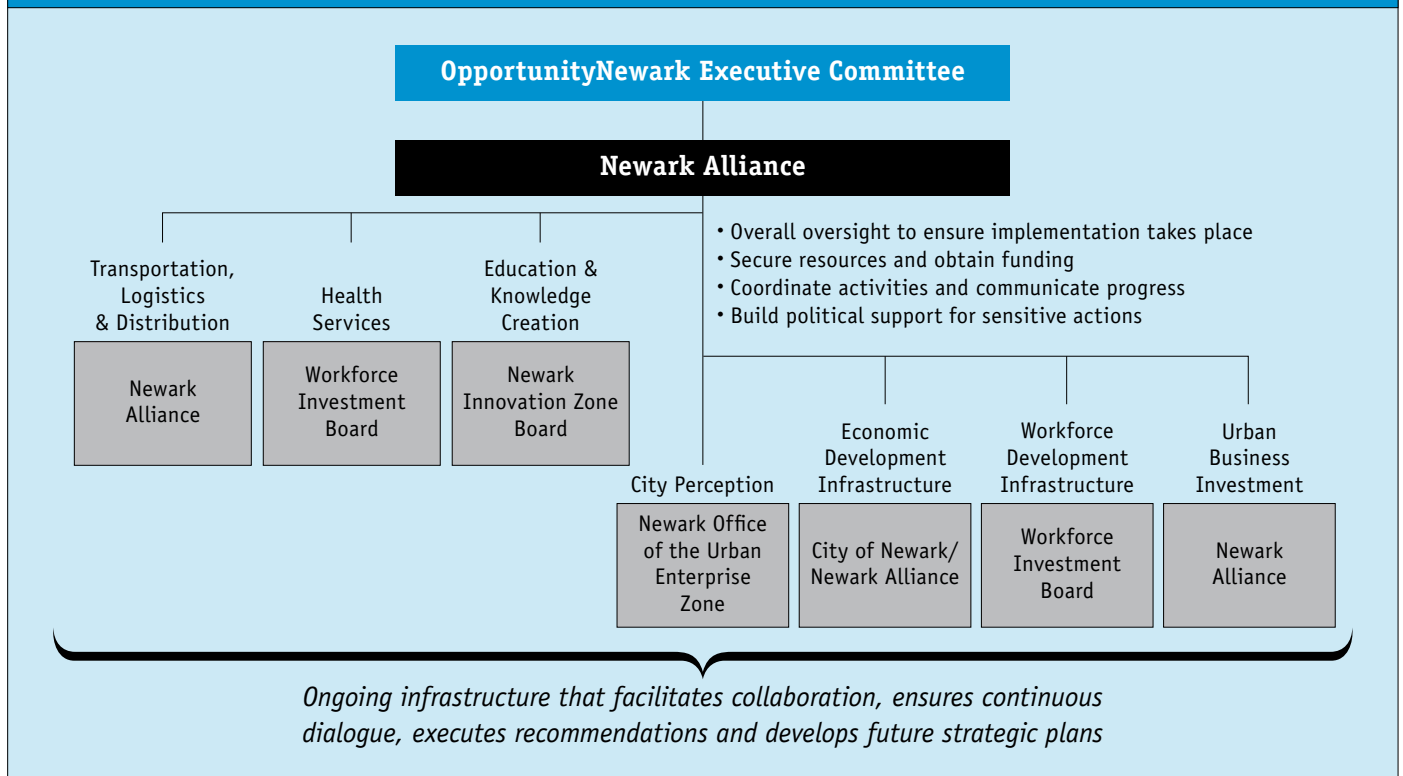
1. **The Workforce Investment Board will initiate a multi-tiered communications strategy to bridge the knowledge gap on the available workforce development resources in Newark, Essex County and the State of New Jersey.** This comprehensive strategy will help meet the employment needs of residents and businesses. The strategy will target underemployed workers, the immigrant population, out-of-school youth, school-to-career students, and the private sector. The combination of outreach to training providers and employers and the promotion of the training programs to Newark residents will increase training program participation, improve

placement rates, and help transition incumbent workers to higher paying jobs. By identifying areas of mutual interest and concern to Newark stakeholders, the communications strategy will increase collaboration among the various workforce development resources in Newark. With better information and a clearer guide to available resources, residents will be well positioned to make informed and directed career decisions.

Implementation Structure

Ensuring the active engagement of the Newark Community over the course of OpportunityNewark's implementation phase is critical to executing the action plans and achieving OpportunityNewark's vision. The Newark Alliance, as the lead organization, will oversee the implementation of OpportunityNewark. Additionally, within each action area, a coordinating entity has been identified that will provide the ongoing infrastructure to facilitate collaboration, ensure continuous dialogue, implement recommendations and develop future strategic plans. The Newark Alliance and the coordinating entities will be accountable for OpportunityNewark's results and progress. It is important to note that this is a community effort that will require the continued support of all aspects of the community.

Fig. 9: Implementation Structure



Conclusion

Issues of poverty and unemployment cannot be resolved with quick fixes. OpportunityNewark provided a forum for all stakeholders to brainstorm, plan and ultimately execute a strategic plan to tackle these issues in a collaborative manner. It provided a vehicle to align resources against a set of priorities, which is critical in order to have a meaningful and sustainable impact in the city.

OpportunityNewark is a major step in Newark's progress to compete in an organized and structured manner. It is a deliberate strategy that will require perseverance, sustained leadership, accountability and the appropriate resources for its success. OpportunityNewark provided a plan, but it is the Newark Community that will make it happen. Given the momentum and support that OpportunityNewark has achieved to date, there is every reason to believe it will meet its ultimate objective which is to create opportunities for success for all Newark residents.



Introduction

The City of Newark has a rich history and its future holds great promise. Over the last ten years, people who care about this community have committed their energy, creativity, and resources to bringing new life to this city of 275,000. For instance, the nationally-renowned New Jersey Performing Arts Center, the historic Newark Bears baseball team and their new stadium, “The Den,” the research-centered Science Park Innovation Zone and the flourishing Ironbound District have helped to revitalize Newark, the third oldest city in the country. As a result of these and numerous other initiatives, today Newark has a solid platform for sustainable growth.

While Newark is considered, according to ICIC’s State of the Inner City Economies’ definition, an economically-distressed area, it is not without formidable economic resources.¹³ It is home to more than 3,000 businesses (including the headquarters of the Prudential Financial, Inc., IDT, Verizon, PSE&G, and Horizon Blue Cross and Blue Shield) that collectively employ more than 95,000 people. It is at the center of the third busiest port in the nation; home to one of the busiest airports in the world; and has the most concentrated and diverse higher education community (five institutions and some 50,000 students and faculty) in the state. Newark has more than six times the income density of the rest of the region — \$115 million of household income per square mile in Newark vs. \$18 million of household income per square mile in the metropolitan statistical area, which includes Essex, Morris, Sussex, Union and Warren Counties.

Newark’s demographics have changed dramatically over the last 40 years. Since the 1960s, it has lost more than one third of its total population. In addition, it has experienced a transformation of its racial and ethnic makeup: between 1990 and 2000, Newark’s Hispanic population grew 16 percent while its black and white populations decreased by 8 percent and 15 percent, respectively. More than 42 percent of the city’s residents speak a language other than English.

While the city’s demographics have been transforming, so too have the educational attainments of its residents, albeit less dramatically. Between 1990 and 2000, the percentage of the population with a high school degree, some college education, or a college degree increased from 51 percent to 57 percent.

However, notwithstanding the last decade’s redevelopment efforts and the city’s overall uptick in educational achievements, Newark’s economy has not advanced at the pace one would expect. The median household income of inner city Newark residents is less than half that enjoyed by residents of the region — \$22,226 vs. \$51,221. Furthermore, Newark’s poverty rate (28.4 percent) is almost three times higher than the region’s (10.2 percent). This prosperity divide reflects a racial divide: 94 percent of inner city residents are minorities, compared to 35 percent of the regional population.

What accounts for this apparent gap between promise and reality? It may be, and has been proffered, that many key decision-makers — business leaders, policy makers, and consumers, who view Newark from afar — hold a common misperception about the city, a perspective frozen in the 1960s, when violent riots brought the city notoriety. As a result, they not only lack awareness of the many real and latent assets that Newark offers but are also unaware of the steady progress Newark has made in addressing the problems that are common to many American cities. Newark’s leaders recognize that this is a time of great momentum for the city — and that the opportunity exists to accelerate Newark’s revitalization, improve the quality of life of its residents, and to simultaneously demonstrate to the rest of the country Newark’s competitive strengths.

It was in this challenging atmosphere that *OpportunityNewark: Jobs and Community Development for the 21st Century* was born.

13 According to the State of the Inner City Economies, an analysis published by Initiative for a Competitive Inner City, an area is considered economically distressed if its poverty rate is above 20 percent and it meets two of the following three criteria: its median household income is half or less than half that of the metropolitan statistical area (MSA) average, its poverty rate is at least 1.5 times greater than that of the MSA average, or its unemployment rate is at least 1.5 times greater than that of the surrounding MSA average. Source: Initiative for a Competitive Inner City. State of the Inner City Economies (SOICE). 2001.

OpportunityNewark: A Comprehensive Market-Based Initiative

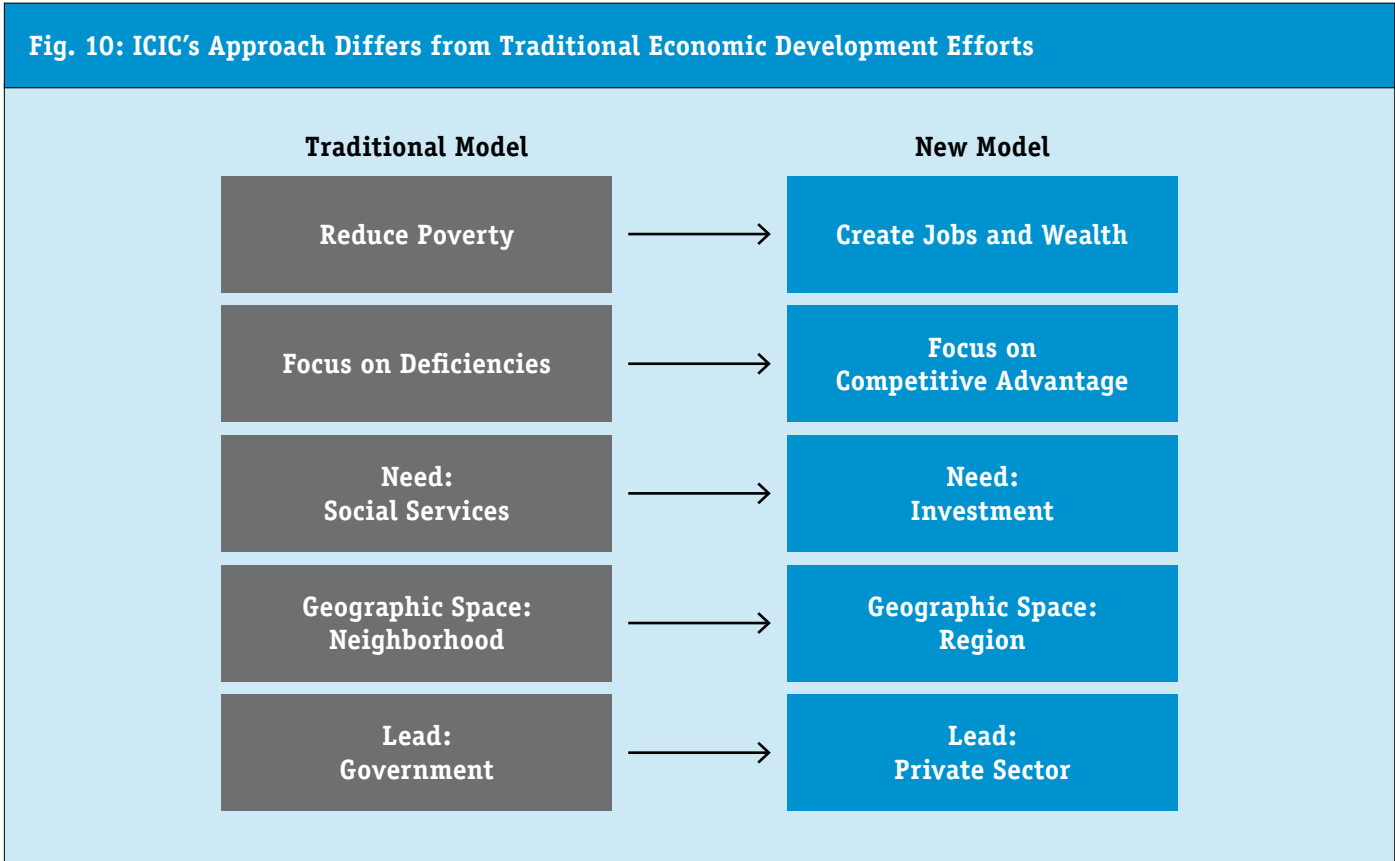
Developing an economic agenda for Newark must be a top priority for business and political leaders in the state of New Jersey. Not only did Newark’s inner city unemployment rate of 19 percent rank as the third highest inner city unemployment rate in the nation in 2000, but 44 percent of Newark children lived below the poverty rate in 2002. Fortunately, initiatives are already underway that are addressing many of the challenges facing Newark. What has been missing is an overarching market-based economic strategy that integrates these efforts and strengthens Newark’s competitive position in the region.

In 2004, the Newark Alliance partnered with the Initiative for a Competitive Inner City (ICIC) to launch OpportunityNewark (ON), a comprehensive economic development effort designed to significantly increase jobs for Newark’s inner city residents over the next five years. Founded in 1994 by Harvard Business School professor Dr. Michael E. Porter, an international authority on strategy and competitiveness, ICIC is a national nonprofit organization that works with leaders across the country to help generate jobs, income and wealth for low-income inner city residents.

Mission Statement: The mission of the OpportunityNewark project is to enhance the competitiveness of Newark as a business location in key industry clusters and to retain and generate sustainable jobs, income and wealth-creating opportunities for low-income residents.

ICIC focuses on the private sector, because it is the primary source of job creation. The real opportunity to create change is to tap into the everyday decisions company leaders make about markets, locations, hiring, sourcing and investments. Generally, however, the private sector cannot improve the economic conditions of inner city residents on its own; the public sector must also create policies and processes that encourage business growth and help private organizations unlock the inner city’s significant economic resources (see Fig. 10).

It is important to stress that this work is not a study, but a results-driven process focused on action and change. This project’s ultimate deliverable is the development and implementation of a concrete economic agenda that is broadly accepted by different sectors of the community.





OpportunityNewark's primary objective is to create a healthier economy for inner city Newark by:

- Increasing the competitiveness of existing inner city businesses;
- Attracting new businesses to the inner city;
- Strengthening their linkages to the regional economy;
- Improving the overall business environment in which these firms operate;
- Implementing a competitive strategy shared by a committed group of leaders; and,
- Transforming the national perception of Newark as a place to live and do business.

Targeting Clusters

In October 2004, Newark's public and private leaders, with the assistance of ICIC, began a rigorous analysis of Newark's inner city economy and the economy of the surrounding region. From this market-based analysis, OpportunityNewark's Execu-

tive Committee identified four industry clusters that have the potential for the greatest near-term impact on Newark's inner city residents and economy: Education & Knowledge Creation; Health Services; Entertainment, Arts & Retail; and Transportation, Logistics & Distribution Services.

The OpportunityNewark project has used Michael Porter's concept of economic clusters to develop its proposals. According to Porter's Institute for Strategy and Competitiveness:

Clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers, and associated institutions in a particular field that are present in a nation or region. Clusters arise because they increase the productivity with which companies can compete. The development and upgrading of clusters is an important agenda for governments, companies, and other institutions.

In selecting these industry clusters, the Executive Committee looked at job opportunities that fit the skill profiles of inner city residents; opportunities for entrepreneurship by inner city residents; ability to pay higher than average wages; and the ability for cluster organizations to take action quickly. Once the Executive Committee had identified the most promising clusters, it created action teams to analyze the challenges and opportunities within each one.

In order to have sustained impact, OpportunityNewark cannot focus solely on growing opportunities within selected industries. It must also focus on the ways in which the city's business environment encourages organizations in any and all industries to invest, source, hire, and locate in Newark. During the cluster analysis, the action teams identified four general business issues that cut across each of the industry clusters. To accelerate Newark's growth, it will be necessary to attend to the following issues: urban business investment; workforce development infrastructure; city perception: image & identity; and economic development infrastructure. Once these business environment issues were identified, teams were created to address them.

These four industry clusters and four business environment issues will continue to be the focus of the project throughout its implementation following the project's launch in April 2006. These Action Teams have crafted the Action Plans that follow, including specific proposals and success measures for each cluster and business environment issue.

Transportation, Logistics & Distribution Services

Introduction

Newark's status as a major hub for international and national shipping and distribution of goods is unquestionable. The city's location — adjacent to the largest port on the eastern seaboard and amidst one of the country's largest consumer bases — provides companies shipping into the United States with immediate access to 21 million consumers and, within a day, access to an additional one-third of the country's population.¹⁴ Newark also provides quick access to New York City and the Mid-Atlantic market, one of the richest consumer bases in the United States.

Investments and collaborative efforts by the state, city and private entities have positioned Newark to capitalize on the opportunities within the Transportation, Logistics, & Distribution Services (TLD) cluster. Currently, over \$1 billion has been invested to dredge Newark's harbor in order to allow port access to the largest, post-panamax ships.¹⁵ An additional \$918 million is currently being invested to enhance airport facilities, allowing Newark Liberty International Airport to capture increasing amounts of airborne cargo as well as increasing numbers of passengers.¹⁶ Collaborative projects such as Portfields, Portways, and the Comprehensive Port Improvement Plan, are underway in an effort to ensure Port Newark can handle increased cargo loads efficiently and to revitalize unused lands in the port area.

In addition to business development initiatives, several workforce development efforts are underway to help New-

ark residents obtain TLD-related jobs. Most significantly, the Newark Workforce Investment Board (WIB) has been working to create a port-specific One-Stop Career Office. Located in the port, this office will specialize in placing Newark residents in port industry jobs (e.g., trucking, warehousing, light assembly). Additionally, \$1.6 million has recently been awarded to the Council for Airport Opportunity to help them continue placing residents from Newark and surrounding counties into airport jobs.¹⁷

The business and workforce development opportunities within the cluster, however, are so significant for the private sector and Newark residents alike that additional resources must be leveraged to enhance existing efforts and ensure that their full potential is realized. With over 1,025 job opportunities projected to be added within the cluster annually through 2012¹⁸ and with current openings in some TLD occupations¹⁹ additional efforts will ensure that Newark fully capitalizes on the potential growth within the cluster and that Newark residents gain access to the available jobs. With such apparent demand and potential for Newark within TLD, OpportunityNewark chose to focus on devising strategies to increase Newark's competitiveness as a TLD business location and to address opportunities to help Newark residents obtain jobs within the cluster.

Description of the Cluster

Compared to the Region, Newark is growing as a hub for logistics and distribution services. During the 1998 to

14 A. Strauss-Wieder, Inc. *Warehousing and Distribution Center Context: NJTPA Brownfield Economic Redevelopment Project*. 2/01.

15 The Port Authority of NY & NJ. *Port Authority Facilities & Projects in City of Newark Presentation*. 12/16/04. Note: Post-panamax containerships are some of the largest ships to transit the Panama Canal's smallest locks.

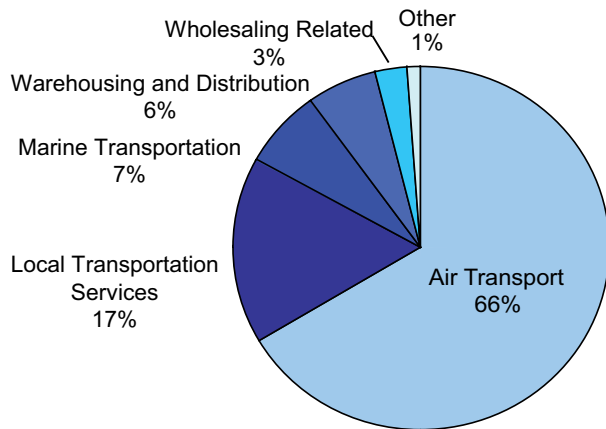
16 Ibid.

17 The Port Authority of NY & NJ. Press Release. *Successful Airport Job Placement Program to Continue Assisting Residents Living Near Port Authority Airports*. 2/27/06.

18 New Jersey Department of Labor and Workforce Development. *Essex County Estimated and Projected Employment, 2002-2012*. 8/20/04.

19 Seamen's Church Institute. *Study on employment needs in trucking industry in Port Newark/Elizabeth*. 6/05 – 8/05; ICIC Interviews.

Fig. 11: Newark Employment, 2003

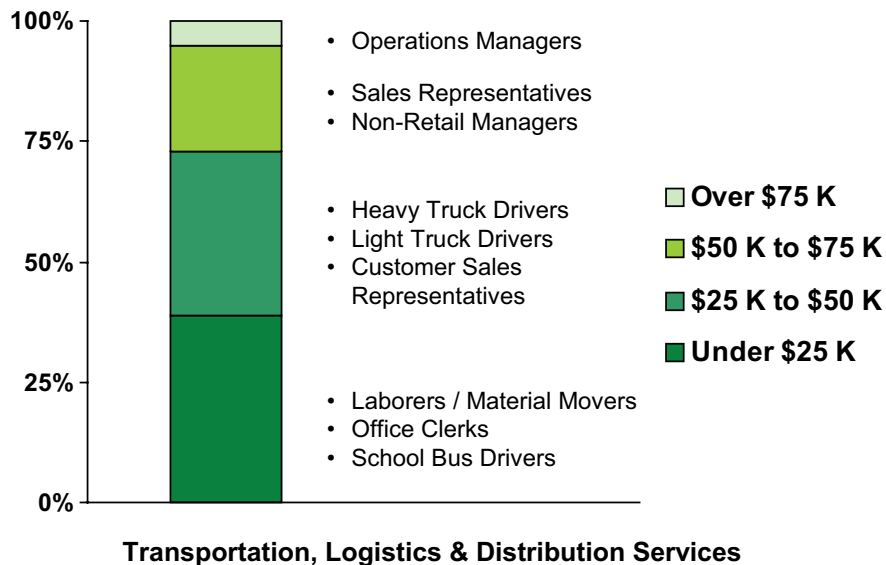


Source: ES-202, 2003

2003 period, Newark’s TLD cluster grew at a compound annual growth rate (CAGR) of 0.46 percent while the Region showed no growth with a CAGR of 0.01 percent.²⁰ With over 28,069 employees, Newark’s TLD cluster is the largest employer in the city.²¹ Air transport, which with 66 percent of TLD employees accounts for the bulk of the job opportunities in the cluster (see Fig. 11), lost jobs between 1998 and 2003.²² Within the cluster, occupations dealing with transportation and the warehousing of goods have grown faster than any others in the sector — marine transportation grew at a CAGR of 15.6 percent from 1998 to 2003 and warehousing and distribution grew at a CAGR of 10.4 percent over the same period.²³

TLD employment opportunities offer attractive wages and career opportunities for local residents. Jobs in this cluster are important because they are readily accessible to Newark residents. As illustrated in Fig. 12, 75 percent of these

Fig. 12: Wage Distribution by Average Annual Wage of Occupations in Cluster (Nov. 2003)



Source: Bureau of Labor Statistics. Nov. 2003 Occupational Employment and Wage Estimates by NAICS Code and 2000 US Census.

20 ICIC calculations based on U.S. Department of Labor. Quarterly Census of Employment and Wages ES-202 1998–2003. Note: Growth rates may differ from other estimates due to variations in time periods or the industry classifications used to define the health services cluster.

21 Ibid.

22 Ibid.

23 Ibid.

jobs require minimal training and pay good wages.²⁴ Almost 60 percent of the jobs in this cluster pay at least \$25,000 annually, and 25 percent pay more than \$50,000.²⁵ The average wage for the cluster was \$52,016 in 2003.²⁶

Not only are job opportunities in the TLD sector attractive, they are also plentiful. Trucking companies currently face one of the biggest worker shortages in this sector, with the industry estimating an immediate demand ranging from 500 to 750 truck drivers in area businesses.²⁷

Description of the Action Team

Given the focus on the port, the Transportation, Logistics & Distribution Services Action Team (TLD Action Team) was co-chaired by Anthony Coscia, Chairman of the Port Authority of New York and New Jersey, Caren Franzini, CEO of the New Jersey Economic Development Authority (NJEDA), and Al Koeppe, President of the Newark Alliance, former Chairman of the NJEDA, and Co-Chair of OpportunityNewark. Representatives from private sector businesses, city government, and intermediaries were invited to participate as members of the TLD Action Team.

Issues Identified

The TLD Action Team focused its work around what it deemed the most pressing issues in the cluster, including labor shortages, land constraints, and ambiguous oversight.

Labor Shortages: Faced with high shipment growth and increasing security restrictions, many port-focused companies are facing serious workforce shortages, while simultaneously confronting high turnover rates. In 2005, there was a 7.6 percent increase in the total amount of con-

tainerized cargo handled in the Port of New York and New Jersey, setting a new annual record for the port.²⁸ The port's total general cargo volumes in 2005 increased 10.4 percent over 2004 levels.²⁹ With trade in all types of cargo going through the Port of New York and New Jersey expected to double by approximately 2012,³⁰ companies in the port are struggling to attract qualified employees. Increasing security restrictions by the Department of Homeland Security are further exacerbating the labor shortage as potential employees are held to higher levels of scrutiny. Longer timeframes for background checks and security screening are forcing many would-be port employees to accept alternative employment in order to support themselves.

Several TLD jobs are prone to high turnover rates because of the type of work involved — truck driving is an example of such a profession. Trucks carry approximately 86 percent of cargo transported to and from marine terminals, compared to 14 percent transported by rail. In 2002, over 5,000 trucks per day went through the gates of one container terminal alone.³¹ While investment is being made to improve the lack of significant rail infrastructure in the region, projections indicate that even in 10 years, only 25 percent of all cargo will be transported by rail. This means that as port cargo grows, trucking will continue to be the dominant means of transportation of goods. Thus, eliminating barriers keeping Newark residents from truck driving jobs must be a priority. Annualized truck driver turnover rates exceeded 120 percent in the third quarter of 2004.³² During interviews, many truck driving companies revealed that even though workers are warned of the strenuous nature of the work, particularly the long hours, they are not prepared for the reality of the job. Many truck drivers also seek better opportunities — preferring to take on short-haul work that allows them to spend their evenings at home with family, versus long-haul work that keeps them away from home for several days or consider-

24 Bureau of Labor Statistics. Nov. 2003 Occupational Employment and Wage Estimates by NAICS Code and 2000 US Census.

25 Ibid.

26 ICIC calculations based on U.S. Department of Labor. Quarterly Census of Employment and Wages ES-202 1998–2003. Note: Growth rates may differ from other estimates due to variations in time periods or the industry classifications used to define the health services cluster.

27 Seamen's Church Institute. *Study on employment needs in trucking industry in Port Newark/Elizabeth*. 6/05–8/05; ICIC Interviews.

28 The Port Authority of NY & NJ. Press Release. *Port of New York and New Jersey Sets Cargo Record for 2005; Governor Corzine, Port Authority Announce New Port Security Initiatives*. 3/7/06.

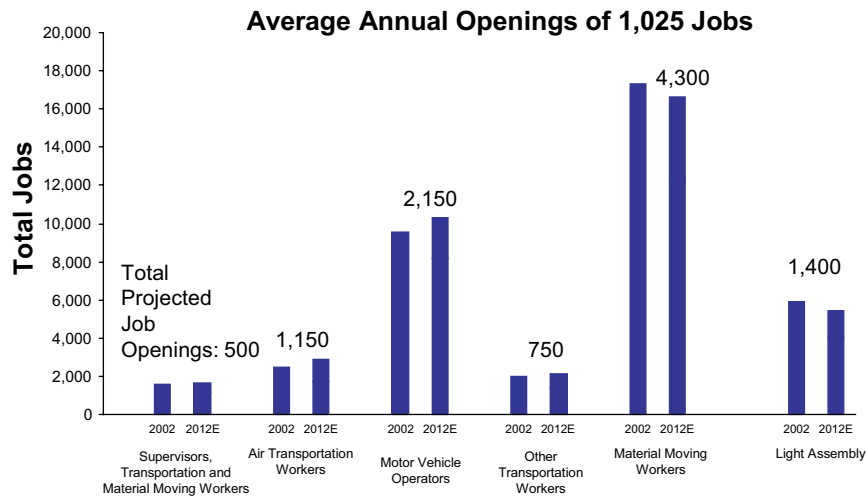
29 Ibid.

30 Statement of Richard M. Larrabee, Director of Port Commerce, The Port Authority of New York & New Jersey, On Intermodal Freight Transportation, Before A Joint Hearing of the Senate Committees on Commerce, Science & Transportation and Environmental & Public Works. Washington, D.C. 9/9/02.

31 Ibid.

32 Standard & Poor's. *Industry Surveys: Transportation: Commercial*. 2/10/05; Carey, B. *Inside the Supply Chain: Trucking. Have truck will hire*. 2004/2005.

Fig. 13: Essex County Current & Predicted Workforce



Source: New Jersey Department of Labor and Workforce Development, Labor Market & Demographic Research, 8/20/04

ably longer, or accepting other truck driving jobs that pay more once they have some experience.³³

Truck drivers face several restrictions to obtaining jobs. To get an intrastate certified driver license (CDL) a candidate must be at least 18 years of age.³⁴ However, to drive interstate, as most cargo is shipped, applicants must be at least 21 years of age.³⁵ Applicants also face a rigorous insurance barrier as, from a business perspective, insuring the most experienced drivers is the better business decision. Most insurance companies require applicants have at least two years of on-the-road driving experience in order to offer insurance premiums that most smaller trucking companies can afford. Thus, a barrier is created between a capable, albeit younger, workforce with less experience. In the years after high school graduation, individuals will seek employment and develop skills in other industries. This dynamic contributes to the shortage of available truck drivers and causes the trucking industry to lose out on a viable applicant pool.

Creating an additional barrier to attracting workers to the trucking industry is the cost of the training. Since many

potential applicants for truck driving positions will be employed in other industries by the time they are eligible for an interstate CDL and insurance, they will not qualify for the state’s unemployed training funds. At approximately \$4,000, the price of most training programs is too high for many of the individuals who would otherwise be interested in these opportunities.³⁶

These labor shortages pose a tremendous opportunity for growing Newark’s TLD workforce. The New Jersey Department of Labor predicts an average annual increase in TLD jobs of 1,025 through 2012 (see Fig. 13).³⁷ Of these, material moving workers and motor vehicle operators — professions related to the movement of goods, including truck driving — are projected to have 430 and 215 job openings per year in Essex County, respectively, the largest of any category in the cluster.³⁸

Land Constraints: Like many other historic industrial cities, Newark is facing a product of its past: contaminated lands. Much of the available, non-developed land that is left within the port-area is contaminated. There are approximately 850-acres of Brownfields within the

33 Ibid.

34 New Jersey Motor Vehicle Commission. http://www.state.nj.us/mvc/cit_permits/d_pat_qualifications.html

35 Ibid.

36 Schwab, D. *Wheels of Fortune*. The Star Ledger. 3/16/06; ICIC Interviews.

37 New Jersey Department of Labor and Workforce Development. Essex County Estimated and Projected Employment, 2002-2012. 8/20/04.

38 Ibid.



port area, for which contamination is just one barrier to redevelopment.³⁹ Lengthy environmental permitting procedures are another constraint to land development. Many developers and companies cited ambiguity regarding permitting procedures, specifically uncertainty over how to navigate the permitting process, as a major constraint to development in most industrial areas, including Newark.⁴⁰ Through guidance about how to navigate the system, from a secured “guide” with knowledge of the permitting procedures, many companies and developers see an incredible opportunity to expedite the permitting process, facilitate port development, and enable them to create lucrative businesses on port land.

Another obstacle is the condition of the land. Much of Newark is built on a “meadow mat” of spongy marsh. This land creates an additional barrier to development as it increases construction costs to developers.⁴¹ Other obstacles include the size of the parcels, land assembly, the ownership of the parcels, and the cost of decontamination. As a result, the greenfields available at New Jersey’s Exits 7A and 8A are more attractive to traditional developers.

Ambiguous Oversight: There is some uncertainty as to which organization should take the lead role in implementing economic development plans for the Port. Port lands

outside of the Port Authority of New York and New Jersey’s jurisdiction are owned and managed by private companies. To address these issues, many organizations have been entering into collaborative agreements to manage specific aspects of port development. The Portfields and Portways Initiatives, for example, are multi-agency collaborative efforts being led by the NJEDA and the PANYNJ to address issues surrounding land development, transportation and infrastructure.⁴² The Comprehensive Port Improvement Plan (CPIP), a strategic plan focusing on the growth of the cargo-handling capacity of the Port of New York and New Jersey, is a cooperative effort initiated by Port project sponsors, regulatory agencies, and regional resource agencies.⁴³ These efforts have ensured that organizations and entities influenced by the port have reached unprecedented levels of collaboration. Given the success of these initiatives, further collaborative efforts to address additional port development needs will only heighten the impact of these existing efforts, creating far-reaching local and regional benefits.

Action Plan

Using their collective industry knowledge, the TLD Action Team determined its areas of focus by selecting issues

39 Mack, J. Otto York Center for Environmental Engineering & Science, NJIT; Shankar P. *Wide Open Spaces*. NJBIZ. 5/23/05.

40 Shankar P. *Wide Open Spaces*. NJBIZ. 5/23/05; ICIC Interviews.

41 J. Bickford, J. Heyes, H. Lee, G. Moored, C. Quinn. *Soil Stabilization Policy Research* (unpub.). 1/06.

42 The Port Authority of NY & NJ and the New Jersey Economic Development Authority. *Portfields Initiative Market Overview and Potential Site Locations*. 9/30/05.

43 Comprehensive Port Improvement Plan Website: <http://www.cpiponline.org/>.

they could address collectively and felt they could directly impact within the time frame of the project. The team chose to focus its efforts on addressing the biggest issues in employment, business development, and infrastructure.

Due to the large number of opportunities within the TLD cluster and the immediate priority of many of these actions, the team recommends that a TLD Coordinator be hired to undertake the day-to-day activities involved in implementing these initiatives. The TLD Coordinator's role will be to provide day-to-day leadership and management as well as ongoing monitoring and evaluation of the implementation of these initiatives. Housed in the Newark Alliance, the TLD Coordinator will work extensively with the TLD Action Team and the Newark WIB.

High Priority Action Areas

The following action items are classified as "high priority" areas. High priority areas represent "quick-win" opportunities that will offer substantial job opportunities and/or significantly improve the business environment when implemented.

Workforce Development Action Items:

The TLD Action Team highlighted Workforce Development as a key action item, specifically ensuring that the infrastructure is in place to link Newark residents to the growing number of port jobs. The team also wanted to focus on measures to ensure Newark residents can access one of the greatest employment opportunities in the port: truck driving. In order to address these specific items, the TLD Action Team created the following three recommendations:

- **Establish a port-based One-Stop screening and placement agency that will help fill trucking, rail, warehousing, light assembly, and airport jobs.**

The Newark One-Stop, led by the Executive Director of the Newark Workforce Investment Board (Newark WIB), has begun working to establish a port-based One-Stop facility. Housed in Port Newark at the Seamen's Church Institute, the port-based One-Stop will be run by individuals from the Newark One-Stop. These individuals will be responsible

for maintaining and developing relationships with port companies, screening and testing Newark resident applicants, and marketing employment opportunities within the community.

Additionally, the Newark One-Stop, in partnership with the Waterfront Commission and port industry leaders, including Gerard von Dohlen, President of Newark Refrigerated Warehouse, have worked with the Waterfront Commission to streamline the background screening, intelligence testing and employee certification process all port workers must undergo. To date, the Newark One-Stop has provided testing and support services to 176 clients, including many individuals entering job opportunities in the area of port security as well as logistics, clerical and other port support positions.⁴⁴ Together, the Newark One-Stop, Mr. von Dohlen and the Waterfront Commission have developed the idea of a shared pool of potential employees. Under the format of the shared pool of employees, port companies would work together to sponsor a pool of potential employees to undergo testing by the Waterfront Commission.

Currently the Newark One-Stop, the Waterfront Commission and Mr. von Dohlen are assembling a group of port companies to participate in the pool sponsoring program. Together, these efforts will better connect Newark residents with port employment opportunities and will provide port-area companies with easier access to city services. The Newark Alliance will work to provide support as needed to the Newark One-Stop's implementation of these efforts.

- **Establish scholarships to help local residents attend private truck driver training programs and work with insurance companies to address barriers to insuring drivers under 21 years of age and without two years of experience.**

Two of the main barriers to many Newark residents becoming truck drivers are the cost of the training programs and the cost to trucking companies of insuring a driver who has less than two years of driving experience. To address these barriers, the TLD Action Team recommends establishing scholarships that will pay for the cost of Newark residents to attend a truck driver training program to obtain their commercial driver license (CDL). Training programs vary in price depending on type and length of training but can cost up to

44 Newark One-Stop Career Center.

several thousand dollars. While Workforce Investment Act training dollars are available for many unemployed residents, these resources are more limited for underemployed residents — residents who currently have a job but whose job may not provide them with enough resources to save money for training programs.

The TLD Action Team also recommends working with insurance companies to alleviate the burden high insurance premiums place on trucking companies that wish to insure younger truck drivers who have limited driving experience. The Newark Alliance and TLD Action Team members have already begun reaching out to national insurance companies in order to better understand the restrictions and limitations insurance companies face. Working with these companies as well as with the Newark WIB, the New Jersey Department of Banking and Insurance and the TLD Action Team, the Newark Alliance is looking to help insurance companies develop a set of guidelines under which they are comfortable offering insurance to truck driving companies employing individuals with less than two years of driving experience.

Together, these recommendations create a powerful program to help Newark residents capitalize on the employment opportunities presented by port growth.

- *Create an insurance pool to offset trucking companies' higher insurance costs for new drivers.*

As with the above scholarship and insurance recommendations, this effort will help increase the number of Newark residents who are eligible for truck driving opportunities by alleviating the insurance burden placed on truck driving companies. An insurance pool will help trucking companies offset the higher insurance costs associated with new, or less experienced, drivers. The Newark Alliance is leading this effort, working with the Newark One-Stop, area trucking companies, insurance companies, and the New Jersey Department of Banking and Insurance.

Business Development Action Items:

For Newark's port to remain competitive and efficiently meet the demands of high growth brought on by the expected

increases in cargo, the TLD Action Team recommends that leading intermediaries help the port improve its business development competitiveness with the following actions:

- *Execute a MOU with the NJDEP to expedite the environmental permitting process.*

The TLD Action Team raised the issue that lengthy environmental permitting processes frustrate development opportunities in the port and lead to lost business deals and increased development in the suburbs (e.g., exits 7A and 8A, PA, southern ports, etc.). The NJEDA is already addressing this issue by executing a memorandum of understanding (MOU) with the New Jersey Department of Environmental Protection (NJDEP) designed to expedite the environmental permitting process for redevelopment of brownfields and other underutilized sites which can become locations for the construction of competitive warehouse, distribution and other facilities which support port, airport, rail and related commerce. Several actions called for in the MOU will help advance NJDEP's project permitting process for brownfields redevelopment in and around the port. This will help developers seeking faster and more efficient development approval for their port commerce-related projects. The NJEDA is leading this initiative and working with the NJDEP on implementation of the MOU.

- *Develop a plan to market the port's assets*

The TLD Action Team also identified the need to significantly increase the awareness of the port's strategic importance to parties outside of the region. Two efforts already in progress are addressing this issue.

First, a \$2 million marketing campaign is underway by the NJEDA to promote Portfields areas to developers and international companies that conduct port, airport, rail and related commerce that require warehousing and distribution facilities. The funding for this effort has been made available by the PANYNJ through New Jersey Commerce's Economic Growth and Tourism Commission.

Secondly, PSE&G has also begun developing marketing materials to publicize key facts about developers, city

resources and port resources. The marketing campaign is currently underway and is being done on a collaborative basis by the various public entities noted. Together, these efforts will market the port from the macro perspective, as a strategic location for businesses, and also from the micro perspective, highlighting the resources available to assist businesses and developers.

Other Action Areas

In addition to identifying and outlining plans to address the High Priority Action Areas, the TLD Action Team also identified areas that, while less of a priority than the other action areas, are longer-term recommendations to help strengthen the competitive advantages of Newark’s TLD cluster.

Infrastructure Action Items:

These recommendations address infrastructure issues that will help Newark to capitalize on the port’s growth and ensure continued success of the cluster as a job creation mechanism for the city.

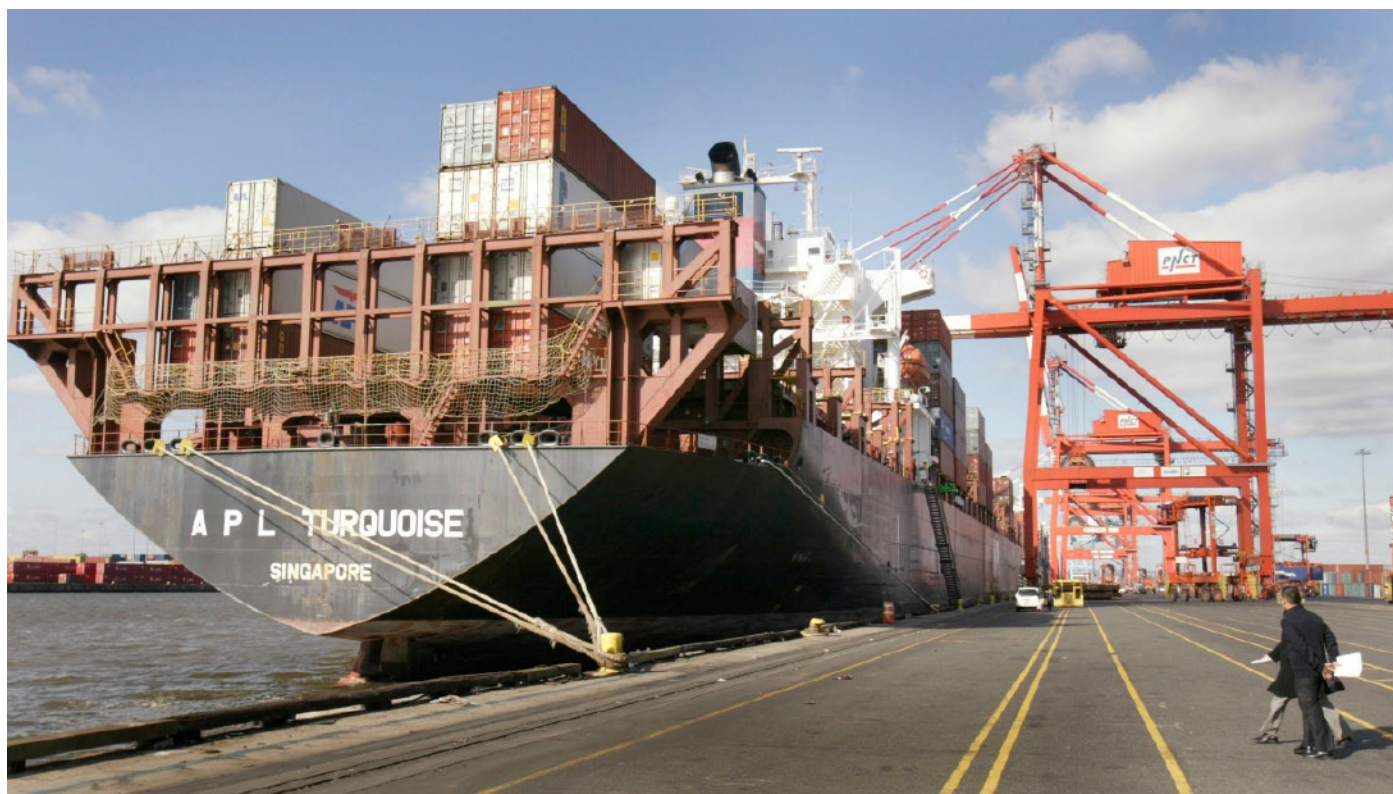
To improve coordination around economic development efforts involving the port and ensure that the land around the port is used for its highest and best use, the TLD Action Team made the following recommendations:

- **Establish a special regional council to facilitate collaborative port development**

Establish a special regional council to develop a shared vision for the Port’s future related to economic development activities and strengthen the role of intermediaries in economic development. Sam Crane of Maher Terminals is leading this initiative and is working to establish a collaborative council of private industry representatives, intermediaries, and state and local government entities under the Liberty Corridor proposal.

- **Reinforce the importance of completing Newark’s Master Plan**

Reinforce the importance of completing the new master plan for the City of Newark as this will help alleviate



uncertainty over zoning (commercial vs. residential) for specific lands around the port. The City of Newark has been working on updating its Master Plan.

To strengthen the Port of Newark's competitive position, the TLD Action Team made the following recommendations:

- *Improve Newark and the region's rail infrastructure*

Improvements in rail infrastructure will benefit Newark and the Port. The rail improvements provide an opportunity to increase the amount of freight that can travel on rail and move the cargo more efficiently in, out and through the city and the region. It will allow Newark to remain competitive with other port cities that are investing heavily in rail infrastructure (i.e., Norfolk and Baltimore). A more comprehensive rail infrastructure will also help the region maximize the competitive use of its various lands leading to increased job opportunities and economic development. There have been several efforts to evaluate and improve the region's rail infrastructure, and the infrastructure needs of the port to support the development of the port area for freight and goods movement purposes.

The New Jersey Department of Transportation (NJDOT) is also working with the PANYNJ and private railroad companies to develop a capital investment plan to increase the available rail infrastructure. The PANYNJ is investing \$500 million to build an intermodal rail system to service the Port's growing need for intermodal rail.⁴⁵ Additionally, the PANYNJ is investing \$50 million together with Norfolk Southern and CSX to alleviate bottlenecks in the immediate port region to ensure fluid rail movement.⁴⁶

- *Demonstrate benefits of utilizing advances in parking structures and vertical warehouses in port*

Commission a study to demonstrate how employing advances in parking structures and vertical warehouses

can free up valuable space at the port. Between Port Newark and Port Elizabeth, over 300 acres of valuable land is utilized for single-story car parking.⁴⁷ Utilizing innovative parking structures and vertical warehouses found in places like Japan can increase the job potential at the Port. Such structures would facilitate more efficient use of valuable lands close to the port, enabling the port to handle increased cargo volumes leading to additional job opportunities. The NJEDA has agreed to take the lead in performing the cost-benefit analysis associated with various parking structures and vertical warehouses as a part of their Portfields Initiative along with their Portfields partners, including the PANYNJ.

Measures of Success

Success of these efforts will be measured by the following metrics:

- Increase in port company's employment (specifically looking at truck driving companies);
- Number of workers who obtain their employment in port companies through the shared worker pool;
- Increase in truck driver training program enrollment;
- Increase in number of insured truck drivers with less than 2 years of experience;
- Increase in number of companies in port; and,
- Increase in number of TLD-related jobs in both Newark and the greater region.

45 Zantal, P. The Port Authority of NY & NJ.

46 Ibid.

47 Hamm, D. Port Newark Container Terminals. Port Industry Day. Comments on "A Call to Action." 10/12/05.

Health Services

Introduction

Due to the aging of America, a surge in long-term health conditions such as diabetes, and continued biomedical and medical advances, America's health care industry is growing swiftly in an attempt to keep up with demand. Nationwide, the health services cluster offers bountiful job opportunities. The same is true in Newark, particularly for residents who can access training and structured career advancement opportunities.

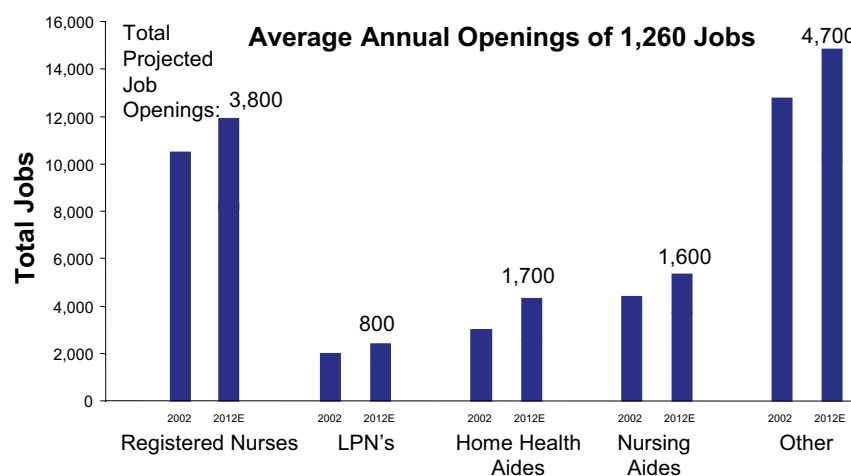
Although there is opportunity within this industry, like many inner cities Newark faces challenges delivering health care. In 2004, close to 30 percent of Newark residents were uninsured, compared to 16 percent nationwide.⁴⁸ As is the case where there is a large uninsured population, the city's heavy caseload of uninsured residents relies on emergency room care for their primary care. The shortage of health care workers compounds the difficulties in delivering quality care and will continue to do so as the demand for health care services grows.

These dynamics, however, present opportunities upon which Newark can capitalize to build a stronger, more competitive health sector, which offers good jobs and quality health care to Newark residents. The New Jersey Department of Labor and Workforce Development forecasts an average of 1,260 nursing and allied health care job openings annually in Essex County through 2012 (see Fig. 14).⁴⁹ Clearly, this steady demand provides an obvious workforce development opportunity. In addition, there are several opportunities to improve the access to, and utilization of, primary health care, which in the long-term will increase the number of health care providers and create jobs for Newark residents.

Description of the Cluster

Rapid medical advances are combining with the aging of America to make health services one of the fastest growing industries in the country.⁵⁰ According to the U.S. Bureau of Labor Statistics' Consumer Expenditure Survey, consumer

Fig. 14: Essex County Current & Predicted Workforce Projections



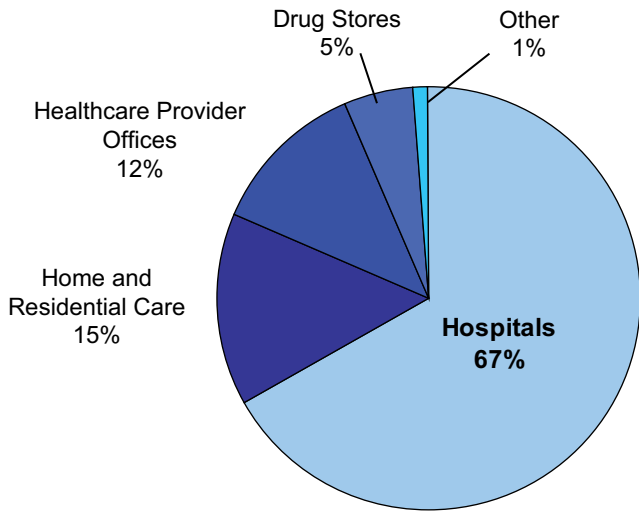
Source: New Jersey Department of Labor and Workforce Development

48 Uninsured population in New Jersey: New Jersey Department of Health and Senior Services, Center for Health Statistics, Behavioral Risk Factor Surveillance System. Uninsured population in U. S.: U.S. Census Bureau. Income, Poverty and Health Insurance Coverage in the United States: 2003.

49 New Jersey Department of Labor and Workforce Development. *Essex County Estimated and Projected Employment, 2002-2012*. 8/20/04.

50 *Healthcare: Facilities*, S&P Industry Survey, 12/04.

Fig. 15: Composition of Newark's Health Services Employment



Source: ES-202, 2003

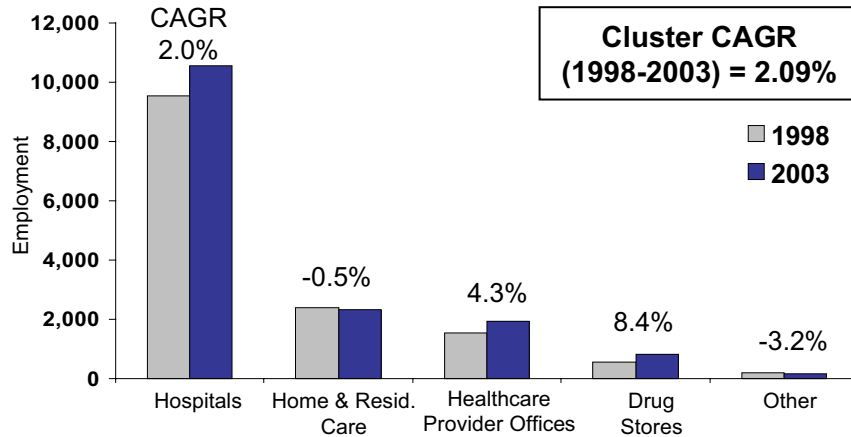
spending on all goods and services increased by 2.9 percent in 2002 and 0.3 percent in 2003. In comparison, consumer expenditures on health care increased by 7.7 percent in 2002 and 2.8 percent in 2003.⁵¹ On a per capita basis, health care spending increased by 7.4 percent in 2003 and is expected to continue to increase as the population ages.⁵²

According to the U.S. Department of Labor's Quarterly Census of Employment and Wages (ES-202), employment in the health sector grew at a compound annual growth rate (CAGR) of 2.72 percent nationally and 2.09 percent in Newark between 1998 and 2003 (see Fig. 16).⁵³

With more than 15,000 employees, Newark's Health Services cluster is the second largest employer in the city.⁵⁴ The local hospitals employ 67 percent of the city's health care workers (see Fig. 15); health care provider offices and residential care facilities employ most of the remaining workers in the cluster.

Newark has six hospitals and a network of primary care clinics, both associated and independent from these hospitals. This network includes the Newark Community Health Centers, four federally funded primary care facilities, as well as

Fig. 16: Employment Growth in Newark Health Services Cluster



Source: ES-202, 2003

51 U.S. Bureau of Labor Statistics. *Consumer Expenditures Survey in 2003*. U.S. Department of Labor. 6/05.

52 *Healthcare: Facilities*. S&P Industry Survey. 12/04.

53 ICIC calculations based on U.S. Department of Labor. Quarterly Census of Employment and Wages ES-202 1998 — 2003. Note: Growth rates may differ from other estimates due to variations in time periods or the industry classifications used to define the health services cluster.

54 Ibid.

half a dozen primary care clinics in Newark public schools, managed by the Jewish Renaissance Foundation.⁵⁵ However, as the employment distribution indicates, Newark's medical offices employ only a small percentage of health care workers as compared with Newark's hospitals.

Newark's health sector also has a strong education and research component. The city is home to Rutgers College of Nursing, the University of Medicine and Dentistry of New Jersey (UMDNJ), Essex County College (ECC) Division of Allied Health, and ECC Department of Nursing, among other medical training programs. Further, there is significant cancer research being conducted at the medical research facilities in Newark, focusing on breast and cervical cancer as well as radiation services.⁵⁶

Going forward, the New Jersey Department of Labor and Workforce Development anticipates 1,260 job openings in health services annually through 2012.⁵⁷ Given Newark's significant health care resources and strong educational institutions, these job openings are accessible to Newark residents. Many jobs in the health sector offer competitive salaries with benefits, others are entry-level, yet provide clear opportunities for career advancement. Entry-level jobs (e.g., materials handlers, transporters, nutritional aides) for individuals with their GED pay between \$8.50 and \$12 per hour. Medical assistants and Licensed Practical Nurses (LPNs) can earn \$13 to \$20 per hour and Registered Nurses (RNs) an estimated \$28 to \$45 per hour.⁵⁸ As Newark residents in the medical field progress along the career ladder, their earnings will approach and could eventually exceed the national average. Average national wages in this sector are \$50,502 and slightly higher in Newark, at \$52,066.⁵⁹

Health services establishments, and hospitals in particular, are employment anchors in Newark's economy. As the cluster grows, city residents will benefit from better job opportunities and improved access to health care. The current nationwide labor shortages within allied health professions present an attractive workforce development opportunity for Newark residents, offering entry-level positions with clear opportunities for advancement.

Description of the Action Team

Representatives from the local health sector were invited to participate in OpportunityNewark as members of the Health Services Action Team (HS Action Team). The HS Action Team discussed various health services cluster opportunities, focusing on those proposals that offer Newark the most significant returns in terms of jobs and community development. The HS Action Team members investigated:

- "Out-locating" non-critical hospital functions to increase health care capacity at hospitals and create job opportunities in the provision of the out-located services;
- Linking Newark's strong research base with Health Services to explore areas such as bioinformatics, biomechanics and disease management, which are relatively new areas with great potential;
- Focusing medical research and development on critical Newark diseases;
- Developing a health services career lattice to address workforce shortages and the professional development needs of Newark residents;
- Expanding enrollment in Medicaid and the corresponding state program to improve access to health care; and,
- Increasing the use of primary and preventative care to reduce the stress borne and costs faced by emergency care facilities, while improving the health of Newark residents.

Based on extensive research and in-depth discussions with health sector stakeholders, the HS Action Team concluded that the two most important areas on which to focus are:

- Developing a Health Services Career Lattice that will address workforce shortages while providing clear and accessible career advancement opportunities for new and incumbent workers; and,

55 Interview with Ellen Lambert of Health Care Foundation of New Jersey. 2/1/05. Additional information about management provided by Zackary Lipner. Newark Beth Israel Medical Center. 3/21/06.

56 Interview with Ellen Lambert of Health Care Foundation of New Jersey. 2/1/05.

57 New Jersey Department of Labor and Workforce Development. *Essex County Estimated and Projected Employment, 2002-2012*. 8/20/04.

58 Boston Health Care and Research Training Institute. *Developing Career Ladders in the Health Care and Research Industry*. Jamaica Plain NDC and Fenway CDC. Presentation. 2004. RN wages provided by Zackary Lipner. Newark Beth Israel Medical Center. 3/21/06.

59 U.S. Department of Labor. *Quarterly Census of Employment and Wages ES-202 1998 – 2003*.

- Increasing the access and availability of health care to Newark residents by developing a comprehensive health care system strategy, which will address the obstacles Newark’s doctors and hospitals face in providing care.

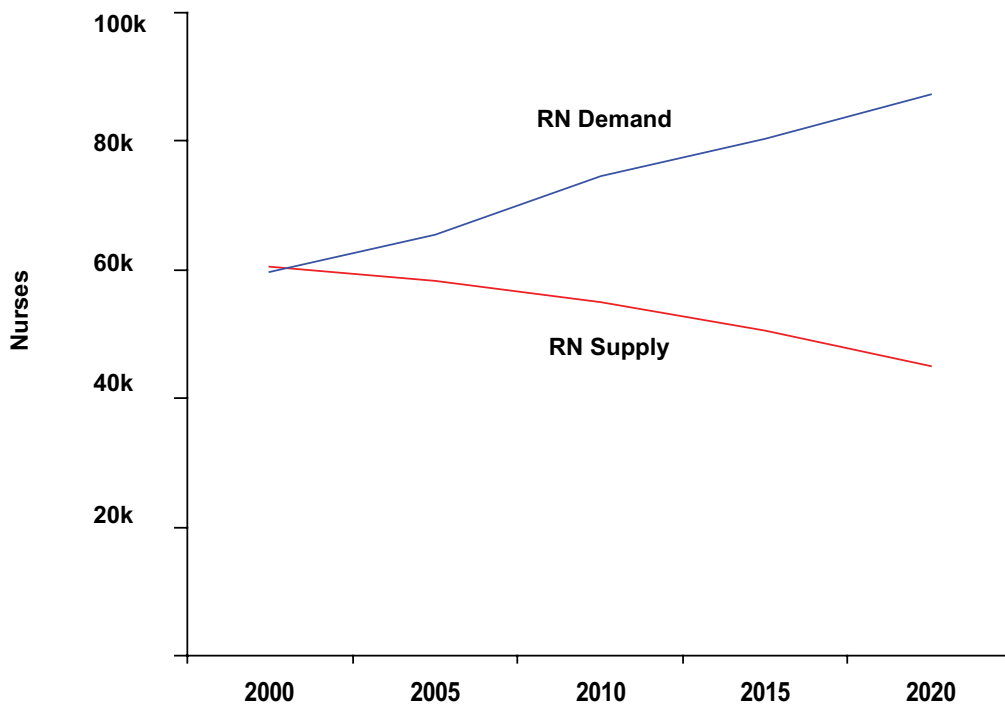
Issues Identified

Labor Shortages: Labor shortages in the nursing and allied health professions, coupled with rising demand for health services, make it difficult for workers to consistently provide high-quality care. Vacancy rates in the nursing field average 10 to 12 percent nationally.⁵⁹ Presently, the RN shortage in

New Jersey is estimated to be more than 10,000.⁶⁰ However, the gap between the state’s supply and demand of RNs is expected to grow to 42,400 by the year 2020 (see Fig. 17).⁶¹ Meanwhile, the population aged 65 and over is projected to grow by 29 percent in New Jersey by 2020. Research by the New Jersey Collaborating Center for Nursing at Rutgers University revealed that if the shortage is allowed to grow at its current rate, in 2020 almost one in two patients in the state will not have nursing care.

In a number of key health care positions, New Jersey has fewer practitioners than the national average. There were 19.8 nurse practitioners per 100,000 in New Jersey in

Fig. 17: Projected Registered Nurse Supply and Demand in New Jersey, 2000 to 2020



Source: National Center for Health Workforce Analysis, U.S. Department of Health and Human Services, 2004

60 *The Nursing Shortage: Solutions for the Short and Long Term*. Online Journal of Issues in Nursing. 1/31/01.

61 Health Resources and Service Administration. *Projected Supply, Demand, and Shortages of Registered Nurses: 2000-2020*. Bureau of Health Professions. National Center for Health Workforce Analysis. U.S. Department of Health and Human Services. 2004

62 Ibid.

2000, significantly less than the national rate of 33.7 per 100,000. Similarly, in 2000, New Jersey had only 6.1 physicians assistants per 100,000 people — less than half the national rate of 14.4 per 100,000.⁶³

Shortages in allied health professions are also a concern nationwide and in New Jersey. Although New Jersey ranked seventh in the number of health aides per 100,000 people in 2000, it was 31st in the number of nursing aides, orderlies, and attendants on a national scale.⁶⁴

Shortages are being driven not only by the increased demand for health services, but also by a dearth of qualified teachers and financial resources to support additional faculty positions. Nursing programs are turning away qualified applicants because they do not have sufficient faculty or financial resources to expand their enrollment.

The shortage of medical lab technicians in New Jersey is precipitated by low enrollment and capacity constraints in certified training programs. Due to insufficient student interest, the number of graduates from medical lab technician education programs fell 35 percent from 1998 to 2004 in New Jersey.⁶⁵ Although there were 124 full-time and 148 part-time vacancies for medical lab technicians, only 47 qualified students graduated from state programs in 2003. The training system's capacity to produce a sufficient number of qualified candidates is affected not only by student supply, but also by the lack of clinical practice facilities.⁶⁶

Although these current and predicted shortages of health professionals suggest a serious problem, they actually offer substantial opportunity for Newark's health care system, training providers, and workforce intermediaries to collaborate, both to ensure the quality of care and to train unemployed and underemployed residents for professional opportunities. Over the next six years, the New Jersey Department of Labor and Workforce Development estimates that 660 of Essex County's average annual 1,260 health sector job openings will be for home health aides, nursing aides, orderlies, and attendants. Countywide, demand for RNs and

health technicians will be significant as well, with the New Jersey Department of Labor and Workforce Development forecasting 380 RN jobs and 230 health technician positions open annually.⁶⁷ Between 2006 and 2012, the cumulative demand for selected allied health services professionals in Essex County is forecasted to be 1,960 or 280 per year.

While nursing shortages are a significant long-term issue for Newark, key Newark health care employers and members of the HS Action Team indicated that their immediate nursing needs had been addressed by short-term measures implemented in the past few years. The HS Action Team emphasized that the greater need and opportunity was in the area of allied health professionals. Employers pointed out that training programs for many allied health positions are shorter in duration and thus offer a near term opportunity for Newark residents. A workforce pipeline could train and funnel Newark residents into these professional opportunities.

Health Care Use and Availability: Like many cities across America, Newark is grappling with a number of factors that prevent its health care institutions from delivering care effectively. Even in the face of a growing city population and increasing demand for health care, the number of primary and specialty physicians in Newark has declined modestly since 1998, with the number of physicians' offices in Newark falling from 136 in 1998 to 127 in 2000, rising slightly in 2003 to 131 (see Fig. 18).⁶⁸ Although the number of physicians' offices and clinics in Essex County is on the rise, it has yet to reach levels achieved in the mid-1990s. With the aging population and the growing number of inhabitants in the region, the number of physicians' offices in Essex County must be encouraged to grow to ensure that health care needs can be met.

These trends reflect problems specific to Newark and to the national health care system more broadly. Physicians across America, but particularly in New Jersey, face significant medical malpractice insurance costs. The American Medical Association has identified New Jersey along with twenty other states as being in a "medical liability

63 U.S. Department of Health and Human Services. *State Health Workforce Profiles, Highlights: New Jersey*.

64 Ibid.

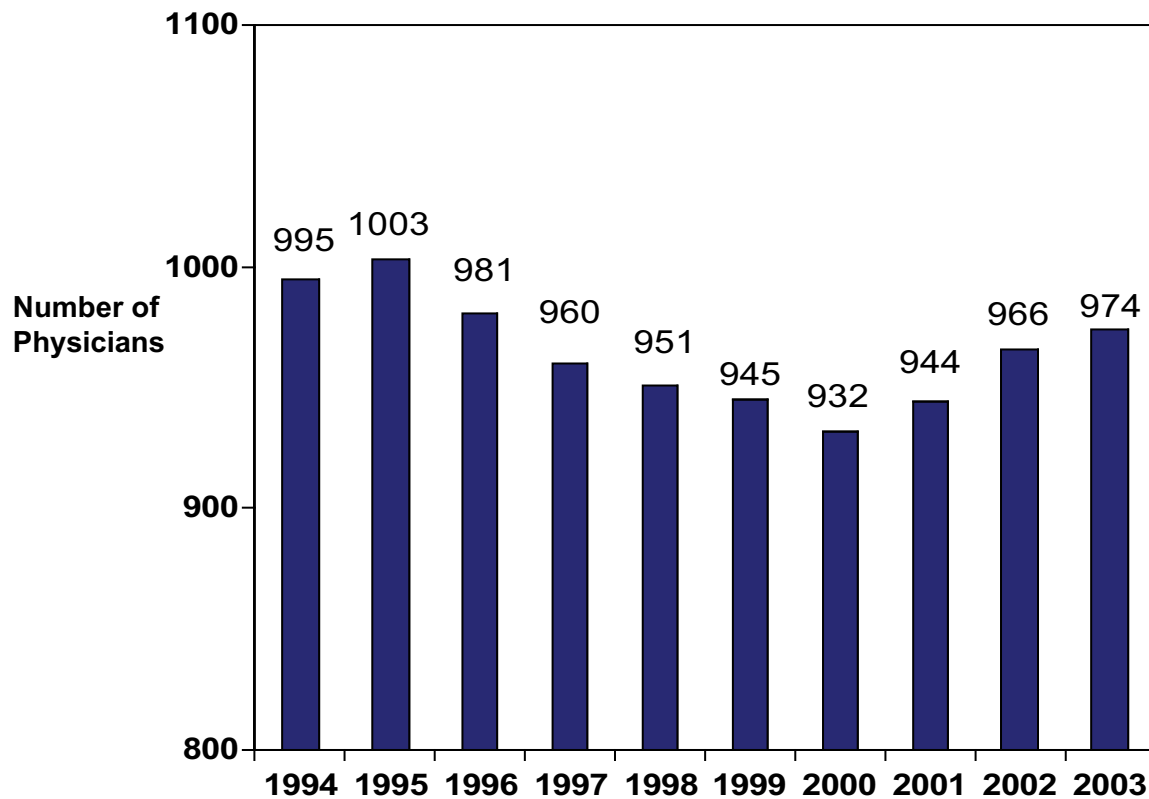
65 New Jersey Hospital Association. *Healthcare New Jersey*.

66 Ibid.

67 New Jersey Department of Labor and Workforce Development. 2005.

68 U.S. Census Bureau. *County Business Patterns (by zip code)*. 2003.

Fig. 18: Physician Offices and Clinics in Essex County, 1994 to 2003



Source: U.S. Census, 1997 and County Business Patterns, 2004.

crisis.”⁶⁹ The Medical Society of New Jersey reported that one New Jersey carrier’s premiums increased by 57 percent to 87 percent between 2001 and 2003.⁷⁰ Further, “numerous obstetricians and other physicians from several New Jersey counties [including Essex County] have been forced to restrict their practices, consider early retirement or leave the state altogether, due to unaffordable premiums.”⁷¹ Coupled with the demands of student loans and the costs of establishing a private practice, medical malpractice insurance costs make the challenges of establishing a private practice overwhelming.

In areas where significant numbers of residents are insured, private practitioners can be assured of being reimbursed for their services, somewhat mitigating the high cost of running a private practice. In Newark, however, roughly 30 percent of the adult population was uninsured in 2004.⁷² As a result, the city’s health care system is heavily reliant on government funding and reimbursement, adding to physicians’ financial challenges.

Although Newark has a network of federally funded health clinics, these resources are under utilized.⁷³ Primary-care

69 American Medical Association. *Medical liability crisis map*. 2006.

70 American Medical Association. *America’s Medical Liability Crisis Background: New Jersey*. 6/11/04.

71 Ibid.

72 New Jersey Department of Health and Senior Services. Center for Health Statistics. Behavioral Risk Factor Surveillance System.

73 Interview with Dr. Alvaro Simmons. Newark Community Health Centers. 5/6/05.

facilities associated with Newark’s major hospitals, however, are overwhelmed. The Center for Studying Health Systems Change’s publication, “Urban-Suburban Hospital Disparities Grow in Northern New Jersey” (hence forth referred to as the disparity study), reports that at University Hospital’s outpatient primary-care facility, patients may wait up to three months for an appointment.⁷⁴ With respect to specialty care, the report notes that patients may be referred to a specialist through a hospital, but that the wait is substantial. Patients using community health centers are unlikely to have access to specialty care as the clinics do not have specialists on staff.

As a result of these dynamics, residents primarily seek care in emergency rooms, causing Newark’s emergency care facilities to be overburdened with the treatment of preventable illnesses. According to the disparity study, the number of patients seeking care at University Hospital’s emergency room increased by almost one-third between 2002 and 2004. Newark Beth Israel Medical Center experienced similar increases in patients seeking care in its emergency facilities.⁷⁵ Further, emergency room visits by both insured and uninsured patients are increasing emergency care costs for hospitals.⁷⁶

Action Plan

To capitalize on the workforce development opportunity in the health sector and to improve the efficiency of Newark’s health care system, the Health Services Action Team proposes the formation of a Health Services Career Lattice and recommends that the City of Newark continue its efforts to develop a comprehensive Health Care System Strategy for Newark.

• Introduce a career lattice model

The career lattice model is a best practice being used in Boston, Baltimore, and Philadelphia, among other cities, to improve job opportunities for incumbent health services workers and to address the current and anticipated shortages in the health care workforce. The career lattice will link

hospitals, training institutions, and the public workforce system to screen, hire and train Newark residents for key health care positions. As a result of this collaboration, the lattice will strengthen the cluster by developing synergies between organizations engaged in complementary activities. This approach focuses on underemployed incumbent workers, offering attractive entry-level health care opportunities with clear opportunities for advancement.

Career lattices offer participants structured pathways to promotion through competency-based apprenticeships, which enable them to “earn while they learn.” Participants have access to mentors and other support networks to help them navigate the lattice and identify appropriate opportunities. For example, by participating in this program, a cafeteria worker could receive successive training to become a certified nursing assistant (CNA), then an LPN, and then an RN. In addition to helping incumbent workers navigate the career lattice, this system creates opportunities for entry-level workers to join the health services sector and move up the ladder, rather than remaining in entry-level positions.

Benefits of the career lattice also accrue to employers, training programs, and the community at large. Because candidates are pre-screened, employers benefit from a streamlined recruitment process. Also, employer involvement in developing and refining the curricula translates into less on-the-job training for individuals who take advantage of the career apprenticeship program. Organizations that take advantage of these programs to cultivate existing human resources can reduce hiring costs by close to 50 percent and on-the-job training costs by 25 percent, according to Catalyst Learning, a Louisville, Kentucky workplace education consulting company.⁷⁷ Lattice systems also reduce employee turnover by providing career counseling and making promotions accessible.

Training providers who participate in community-based career lattice programs benefit from strong ties to employers. They receive a steady flow of incumbent workers for their programs and can guarantee job placement for graduates.

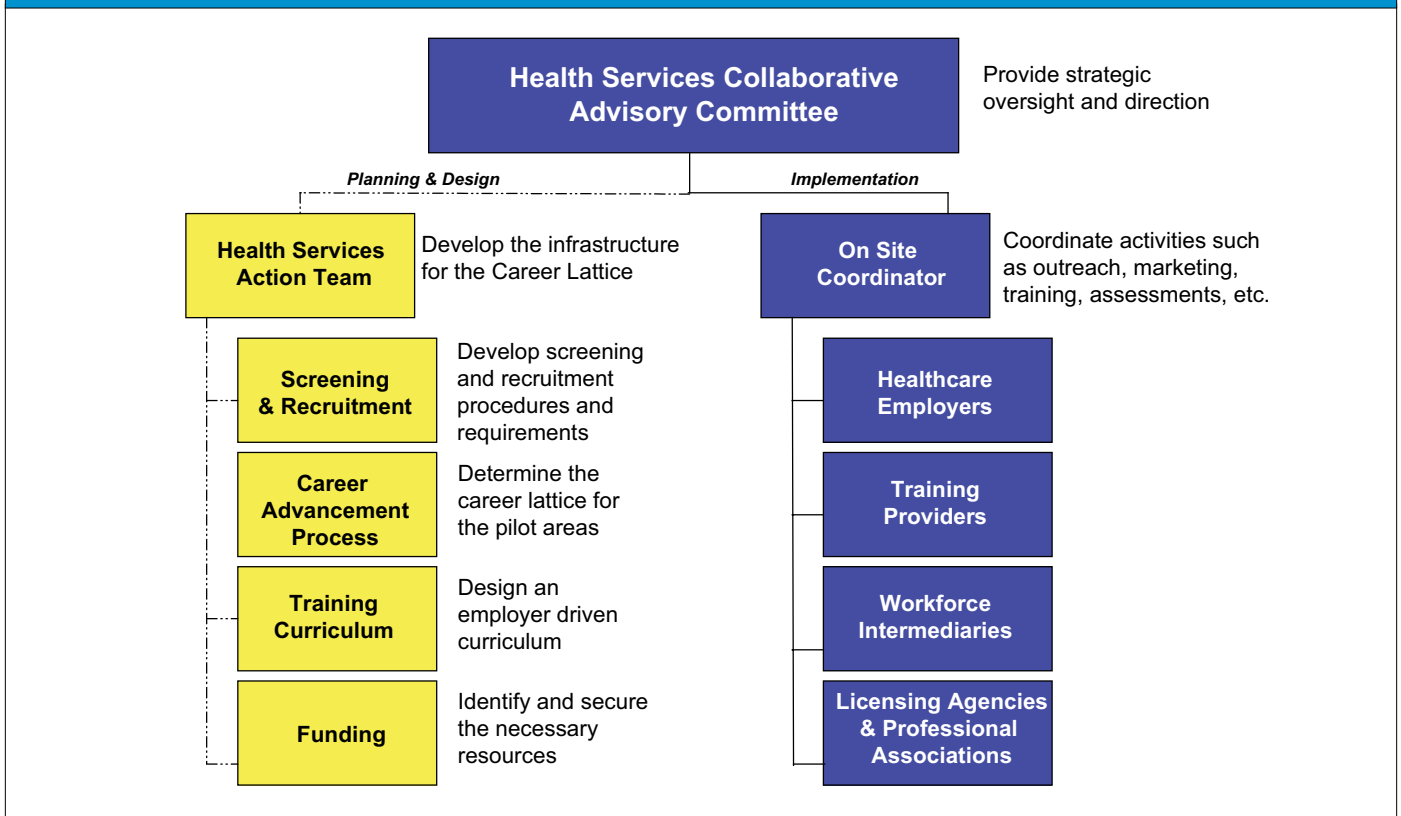
74 The Center for Studying Health Systems Change. *Urban-Suburban Hospital Disparities Grow in Northern New Jersey*. 8/05. (<http://www.hschange.org/CONTENT/769/>).

75 Ibid.

76 Ibid.

77 School at Work. *Building a Career Ladder in Healthcare*. Presentation at the Healthcare Workforce Development Conference. Catalyst Learning Company. 7/05.

Fig. 19: Newark's Career Lattice Organizational Structure



The community benefits from a stronger health system with well-trained, adequate staff and better job opportunities. Finally, a career lattice will help Newark systematically monitor regional workforce supply and demand to ensure the availability of adequate health care resources.

The HS Action Team recommends that industry leaders create a Health Services Career Lattice (HSCL) to take advantage of Newark's health sector strengths and address workforce shortages (see Fig. 19). In Newark, a variety of organizations will collaborate to create the HSCL, including the Newark One-Stop, a city-run center that offers workforce development training, job search assistance and counseling; the New Jersey Department of Labor and Workforce Development; the Newark Workforce Investment Board (Newark WIB); Newark health care providers, and educational institutions. The effort will target allied health positions, such as home health aides, medical technicians, and phlebotomists. To publicize the HSCL opportunity and educate incumbent health care workers about the various professional pathways within health services, a brochure, modeled after the

Philadelphia Life Science Career Alliance "Choose a Path that Changes Lives" career guide, will be produced.⁷⁸ This guide will provide descriptions of health sector occupations, their approximate salary range, the training required for such positions, and the local training institutions currently offering the required coursework and credentials.

On February 24, 2006, the HS Action Team presented the career lattice model to a broad audience of training providers, workforce intermediaries, and health sector employers. They greeted the proposal to establish a lattice in Newark with enthusiasm and expressed their commitment to the initiative.

Presently, the Team is forming an oversight committee, the Health Services Collaborative Advisory Committee (HSCAC), made up of members of the HS Action Team as well as the Health Services community. In addition, the career lattice meeting participants agreed to form four sub-committees: screening and recruitment; career advancement; training curriculum; and funding. Each of these sub-committees

⁷⁸ ICIC and the Newark Alliance would like to thank the Philadelphia Life Science Career Alliance for sharing its knowledge of career lattices as well as its marketing materials with OpportunityNewark.

will help to customize the career lattice model to the dynamics of the Newark health sector. The subcommittees' initial priorities are as follows:

- Screening and recruitment committee: develop a process to recruit from a broad base and develop the career brochure;
- Career advancement committee: identify pilot area(s) and associated lattices;
- Training curriculum committee: supplement existing training programs with position-specific curricula as well as flexible training options, such as online and offsite coursework; and,
- Funding committee: secure necessary funding to support the on-site coordinator role.

Members of the HS Action Team and the HSCAC will engage a coordinator, who will manage the lattice's implementation and logistics. The HS Action Team anticipates that the coordinator will provide day-to-day leadership and management as well as ongoing monitoring and evaluation of the program's performance. The coordinator, who will be housed at the Newark One-Stop, will be supported by the Advisory Committee and work extensively with the subcommittees.

• *Develop a comprehensive health system strategy for Newark*

For Newark's health care system to efficiently meet its many demands, the HS Action Team recommends that the City of Newark develop a comprehensive strategy to improve the availability and use of health care resources. Presently, the critical areas that need to be addressed are:

- The demand for private practice physicians;
- Insufficient insurance coverage; and,
- Over-use of emergency care services for preventable illnesses.

All of these factors combine to drive up the cost of emergency care and to overwhelm the city's emergency rooms.

The City of Newark will leverage its existing body of research as well as its emerging health care plan to develop a comprehensive strategy that will address these critical health care issues. The first step in developing a comprehensive approach will be to identify and coordinate with existing research efforts, such as the Cornwall Center for Metropolitan Studies' (Rutgers University-Newark) Greater Newark Health Systems Survey, to ensure that available research is used to develop targeted recommendations. Second, city officials will need an inventory of primary care facilities, public and private, as well as a review of the regulatory constraints on them. Third, the city will need to understand the capacity and utilization of all public and private health care resources. The Health and Senior Issues Transition Policy Group Final Report presented in January 2006 to Governor Corzine notes the need to improve access to community health centers.⁷⁹ State efforts to streamline regulations governing clinics could improve the environment in Newark. Still, the city needs to explore the specific dynamics at play within Newark, including the need for complementary social services at clinics, the quality of care provided at Newark's facilities, and the relationships between clinics and local hospitals. The city must clearly understand residents' health care needs to ensure that resources are appropriately targeted to them, probing the accessibility of health care resources with respect to hours of operations, facility locations, languages spoken, and wait times. Once city officials deeply understand the landscape, a targeted strategy designed to improve the system can be developed.

The strategy must also address the issue of attracting private practice physicians to Newark, both primary care and specialists. The deterrents to opening practices here are not unique to this locale. As noted earlier, expensive medical malpractice insurance and the lack of affordable health insurance make it difficult for physicians to cover the costs of operating private practices, particularly in areas where physicians must rely largely on government reimbursement. This, of course, is a statewide problem: the report to Governor Corzine highlights the need to attract primary care practices to New Jersey and recommends that

⁷⁹ Health Care and Senior Issues Transition Policy Group Final Report (prepared for Governor-Elect Jon S. Corzine). 1/10/06. http://www.nj.gov/governor/home/transition_reports.html.

the state take steps to make New Jersey an attractive location for practitioners.

Newark's efforts to attract physicians will complement state programs and could feature an incentive package that will attract physicians to the city. Possible incentives include tax abatement on real estate investments, student loan forgiveness, and medical malpractice subsidies. Currently, New Jersey's Medical Malpractice Liability Insurance Premium Assistance Fund (MMLIPA) provides relief to certain specialists (obstetricians/gynecologists, neurosurgeons, and diagnostic radiologists) facing high malpractice insurance premiums and substantial student loan payments. The MMLIPA plans to distribute \$17 million annually for premium relief and to spend \$1 million annually on a student loan expense reimbursement program for obstetricians/gynecologists who commit to practicing in medically underserved areas.⁸⁰ Once an incentive structure is in place, the city can market the incentive package to Newark-based medical school students, residents and interns, making clear the benefits of practicing locally. With a multitude of universities, Newark offers physicians academic affiliations as well as teaching and research opportunities. City officials can also promote the benefits of working in a clinic setting, where physicians can practice unburdened by the administrative aspects of running a private practice. Many clinics

also fully reimburse their physicians' medical malpractice insurance costs.⁸¹

Measures of Success

The success of these initiatives will be measured using the following metrics:

- Increases in health care training program enrollment;
- Number of incumbent workers trained;
- Increases in the retention rates of program participants;
- Percentage of program participants who achieve higher pay grades;
- Reductions in recruitment and training costs for health sector employers;
- Increased use of primary care and reduced reliance on emergency care; and,
- An increase in the number of private practice physicians in Newark.

80 New Jersey Department of Banking and Insurance. *Medical Malpractice Liability Insurance Subsidy Payments Are in the Mail*. 10/25/05; and New Jersey Department of Banking and Insurance. *Analysis of the New Jersey Budget, Fiscal Year 2005-2006*.

81 Interview with Dr. Lauren Smith, M.D., M.P.H. Medical Director, Family Advocacy Program at Boston Medical Center; Medical Director of the Pediatric Inpatient Unit at Boston Medical Center; and Associate Professor at Boston University Medical School. 2/3/06.

Education & Knowledge Creation Cluster

Introduction

Home to five universities, with more than 50,000 students and faculty, and a number of research institutes, Newark has a wealth of interdisciplinary resources that bring the Education & Knowledge Creation (EKC) community together for education, research, technology transfer, and entrepreneurship.⁸² These resources are critically important assets to Newark, with the potential to help the city build and attract new businesses, stimulate research into promising scientific, medical and technological arenas, and encourage Newark's young people to prepare themselves for future careers in science and technology.

Despite the considerable strengths of Newark's EKC Cluster, the quality and richness of its higher education and research offerings are largely unrecognized in the region and around the nation. Strengthening the cluster's infrastructure and building awareness of the cluster's significant strengths will enable it to serve as an engine of economic and social growth as well as a magnet for technology firms, jobs, and entrepreneurs.

Description of the Cluster

Newark's five universities employ a sizeable labor force of professionals and non-professional employees. According to the U.S. Department of Labor's Quarterly Census of Employment and Wages (ES-202), the EKC cluster employed more than 9,000 individuals in 2003.⁸³ Almost all of these individuals, an estimated 97 percent of the cluster's total employment, are employed by Newark's universities.

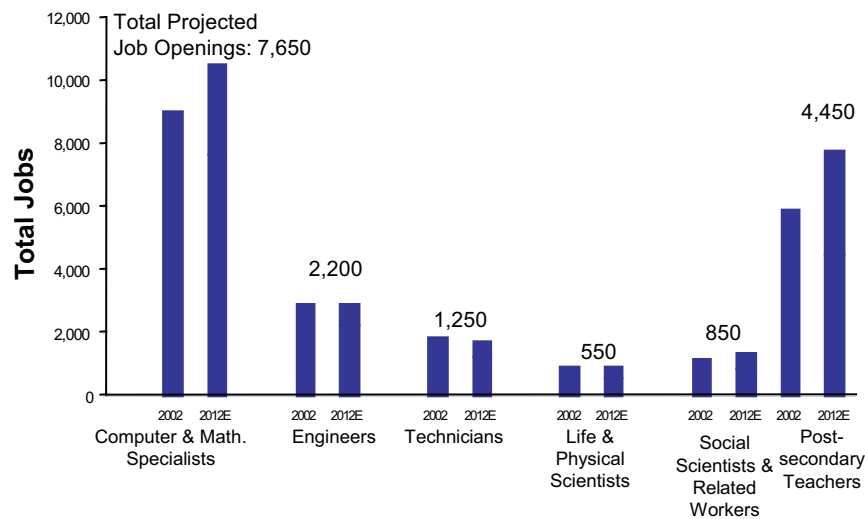


At the heart of Newark's education and knowledge creation cluster is University Heights Science Park (UHSP), a \$350 million science and technology park adjacent to universities in the central ward and the initial focus of the NJEDA Innovation Zone investments in Newark. Nearby is the world-class 900-student Science Park High School (as seen in the picture above), which is scheduled to open its new state-of-the-art facility in 2006. To leverage its capabilities, UHSP leaders are developing the 100,000-square-foot Digital Century Center, a commercial facility designed to house technology companies and laboratories. Companies that locate in the Digital Century Center will be encouraged to take advantage of the close proximity of thousands of exceptional students, researchers, and educators at UHSP and the universities, as well as UHSP's three technology incubators. Other initiatives that complement Newark's existing higher education complex include the New Jersey Stem Cell Research and Education Foundation, a new \$110 million clinical trials facility at the University of Medicine and Dentistry of New Jersey (UMDNJ), and the New Jersey

82 Newark's Universities include New Jersey Institute of Technology (NJIT), Rutgers University, University of Medicine and Dentistry of New Jersey (UMDNJ), Seton Hall Law School and Essex County College (ECC).

83 ICIC calculations based on U.S. Department of Labor. *Quarterly Census of Employment and Wages ES-202 1998–2003*. Note: Employment estimates for the EKC cluster may differ from other estimates due to variations in the industry classifications used to define this cluster.

Fig. 20: Essex County Current and Predicted Average Annual Openings of 1,695 Jobs



Source: NJ Department of Labor and Workforce Development

Institute of Technology’s (NJIT) homeland security research hub (as designated by the governor).

While employment in this cluster is growing at a compound annual rate of less than one percent in Newark between 1998 and 2003, the national growth rate for the same period was 3.37 percent.⁸⁴ Further, the New Jersey Department of Labor predicts annual average job growth of 1,695 through 2012 (see Fig. 20), in part to support Newark’s educational institutions.⁸⁵ However, the EKC cluster has the potential to drive Newark’s economy and bolster its workforce more significantly than these numbers indicate in the long term as new businesses are formed and the cluster expands, particularly given the business development efforts outlined in the EKC Action Plan.

Description of the Action Team

OpportunityNewark’s EKC Action Team includes a diverse group of business, education and civic leaders. Utilizing their industry knowledge, the Action Team met to discuss Newark’s future and determine how to leverage Newark’s significant EKC assets to catapult it into the 21st Century.

With the goal of making Newark a 21st Century technology transfer center, the EKC Action Team focused its recommendations on two basic targets: Technology Business Development and closing the “Digital Divide.”

The digital divide is the disparity in the meaningful use of computer technology and broadband Internet access between social, economic and racial groups.

Issues Identified

There is a great deal of evidence to suggest that the city is well positioned to compete with existing university-related commercialization efforts. Many of the university, business, civic and government leaders in Newark and the state are world-class executives; Newark’s universities are already dedicated to a collaborative model (CHEN⁸⁶); and, in recent years, community, government, industry and educational leaders have been investing significant amounts of capital and mindshare in the EKC cluster. However,

⁸⁴ ICIC calculations based on U.S. Department of Labor. *Quarterly Census of Employment and Wages ES-202 1998–2003*. Note: Employment growth rates for the EKC cluster may differ from other estimates due to variations in the industry classifications used to define this cluster as well as the time period under examination.

⁸⁵ New Jersey Department of Labor and Workforce Development. *Essex County Estimated and Projected Employment, 2002-2012*. 8/20/2004.

⁸⁶ The Council for Higher Education in Newark (CHEN) is a collaboration of the four institutions of higher education located in University Heights – Rutgers University’s Newark campus, Essex County College, UMDNJ, and NJIT.

making Newark a well-known technology-transfer center will require a commitment to compete and a dedication to creating even higher levels of collaboration, commercialization and change.

To ensure that Newark offers the appropriate environment for technology firms, the city needs to enhance the infrastructure available to support them. Newark's research universities and technology-transfer offices are effective at linking professors, students and labs to opportunities, but limited in their ability to provide substantial support to incubator companies, researchers, scientists and potential entrepreneurs by their limited staff and resources. This lack of resources constrains their ability to provide essential commercialization, coaching and mentoring services to fledgling ideas and companies. Similarly, several important community non-profit organizations lack the technological capacity and skills to address the advanced needs of their clients. For example, the Greater Newark Business Development Consortium (GNBDC), which provides Newark's small businesses with a number of business and technology advisory services, could benefit from increased technology capabilities.

Other cities and education complexes have taken a variety of steps to establish themselves as centers of technology excellence. Institutions like the University of Wisconsin and Washington University in St. Louis, among others, have cultivated their academic and entrepreneurial leadership by opening technology incubators or research parks, developed ties to venture funds and identified early-stage financing for promising firms, established university entrepreneurship programs, and formalized university and industry partnerships. These initiatives, and the innovative mindset they foster, are important factors in recruiting companies into a city. They help entrepreneurs start new companies and make it easier for existing industries to diversify. Such an environment helps businesses retain and attract skilled, motivated workers. Further, it helps old-style companies transform themselves into modern, technology-savvy businesses.

Action Plan

The EKC Action Team recommendations are directed toward recruiting, starting, and growing technology businesses

in Newark, enhancing collaboration between industry and universities, and closing the digital divide.

Newark-Based Technology Businesses

To increase the number of technology-based businesses in Newark, the EKC Action Team recommends that the Newark Community support the Newark Innovation Zone Board and create an Innovation/Business Accelerator. By improving the business environment for innovation and luring companies to Newark, the community will gain access to significant technological resources and high quality jobs.

• Support the Newark Innovation Zone Board

The vitality of Newark's technology-led economic development efforts rests upon the success of University Heights Science Park (UHSP), the NJEDA's Innovation Zone initiative, Science Park High School, and the Digital Century Center. Integrally tied to the universities and the community in which these reside, these efforts — individually and together — are powerful laboratories for Newark's economic and social development.

The NJEDA recently established the Newark Innovation Zone Board (NIZB), an organization consisting of high-powered stakeholders to oversee these technology initiatives and develop new programs. The EKC Team encourages strong, citywide support for the NIZB's efforts. The NIZB, which is currently working on the details of its strategic plan, will encourage collaboration among universities and industry, ensure the success of NJEDA's investments in UHSP by recruiting recognized anchor tenants, and pursue technology-production opportunities that arise from ongoing research on stem cells, homeland security, medical devices, life sciences, wireless and Internet services, and digital media. The NIZB will also explore opportunities to build closer relationships between pharmaceutical firms, medical device companies, and local clinical trial facilities. Building these relationships will add considerable value to the Newark economy and position the city as a high tech leader. The chief executive officer of the Newark Alliance, who is also the chairman of the Newark Innovation Zone Board, will spearhead these efforts with broad support from the Newark business community.

• *Create an “Innovation/Business Accelerator”*

To facilitate the transition of nascent technology from the lab to the marketplace, entrepreneurs, professors, and scientists need guidance on business strategy, regulatory issues, and funding sources. Further, they need access to the business community, particularly CEOs and successful entrepreneurs, who can provide hands-on assistance as well as proof-of-concept support. The EKC Action Team recommends establishing a small “Accelerator,” or commercialization engine, consisting of two to three experienced professionals with connections throughout the business and academic communities. The “Accelerator”, a collaborative effort among Newark’s research universities, will support each school and assist high-potential entrepreneurs who are spinning out from larger corporations. It will strengthen the universities’ technology-transfer offices and provide scientists and entrepreneurs with world-class guidance, business support, proof-of-concept reviews, mentors, and pre-seed funds. With additional resources, Newark’s university-based technology-transfer staff will be able to support research, product development, and commercialization efforts more effectively.

In the long term, the “Accelerator” will increase the number of start-ups, spin-outs and spin-ins; improve and promote UHSP’s reputation; increase federal and private-sector R&D investments in Newark; create relationships between businesses and the universities; and fuel Newark’s business recruitment efforts. The Innovation/Business Accelerator will be part of the Innovation Zone with oversight by the Innovation Zone Board. The EKC Action Team recommends running a three-year pilot to determine the Accelerator’s effectiveness.

• *Build the advanced technology resources and skills of the Greater Newark Business Development Consortium*

Newark’s small businesses have access to a number of business and technology advisory services. To provide the best support to their clients, these intermediaries need advanced technological resources. The EKC Action Team recommends building the advanced technology resources and skills of the GNBDC so that it can manage its own complex business more effectively and provide higher levels of technology support to its clients. With help from major technology vendors in Newark and BCT Partners, the GNBDC will achieve the necessary level of technological sophistication required to better support Newark’s businesses.

Digital Divide

To close the digital divide in Newark, the EKC Action Team recommends establishing wireless hotspots in Newark, creating a Community Technology Center, and launching a Science, Technology, Engineering, and Mathematics (STEM) communications campaign.

• *Rapidly implement wireless hotspots in Newark’s key business centers, such as the Downtown and within UHSP, then throughout all of Newark’s neighborhoods*

Communities around the country are deploying wireless networking strategies to attract businesses and to position themselves as high-tech centers. Wireless networking offers many advantages to the communities, which deploy this technology. First, wireless broadband Internet improves the educational, medical and business capacity of inner-city communities. Second, Internet access allows businesses to provide better customer service and employee training. Third, it streamlines communication between suppliers and customers by allowing for on-line ordering and the customization of products. By decreasing paperwork and data-entry, Internet-based tools help reduce operating costs. A coordinated commercial-district wireless program helps in the recruitment of new businesses not only by offering significant operating advantages, but also by fostering a sense of community between businesses and residents. The availability of wireless connectivity contributes to a city’s reputation, clearly indicating that it is a 21st Century city.

Developing a wireless strategy for Newark will give it a competitive edge relative to other cities and provide greater Internet access to Newark’s residents, critical to closing the digital divide. The basic technology for implementing wireless access is inexpensive, increasingly easy to set up, and requires little maintenance. There are various models for providing low-cost wireless broadband Internet access within neighborhoods. The Newark Alliance will take the lead in forming an advisory board that will assess the various models, implementation options, and costs.

• *Establish a Community Technology Center*

Bridging the digital divide is a critical issue for Newark’s residents and businesses. The EKC Action Team recommends establishing a Community Technology Center (CTC)

to improve the technology education in schools and the computer skills of Newark's workforce. In addition, the CTC will teach residents to use information technology for personal health, knowledge and community purposes. Seton Hall University and New Community Corporation (NCC) are leading the effort to establish the CTC. They have developed a proposal, implementation timetable, and three-year budget for the CTC. Seton Hall will provide NCC with the necessary equipment and build the capacity of the NCC staff to manage the program going forward. Seton Hall's faculty and students will teach computer literacy courses and help build NCC's capability to generate revenue by offering technology, web-page and graphic-design services. The CTC will be host to an Urban Community Scholars program and provide career guidance and peer training. The CTC will function as a community-service, educational and job-readiness facility for residents and business owners.

- ***Develop a Science, Technology, Engineering and Mathematic (STEM) Communications Campaign***

National assessments indicate that the United States is falling behind many foreign countries in the education of students in math and science. Research also highlights that minorities and women are less likely to become engaged in these disciplines. The new Science Park High School will improve math and science educational opportunities in Newark. However, Newark must do more to ensure that residents, teachers, and political representatives understand the importance of math and science education. Consequently, the EKC Action Team recommends developing a three-year communications campaign to raise awareness about the critical importance of science, math and technology skills to the nation's and Newark's future economic success. The Newark Alliance will take the lead role in managing this initiative.

- ***Develop a comprehensive, industry-led technology training consortium patterned after the Health Services Career Lattice and Biotech Workforce Development models to prepare Newark residents for jobs as technicians in the biotechnology, electronics, computer, semiconductor and telecommunications industries***

Over the coming decades, technology-related jobs will become more and more important to local economies. Municipalities will become increasingly competitive in their

efforts to recruit and retain these companies. Technology firms are attracted to locations that boast a well-trained and motivated workforce. Newark currently offers residents technology-training opportunities and is well-positioned to prepare its residents for jobs in this field. Coordinated efforts between high-tech employers and existing training programs to tailor curricula to and generate interest in technology-focused careers will increase residents' interest in high-tech jobs and improve their chances of securing such employment. A well-trained workforce will improve Newark's ability to attract major high-tech businesses.

OpportunityNewark reviewed several best practices from around the country to identify an appropriate workforce development model, which would bring employers and training specialists together to build a workforce pipeline for the technology sector. The technology training consortium will leverage the lessons of the Bridges-to-Biotech Collaborative in Birmingham, Alabama.⁸⁷ This program seeks to establish a continuous pipeline of trained workers to support the needs of the growing biotechnology sector. The key educational components of the initiative are:

- Dual enrollment opportunities for high school students (i.e., the ability to obtain high school and college credit for biotechnology related coursework);
- An Early College Enrollment Program for high school students in technical programs;
- A "2+2+2" curriculum which allows students to begin training for a career in biotechnology his/her junior year of high school, transition to a community college for a 2-year associates degree, and finally to a university for a bachelors of science or higher level degree, with the option of joining the workforce at any transition point along this educational path; and,
- High School Biotechnology Training Academies at vocational career centers where secondary school students can be trained as technician assistants or lab helpers.

Newark's program will also seek to offer job readiness training, hands-on occupational skills instruction, unpaid internships, and job placement assistance. The curricula will be designed in consultation with industry leaders to ensure that entry-level technicians are appropriately trained.

87 Hipps, Jesse et al. *Bridges-to-Biotech Meeting the Growing Bioscience Workforce Development Needs in Jefferson County*. Bridges-to-Biotech Coordinating Committee. 2/7/06.

The Newark Alliance, partnering with the Newark One-Stop, will take the lead role in implementing this effort. A technology training consortium Task Team will be formed to guide this initiative. The Task Team will include human resources representatives from technology companies, educational institutions, community organizations, and the Newark Workforce Investment Board.

Entrepreneurial Programs

The EKC Action Team also recommends that Newark pursue a Kauffman Foundation Campuses Initiative grant to improve Newark universities' capacity to educate future entrepreneurs.

• Actively pursue a Kauffman Foundation Campuses Initiative grant

One of the central features of universities currently positioned as centers of technological innovation and commercialization is their high-quality entrepreneurial education and training programs that employ a combination of academic instruction, research, hands-on assistance with the creation of new ventures, business competitions, mentoring and business-university collaborations to encourage entrepreneurial activity. The Ewing Marion Kauffman Foundation's Campuses Initiative is a major effort to grow entrepreneurial initiatives at universities throughout the country. The Foundation believes that, in light of increasing global competition, the United States and its universities must sharply increase the rate of new business formation. At the same time, the Kauffman Foundation recognizes that many students and faculty do not consider entrepreneurship to be a viable career option.

The Kauffman Foundation has made significant investments in order to increase the number of students in entrepreneurship programs, accelerate the transformation

of intellectual assets and research into enterprises that generate value, and help higher education institutions become centers of incubation and entrepreneurial study. In 2003, the Foundation awarded eight universities \$2 to \$5 million each for a total of \$25 million. The recipients more than matched these amounts to make significant investments in their entrepreneurial capacity.

A second competition will begin in April 2006 for which the Kauffman Foundation plans to invite a select number of universities to apply for grants. They are requiring that these proposals come from multi-institutional collaborations whose efforts will reach a large number of students, including those in the humanities, social sciences, liberal arts and fine arts, in addition to graduate students in engineering, life sciences, and technology.

Newark's key universities should actively pursue a grant from the Kauffman Foundation. By pressing forward now, Newark will be in a solid position to receive an invitation to compete for one of the Kauffman Foundation's future awards.

Measures of Success

The measures of success for these initiatives will be:

- Increase in the number of Internet users in Newark;
- Growth in the number of technology companies recruited to Newark;
- Increase in the number of start-up technology companies;
- Number of students enrolled in science, math, technology, and engineering programs; and,
- Number of workers trained for technology-related jobs.

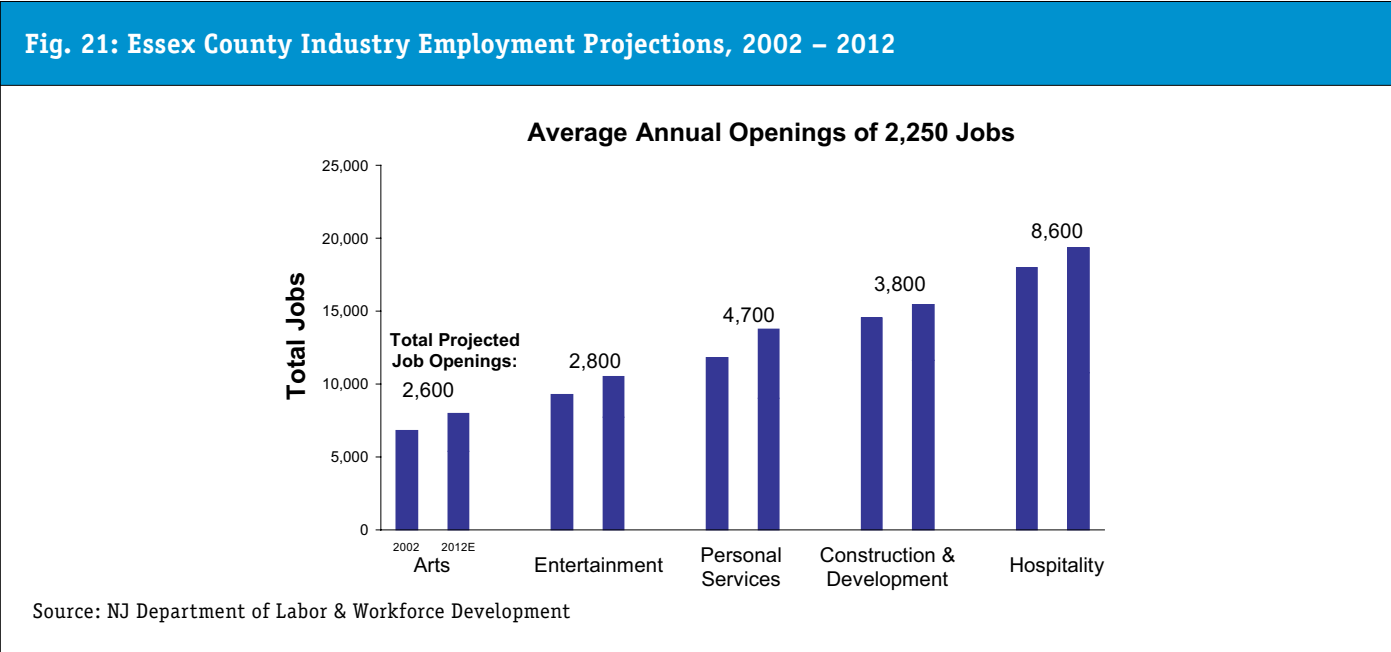
Entertainment, Arts & Retail

Introduction

Newark is home to some of the most unheralded yet beautiful sites in the nation, including the cherry-blossom-laden Branch Brook Park, designed by Frederick Law Olmstead, numerous historical churches, the Newark Museum, and the Newark Public Library, which are celebrated for their Beaux-Arts and Art Deco architecture. Over the next few years, more than \$1.4 billion will be invested in cultural and entertainment projects, including expansion of the New Jersey Performing Arts Center, the Newark Arena, the Passaic Riverfront Center, the Mulberry Street Promenade, the Smithsonian-sponsored Museum of African American Music, more than 10,000 new residential units with ground-floor retail shops, and a subway extension opening this summer that will connect the city’s five principal downtown destinations. Artists are settling in Newark, opening galleries and holding open studio exhibits. The Ironbound neighborhood — the largest Portuguese community in the country — has solidified its reputation as the capital of Portuguese

dining as well as a culinary destination for a range of Latin fare. Together, these developments, which create a vibrant downtown, will position Newark as a 24/7 destination and an attractive location for businesses, residents, students and tourists. A thriving downtown is paramount to changing perceptions about Newark and can be a key catalyst for Newark’s continued transformation, not only within the downtown area, but within the neighborhoods as well.

As this cluster grows, so will its workforce. The hospitality industry is the second-fastest-growing sector in the nation, and the need for qualified labor is increasing rapidly. The job opportunities in this cluster match the needs and skills of many of Newark’s residents. The projected average job openings in the EAR cluster for Essex County are 2,250 jobs annually through 2012 (see Fig. 21), according to the New Jersey Department of Labor and Workforce Development. OpportunityNewark is partnering with existing initiatives to ensure that Newark residents have greater access to these job opportunities.



Given the pace of development in Newark and the need to promote Newark’s transformation, the work in this cluster focused on three areas: Workforce Development, Economic Development Infrastructure, and City Perception. Both Economic Development Infrastructure and City Perception were classified as cross-cutting issues (i.e., issues that are not unique to the EAR cluster, but that impact every cluster), and as a result two separate action teams were formed to address them. Accordingly, the EAR action plan is focused on Workforce Development.

Description of the Cluster

Entertainment & Arts

Newark’s cultural assets are a showpiece for the state:

- The Newark Museum is the largest museum complex in the state with 80 galleries.
- The New Jersey Performing Arts Center (NJPAC) is the premiere performing arts center for the state, has a celebrated international reputation and is the 6th largest center in the country.
- The Newark Public Library is the state’s largest public library and has recently completed over \$1.3 million in renovations.

- Symphony Hall is a state-of-the-art performance hall for the New Jersey State Opera and Symphony Orchestra.
- Newark’s strong historical connection to jazz lives today through WBGO (aka Jazz88), renowned world-wide as one of the premiere mainstream jazz and blues stations.

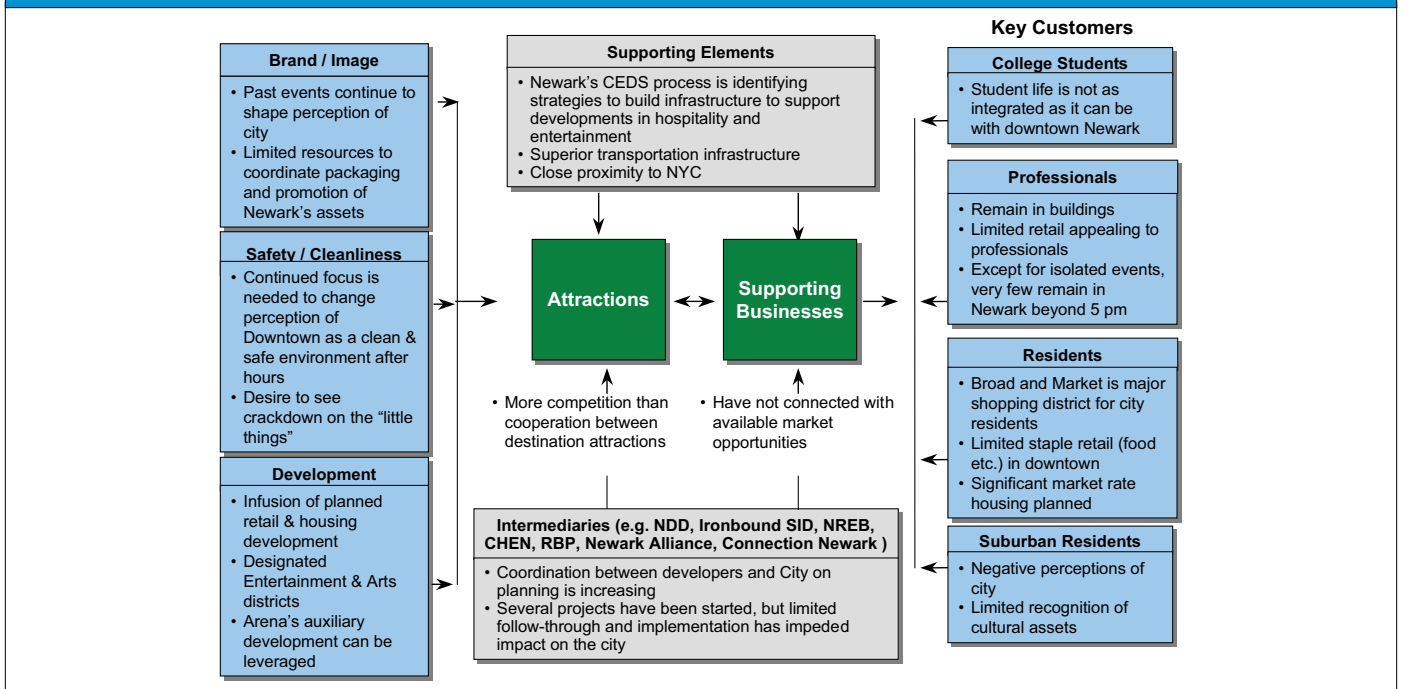
Additionally, Newark’s up-and-coming entertainment districts draw visitors from throughout the region.

- The Newark Bears, a professional minor league team plays at the Bears and Eagles Riverfront Stadium, which seats 6,200 and is centrally located in Downtown Newark.
- The Ironbound restaurant district is a mecca for Latin cuisine with over 170 restaurants specializing in Portuguese, Brazilian, Ecuadorian and other ethnic cuisines. According to the New York Times (5/29/05), “...you can certainly dine well on this industrial stretch of the Brick City.”

Future development will help to propel Newark’s entertainment and arts activities to the next level.

- The Newark arena will be another catalyst for Newark’s downtown redevelopment efforts. This 17,000 seat, 70,000 square foot arena will be home to the National Hockey League’s New Jersey Devils and the anchor of a comprehensive development plan, which also includes a hotel, ice skating rink and community theater.

Fig. 22: State of the Entertainment, Arts & Retail Cluster in Newark



- The Smithsonian-sponsored African American museum will celebrate African Americans' contribution to music. The groundbreaking is planned for winter 2006 with the grand opening scheduled for 2007.

Retail

In the early- to mid-20th century, Newark rivaled its neighbor, New York City, as a bustling entertainment, arts and retail center. Market and Broad Streets served as a center of retail commerce for the region anchored by four flourishing department stores — Hahne & Company, L. Bamberger and Company, L.S. Plaut and Company, and Kresge's (much later known as K-Mart).

Market and Broad Streets still remain retail destinations, largely serving the urban population. The former depart-

ment stores are being converted into residential units with ground-floor retail as a part of Newark's downtown redevelopment. Home Depot opened on Springfield Avenue in 2005 and Newark's Pathmark supermarket ranks second in sales among the national chain's 144-store system.

Currently, Newark's retail spending potential is more than 16 times the national average. To satisfy this unmet demand, more than 370,000 square feet of ground floor retail is currently in the development pipeline.

Employment in EAR

Today, the majority of jobs in the EAR cluster are in restaurants (see Fig. 23) — mainly fast food restaurants — demonstrating the need to upgrade the amenities within EAR to meet the growing demand.

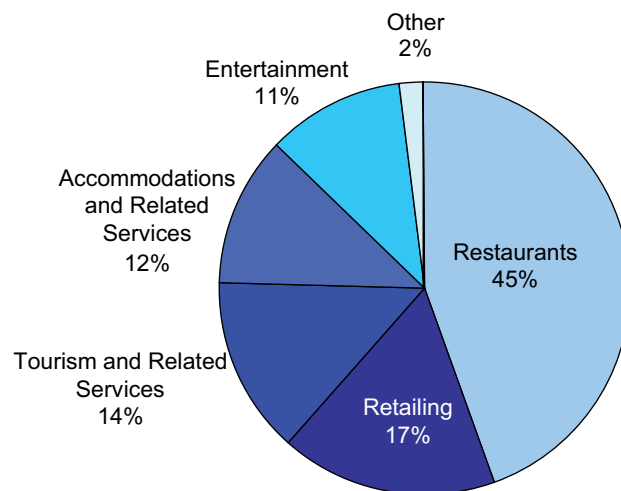
It is worth highlighting that while the average wage in EAR is \$23,400 (well below the average Newark wage of \$53,000), jobs in this sector of the economy customarily serve as a ramp on to the employment highway, especially for employees with lower skills.

Intermediaries in EAR

The Newark Arts Council works in partnership with cultural organizations (e.g., NJPAC, the Newark Museum and the



Fig. 23: Entertainment, Arts & Retail Composition by Employment



Source: ES-202, 2003



Newark Symphony Hall) and intermediaries (e.g., the Newark Downtown District, the Ironbound Business Improvement District, the Newark Office of the Urban Enterprise Zone, the Newark Alliance and the Regional Business Partnership) to strengthen and advance Newark's cultural assets.

In addition to the Newark Arts Council, Newark's dedicated philanthropic community has been very supportive of EAR related efforts, as has the state's Council on the Arts.

Description of the Action Team

Representatives from the Newark Community with interest in Newark's arts, entertainment, and retail assets met to discuss opportunities to enhance the cluster. The EAR Action Team discussed the state of the EAR cluster, opportunities for attracting retail to Newark, and workforce development strategies.

Issues Identified

Under-retailed: Newark has more than six times the income density of the region per square mile (\$115 million versus \$18 million). However, based on job density (the number of employees in EAR-related businesses per 1,000 residents), it is far below the national average (6.2 versus 14.9), which is an indication that Newark has a significant opportunity to grow its retail base. This is confirmed by anecdotal evidence from residents, employees and students who often cite the lack of retail and entertainment as an inconvenience.

Current and planned development projects begin to address this issue. Most new development projects include some level of retail, even for residential projects. However, given the scale of the need there are considerable additional

market opportunities in EAR, especially within Newark's neighborhoods.

Image: It is necessary to increase marketing and promotional efforts to improve Newark's outdated image. The Action Team acknowledged that this is a critical issue that should be addressed in order to attract new residents, employees, students and visitors to Newark, which will further fuel EAR-related development.

Economic Development Capacity: Given the accelerating and unprecedented pace of development in Newark, Action Team members acknowledged that the Newark community should find every opportunity to support the city's initiatives, complement their staff where necessary, and provide resources where appropriate.

Action Plan

As previously noted, the action plan for EAR focuses on Workforce Development, and the other issues identified, Economic Development Infrastructure and City Perception, are addressed separately (see these sections for further information).

- *Create the Newark Hospitality & Culinary Institute to train Newark residents to access career opportunities in this field.*

Training will involve a broad curriculum including specialty areas such as training to be a chef, restaurant manager, hotel manager and soft skills training. The Newark Hospitality & Culinary Institute (NHCI) is currently leading this effort in conjunction with the Newark Public School's School-to-Career program, the Newark Workforce Investment Board, the New Jersey Department of Labor and Workforce Development, and Johnson & Wales University. Securing of seed funding is underway and being led by Newark Hospitality and Culinary Institute.

Measures of Success

The success of the NHCI will be evaluated based on monitoring the following measures:

- Number of Newark residents trained and hired;
- Increase in employee retention rates; and,
- Change in post-program wages of participants.

Economic Development Infrastructure

Introduction

With over \$4 billion of development ongoing and in the pipeline, Newark's economic growth is evidence of a renewal in action. Developers have embraced Newark and the Mayor and City Council have approved several major development projects that will encourage thousands of new office workers, residents, and students to live, shop and spend their leisure time in Newark.

The opportunity to sustain Newark's economic growth in key, high priority, catalytic areas — such as the port, waterfront, downtown and Science Park and in the neighborhoods — rests on maintaining the right economic development infrastructure to support the current pace of development and encourage additional private sector investment.

Description of Newark's Economic Development Infrastructure

Newark is the largest city in New Jersey and an important economic center. Its core infrastructure and economic assets are the key drivers behind its current revitalization and critical to Newark's future prosperity.

Newark's infrastructure rivals that of any other economic powerhouse in the global marketplace. Its world-class fiber optic network, complemented by high bandwidth cables and industrial grade power lines, has attracted over a dozen telecommunications companies (e.g., IDT, a provider of high-speed Internet access and discount long distance telephone

“Broadband connection is as fundamental to economic activity as highways, airports, and telephone connections in today's economy. The competitiveness of cities depends in great part on their ability to provide this basic economic infrastructure.”

— Michael E. Porter

service, and FiberNet, a carrier's carrier that operates fiber optic transmission networks in major cities and has designated Newark as one of America's Top 60 Cybercities).⁸⁸

Newark's Liberty International Airport is the 5th busiest international air gateway in the United States and handles an average of 30 million passengers and approximately one million tons of cargo per year.⁸⁹ Newark's airport contributes approximately \$11 billion in economic activity to the New York/New Jersey metropolitan region, including \$3.3 billion in wages for some 110,000 jobs derived from airport activity.⁹⁰ From 1999 to 2002, over \$1.3 billion has been invested to enhance airport facilities and an additional \$918 million is projected for 2003-2007 for various capital improvements projects, allowing Newark International Airport to capture

88 Site Selection Magazine. March 2002.

89 The Port Authority of NY & NJ. Port Authority Facilities & Projects in City of Newark Presentation. 12/16/04.

90 Ibid.

increasing amounts of airborne cargo as well as increasing numbers of passengers.⁹¹ Newark's international airport coupled with its extensive port and rail operations makes it one of the best locations anywhere for transportation and logistics business activities.

The Port of Newark combined with the Elizabeth Marine Terminal is the largest port on the East Coast and the third largest port in the country. Given Newark's strategic location, it provides businesses with access to over 21 million local customers and one-day access to over 105 million consumers.⁹² With port-related cargo expected to double in the next decade, significant investments are underway to capture this growth. Over \$1 billion has been invested to dredge Newark's harbor in order to allow port access to the largest, post-panamax ships.⁹³ Collaborative projects such as Portfields, Portways, and the Comprehensive Port Improvement Plan, are underway in an effort to ensure Port Newark can handle increased cargo loads efficiently and to revitalize unused lands in the port area.

As a major transportation hub, it is not surprising that Newark's highway network is first-rate. Interstate 95 provides easy access throughout the eastern seaboard and there are several routes that provide access to and from Newark, such as Routes 21 and 22. Additionally, Newark has a very efficient public transportation system that is a convenience for residents and commuters. Residents rated transportation as Newark's number one asset.⁹⁴ The New Jersey Transit, PATH and Amtrak provide commuters and travelers 24/7 access to Newark and beyond.

Economic viability is largely dependent on factors such as location, transportation, telecommunications infrastructure, and low operating costs, which are all Newark's strengths. More and more businesses are recognizing Newark's competitive advantages. For example, in 2004, *Inc. Magazine* recognized Newark as one of the best places to do business in America.⁹⁵

Major Development Projects in Newark

Under the current administration, Newark has seen a resurgence of urban development activity that touches every aspect of Newark's economy (see Fig. 24): from transportation to commercial and retail development and housing. Highlights of this activity include the following:

Transportation:

- The New Jersey Department of Transportation (NJDOT) is improving McCarter Highway (Route 21), while NJTransit is extending the Newark City Subway to Newark Broad Street Station. The extension will connect major intercity hubs with Newark downtown destinations.⁹⁶ When completed, the two interrelated transportation projects, valued at \$357 million, will provide a more efficient way for commuters and motorists to travel to and around downtown Newark.

Commercial, Retail and Entertainment Development:

- Fueling the downtown core redevelopment is the construction of the new \$310 million, 18,000-seat arena for the National Hockey League's New Jersey Devils, which broke ground in 2005 and is scheduled to open in 2007. An adjacent entertainment district is under development that will include a hotel, themed retail, an ice skating facility and theater.
- The Matrix Development Group is working on the Newark Riverfront Center, a \$400 million, seven acre mixed-use waterfront development project that will consist of 430,000 square feet of Class A office space, 500 residential units and potentially a 150 room hotel and multi-level parking for 1,000 cars. The historic law firm of McCarter & English has already committed to locating its headquarters in 230,000 square feet of this office space.

91 Ibid.

92 A. Strauss-Wieder, Inc., Warehousing and Distribution Center Context: NJTPA Brownfield Economic Redevelopment Project. 2/01.

93 Post-panamax containerships are some of the largest containerships available on the market today — they are too wide, too deep and too long to transit the Panama Canal's smallest locks.

94 *New Jerseyans' Image of Newark*. The Eagleton Institute of Politics; Center for Public Interest Polling; and Rutgers the State University of New Jersey. 3/98.

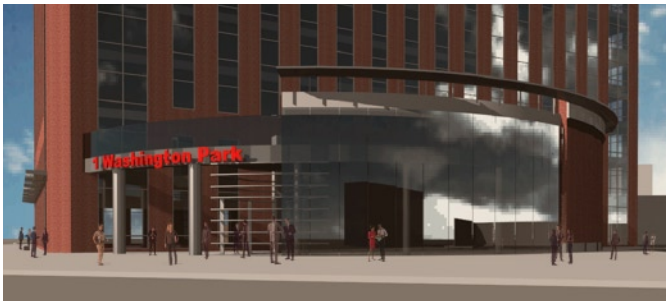
95 Newark ranked 9th among the Top 25 Cities for Doing Business in America. *Inc. Magazine*.

96 The extension will offer NJTransit users an eight-minute ride between the two stations, with stops along the way serving the New Jersey Performing Arts Center, The Newark Museum, Newark Bears and Eagles Riverfront Stadium, and the Broad Street commercial district. The extension will be mainly at street level, with part of the route alongside the new alignment of McCarter Highway.

Fig. 24: Map of Newark's Future Landscape



Source: Hassan Hodges, Star Ledger.



- As one of the state-designated Innovation Zones, the NJEDA is working in conjunction with University Heights Science Park to develop an anchor state-of-the-art, commercialization center, known as the Digital Century building. The 100,000 square feet of office space will be targeted to graduates of the UHSP incubator and other technology based companies.
- Over \$15 million in renovations are underway for 1 Washington Park by Fidelco (as seen in photo above). Once completed, it will offer 405,000 square feet of Class A office space and anchor the North Broad Street commercial, residential and entertainment district.
- In 2005, Home Depot opened along Springfield Avenue, capitalizing on the under-retailed market. Additionally, there are plans to build a shopping complex on the site near the Home Depot that will include a family-style restaurant, a Wendy's fast-food restaurant, and commercial space.
- The New Jersey Performing Arts Center (NJPAC) has proposed a \$70 million mixed-use development project, including artist residences and retail space that will create a seamless link between the waterfront cultural district and Penn Station.

Residential:

Capitalizing on New Urbanism, a trend that favors walk-able, compact mixed-use communities, there is a renewed demand for central city residency. Housing permits in Newark increased by 800 percent since 1995.⁹⁷ Newark led the state's private residential development in 2000⁹⁸, and this pace is expected to continue as housing demand exceeds new

construction.⁹⁹ More than 10,000 units are slated to be built in the downtown area over the next decade.¹⁰⁰ Newark's housing boom extends beyond the downtown area. Throughout Newark, new housing is rising to meet the growing demand from residents, students and "empty nesters".

- In the summer of 2006, the Cogswell Realty Group will open "Eleven80", Newark's first market-rate apartments in forty years. The \$108 million development, located in the central business district, was the first project in the state to use the Redevelopment Area Bond Financing Law (RAB), an innovative financing vehicle offered by the NJEDA to help municipalities attract new development and ratables into their communities.



97 Mays, Jeffery. *Housing boom puts homes near industry*. The Newark Star-Ledger. 8/29/04.

98 *Newark's Renaissance Spreading in all Directions*. NJ Business Magazine, 5/02.

99 Housing demand outpaced construction by 40% as reported by the Local Market Monitor in December 2003.

100 Downtown mixed-use developments include Eleven80, Mulberry Estates, NJPAC Expansion, Hahnes/Griffith Building.

- Plans are underway to convert the Hahnes Department Store and Griffith Piano buildings on Broad Street to one- and two-bedroom luxury loft apartments, an estimated \$160 million project. The plan also includes approximately 70,000 square feet of ground floor retail.
- Mulberry Estates, located in the Symphony Hall area, is a \$600 million residential project with 2,000 market-rate condos, 182,000 square feet of retail and 2,500 parking spaces. This is a planned five-year construction project.
- Springfield Marketplace, located on the corner of Springfield Avenue and South Orange, is a mixed-use development project with over 300 housing units, approximately 100,000 square feet of retail and 20,000 square feet of office space.



- Several Hope VI housing projects (as seen in the photos below) have recently been completed or are underway in the Central Ward neighborhood such as: Cottage Place with 100 units, West Kinney Gardens with 206 units, and the former Stella Wright housing site with 278 units.

Other Development:

- The University of Medicine and Dentistry of New Jersey and Rutgers University have committed over \$300 million to expand and improve their facilities, including new dormitories, research facilities, and a cancer center under development.
- Over \$20 million in streetcapes, parks and recreation facilities including Military Park, Minish Park Promenade, Branch Brook Park, Ferry Street in the East Ward, various streets in the neighborhoods, and the Downtown District are in varying stages of completion.
- Over \$1.6 billion is planned for school construction and renovations throughout Newark. New facilities for both Science Park and Central High Schools are scheduled to open in the fall of 2007. An additional ten elementary and high schools are scheduled to be constructed between 2007 and 2009.

Newark's economic development infrastructure and current and planned development projects are the backbone for jobs, business opportunities and an improved standard of living for Newark residents.

The city has been instrumental at driving and managing the explosive growth in economic development activities. As the development activity increases, the city can benefit from additional support from the Newark community to reinforce their efforts.

Description of the Action Team

A wide range of city stakeholders met to discuss opportunities to improve Newark's economic development infrastructure. Discussions focused on the city's capacity to

support economic development and the financial resources available to fund continued revitalization.

Issues Identified

Capacity: Since the closing of the Newark Economic Development Corporation, economic development has been distributed among several city departments including: the Department of Administration, the Department of Housing and Economic Development, the Newark Office of the Urban Enterprise Zone, and the Housing Authority. These departments performed well in the midst of budget constraints and increased demand.

The city has leveraged the resources of the private sector to supplement its stretched resources. For example, the PSE&G Area Development Department has helped thousands of companies find sites, open facilities, maximize incentives, and successfully deal with a myriad of other individualized site selection and facility location issues. Increased partnerships with organizations such as PSE&G will provide the city with additional resources that will help to manage future development projects and those currently in the pipeline.

Financial Resources: Newark has access to a myriad of financing tools and resources at the city, county, state and federal level. Additionally, Newark is fortunate to have a very committed philanthropic community represented by the private sector and foundations. All of these resources have assisted in attracting development to Newark. However, Newark can benefit from identifying other funding sources that will help to accelerate catalytic economic development projects and leverage existing investments.

At the state level, since 1974, the NJEDA has provided \$1.68 billion in financing assistance for 477 projects in Newark, creating an estimated 17,000 new jobs and 24,000 construction opportunities that have supported \$2.2 billion in total public/private investments over the past three decades.

Action Plan

In order for Newark to manage its surging economic growth, additional resources (e.g., financial, human capital and tools) will be required.

- **Increase economic development resources to complement existing city resources**

Additional capacity will enhance planning efforts, expedite development of planned projects and expand business attraction and retention activities. The nature of these resources can be in many forms, from dedicated personnel to the creation of new partnerships between the public and private sectors. For example, the private sector can partner with the city to increase outreach activities. In Tampa, a group of businesses, called the Committee of 100, conduct road shows; meeting with companies, site selection consultants, brokers and developers within their target clusters on a regular basis. Furthermore, they host tours and roll out the red carpet for interested companies, use their network to identify potential business attraction leads, and help respond to requests for proposals from companies seeking to relocate. Their efforts have been instrumental in Tampa's successful business attraction efforts and the group is ranked as one of the top ten economic development groups world-wide, according to Site Selection magazine.

Additionally, the private sector can support economic development by providing access to experts and best practices to supplement existing resources. The City of Newark, with the support of the Newark Alliance, the Newark Redevelopment Trust Fund, and the NJEDA will determine the resource needs and appropriate solutions.

- **Launch a Newark Community Foundation to build a permanent endowment for the City of Newark**

Properly structured, the Community Foundation will provide a permanent source of funding to the City of Newark in perpetuity and provide seed money for maintaining the city's overall economic viability.

Initial fundraising will focus on supporting key economic development and job creation projects. The Newark Community Foundation is considering leveraging the infrastructure of the New Jersey Community Foundation, which currently has \$150 million in assets. This effort will be led by the Newark Alliance.

- *Pursue feasibility of implementing the 3D virtual urban planning tool.*

This tool utilizes the latest GPS virtual reality technology that provides state-of-the-art tools for urban planning. The City of Newark, partnering with NJIT and with support from the Newark Alliance, is leading this effort.

- *Identify the interrelationships between Newark's economic development plan and the Governor's Economic Growth Plan to ensure proper alignment of city and state resources.*

Throughout the strategic development process, the Secretaries of Commerce and Labor, as well as the CEO of the NJEDA and the Chairman of the Port Authority of New York and New Jersey have been actively involved and have committed their organizations' resources to OpportunityNewark. This commitment has been invaluable. It is important that the city, state and Newark Community continue to link economic plans to effectively leverage limited resources. Based on the current recommendations of the Governor's Economic Growth Transition Policy Group, there are potential linkages between the state efforts and OpportunityNewark such as:

- Contributing to the development of the state's strategic business plan by providing insights and data on Newark's

key sectors, such as transportation, logistics and distribution services;

- Working closely with the Edison Innovation Alliance to coordinate efforts to grow New Jersey's Innovation Economy;
- Assisting the Department of Commerce on efforts to increase private/public sector efforts to retain and attract businesses; and,
- Helping shape the urban agenda.

The Newark Alliance, working with the City of Newark, the Newark Redevelopment Trust Fund and the NJEDA, will define the linkages.

Measures of Success

The success of the Economic Development Infrastructure efforts will be measured over time by monitoring the following metrics:

- Increase in the number of businesses in Newark;
- Pace of development activities; and,
- Economic Impact of the Newark Community Foundation.

City Perception: Image & Identity

Introduction

There are some who say that a positive image is everything, but most thoughtful people prefer a positive reality. Making image match reality for Newark means telling the story of a 21st century city uniquely positioned as a destination for arts, entertainment, culture and commerce. Telling that story will open eyes to business opportunities for an audience that has an unclear image of today's Newark. More importantly, it will also support current initiatives to build a strong Entertainment, Arts & Retail cluster by leveraging existing assets such as the New Jersey Performing Arts Center, myriad cultural institutions and ethnic enclaves, and the New Jersey Devils Arena, which is currently under construction.

To realize this goal, it will be necessary to promote a unified vision and image of Newark to better position it as a destination for businesses, residents, workers, students and visitors. The City Perception Action Team identified strategies to strengthen existing marketing and promotion efforts by building on the positive momentum occurring in this cluster already.

Description of Newark's Image

Newark's image has evolved through several generations. Throughout most of its 300-year history, Newark has been a flourishing retail center and an economic engine of exceptional strength. Newark's decline in the mid-20th century mirrored the dynamics of most American urban cities in the period following World War II. Newark became a favorite target of the media. *Life Magazine* featured Newark during the 1960s civil unrest.¹⁰¹ In the 1970s, *Harper's* labeled Newark as the worst city in America.¹⁰² In the 1980s, Newark was notorious as the car theft capital.¹⁰³ In the 1990s, *Money Magazine* listed Newark as the most dangerous city in the country.¹⁰⁴

Today, none of these labels holds true, even if their image lives. In 2002, *Travel+Leisure* featured Newark in its Cityscape section.¹⁰⁵ In 2004, *Inc. Magazine* rated Newark as a top city for doing business.¹⁰⁶ In 2005, *Business Week* named Newark one of the Best Cities for Entrepreneurs.¹⁰⁷ Although businesses have identified Newark's image as an issue, the city's competitive strengths, such as its proximity to New York City, first-rate logistics infrastructure, regional workforce, and purchasing power, outweigh perception-driven concerns.

101 LIFE Magazine. 7/28/67.

102 Harper's Magazine. 1/75.

103 National Insurance Crime Bureau, 2004. Auto theft rates rankings by city, Newark ranked #36 in 2004.

104 Money Magazine. 11/26/96.

105 Alhadeff, Gini. *Insider Cityscape: Newark? Yes, Newark*. Travel+Leisure Magazine. 4/02.

106 Inc. Magazine. 3/04. (Newark ranked No. 10 in large cities where small companies were adding the most jobs the fastest.)

107 Gerdes, Lindsey. *Newark, N.J., Renewed, It Beckons*. BusinessWeek. 7/13/05.

Crime and Safety in Newark

Despite what the public perceives, Newark's crime rate has fallen sharply over the past decade, even more so than that of New York City. Since 1996, the Newark Police Department and its security partners have achieved a 56 percent reduction in crime.¹⁰⁸ The Police Department has adopted COMSTAT, a crime analysis and management tool used effectively in New York City to decrease crime in areas like Times Square. The Police Institute at Rutgers-Newark developed the Greater Newark Safer Cities Initiative to prevent and reduce violence. In high traffic areas, like the Central Business District and the Ironbound, Special Improvement Districts have been formed to address residual health and safety issues. In addition to the Newark Downtown District (NDD) and the Ironbound Business Improvement District (IBID), plans are under way to add Special Improvement Districts in several other neighborhoods.

Changing perception is an arduous, lengthy and continuous process. The heralded comeback of several of America's cities has demonstrated that perception can be changed, and used, as a promotion tool—provided, of course, that there is an underlying reality that supports it. For example, when Philadelphia was suffering from image problems, the Mayor formed the Greater Philadelphia Tourism Marketing Corporation whose primary goal was to build a positive image for Philadelphia and the surrounding regions. Today, Philadelphia is celebrated as the "City of Brotherly Love" which has led to a 49 percent increase in overnight visitors and \$6.8 billion in related economic activities. Given the economic benefits at stake, changing and managing city perception is a critical process in which Newark must engage.

Newark Today

Every change in perception needs to start from within. Newark is home to more than 270,000 residents and each day more than 100,000 professionals commute into the city to work, another 50,000 students attend one of the colleges and universities, and almost 13,000 travelers pass through Newark International Airport. In total, Newark welcomes over 400,000 people each day.

As a result, Newark is heavily engaged in providing well-organized public events that are creating positive personal experiences for visitors and residents alike. Such productions include, NJPAC's Sound of the City outdoor summer evening performances; the Newark Portugal Festival, which has become the largest ethnic festival in New Jersey and one of the largest Portuguese celebrations in the world; and the 2005 *Nicholas & Alexandra Exhibition* at the Newark Museum, which brought in a record 92,000 patrons. In addition, events such as NDD's Foodtopia and farmer's market and the university community's CollegeU! collaboration were held in order to get the daytime population of workers and students engaged in activities in the city. These activities are creating personal experiences that are at the core of changing perceptions and preconceived notions of Newark.



Events have put Newark on both the international and national stage. In 2005, the Mayor hosted an international delegation from cities around the world that share the Newark name. Delegates could not help but be impressed by Newark's progress over the last 15 years.

City Historian Charles Cummings wrote:

In a visit to Newark by members of the Newarks-of-the-World this past summer, delegates who had not been here in 15 years were amazed at changes since their last visit. Their introduction to the new Newark began with arriving at the completely rebuilt airport. It extended to the new airport hotels, downtown

108 Newark Police Department.

construction, rebuilt older office buildings, the completion of NJPAC and activities at the Newark Library, the Newark Museum and the New Jersey Historical Society. They compared the light-rail transit system along Broad Street to that in San Diego, and many said they were impressed with the university system, which has multiplied many times over. Few times in Newark's history has there been so much excitement and change.¹⁰⁹

An event that put Newark in the national spotlight occurred in January 2006, when Queen Latifah — a native of Newark — broke from Hollywood tradition and held the movie premiere of "Last Holiday" at the Newark Theatres on Springfield Avenue.



The Newark of today needs to be widely publicized so that perceptions are aligned with its current and its emerging future.

Description of the Action Team

The City Perception Action Team was formed to identify opportunities to strengthen Newark's marketing and promotion efforts. The Action Team, comprised of marketing executives from local government and various corporate, cultural, community and media institutions within Newark, met over several months and performed the following: assessed the current state of Newark's image by review-

ing results of past surveys and studies and conducted a recent survey (2005) of Seton Hall Law school students and faculty; reviewed a methodology for branding a city; and benchmarked various cities for best practices in organizational structures, funding streams, and marketing and promotion execution strategies. Based on the research findings, the City Perception Action Team identified both short- and long-term strategic actions.

Issues Identified

Underutilized Cultural Assets: Newark offers a plethora of rich cultural assets that could benefit from higher attendance. Newark's activities are generally centered on the workday as the downtown is much less populated after dusk and underutilized by residents, students, and employees who spend a significant amount of their time in Newark. Two factors largely contribute to this lack of activity: a lack of downtown residents and a shortage of quality retail and entertainment options. These situations are being addressed through several transformational residential and mixed-use development projects. Another contributing factor is the lack of awareness of what is available in Newark before, during, and after work hours.

Negative Perceptions: Perceptions of Newark both inside and outside of the city are rooted in the past. These negative perceptions impact the ability to attract investment and business into the city, make it difficult for employers to attract and retain employees, deter retailers from considering Newark as a business location and do not make the city an attractive choice when considering housing options.

Limited Collaborative Marketing: Marketing and promotion for the City of Newark is accomplished through a myriad of organizations and sometimes on an ad hoc basis. Within the City of Newark, the Office of Public Information provides the primary interface with the general public and responds to requests for marketing materials promoting the City of Newark for purposes of business, culture, conventions, filming, and tourism. The City of Newark's Office of the Business Administrator is the primary interface for business attraction and major development of commercial and residential real estate projects. The Newark Office

109 Cummings, Charles F. *Knowing Newark: Gateway? Renaissance? A Reviving City Earns Its Nicknames*. The Newark Star-Ledger. 12/8/05.

of the Urban Enterprise Zone (NOUEZ) promotes the geographic area that defines the NOUEZ through supplements to various publications. The Newark Downtown District (NDD), the Central Business District Special Improvement District, and the Ironbound Business Improvement District promote their districts by sponsoring events and through various marketing brochures and websites. Business community partners such as the Newark Alliance and Regional Business Partnership promote the city through programs, events and websites. Marketing and promotion also occurs at the organizational level for the numerous cultural institutions in the city. There is little overall coordination amongst these various groups to leverage resources and package Newark's assets. A Convention & Visitor's Bureau was established in 2000 to fulfill this role yet it was not sustainable due to a lack of funding.

Action Plan

Changing and managing perception is a long-term process that takes a minimum of five to ten years and a multi-dimensional approach. The City Perception team identified actions that would better promote Newark, improve its image and increase patronage and utilization of its assets. The Newark Office of the Urban Enterprise Zone (NOUEZ) will be the coordinating entity for the following actions relying on the continued support and collaboration of the Newark Community.

High Priority Areas

- **To promote Newark's assets:**

- **Execute a collaborative marketing function**

A collaborative marketing function will be executed to leverage Newark's assets by aggregating capacity and activities into marketable packages to attract events to the city. This function, which will be coordinated by the Newark Office of the Urban Enterprise Zone (NOUEZ) with assistance from various partners, has three components: reestablishing the Collaborative Marketing Association; packaging of assets; and, identifying and implementing common/shared communication and marketing tools.

- *Reestablish the collaborative marketing association*

The Collaborative Marketing Association (the Association), which was operational in 2003, will be

reestablished to develop a strategy for leveraging the collective assets and related resources to increase the visibility of Newark as a cultural and entertainment center. The Association, which will include stakeholders from arts and cultural institutions, and restaurateurs, as well as key intermediaries such as the NDD and the IBID, will focus on developing strategies to package and promote Newark's cultural and entertainment assets. Additionally, the Association will provide a platform for these stakeholders to share and exchange ideas, leverage resources and advocate collectively on arts and entertainment issues impacting the city.

- *Packaging of assets*

When assessing Newark's assets, the whole is greater than the sum of its parts. An opportunity exists to package Newark's assets and promote them to attract events such as business meetings, amateur sporting events and small conventions, to name a few. By packaging the assets and aggressively promoting the aggregate capacity of all of its venues, the city will be better positioned to attract activities and events that are currently not being captured. This packaging would be a tool used to present the city to the media, developers, hotel operators, tourism organizations and retail operators. Additionally, the city's aggregate capacity linkages will be strengthened with the state's tourism organizations and initiatives (e.g., Gateway Tourism Region), better positioning the city to advocate for cultural affairs issues within the city and state.

- *Implement shared marketing tools*

The NOUEZ will be charged with developing world-class marketing collaterals and tools to promote Newark. For example:

- *Website:* The RBP currently maintains the GoNewark website. The website provides accessible real-time information about Newark "at work," "at play," and "at home." As the collaborative marketing function is developed, this website should be evaluated for its effectiveness as a common platform for communicating and executing the shared vision of the stakeholder group. The RBP, as a partner with the NOUEZ, will manage the website.

- *Collateral:* The NOUEZ will coordinate the production of marketing materials that share the unified brand and vision for the City of Newark.

- **Launch a marketing campaign to existing populations**

Changing the perception of a city starts with changing the perception at home. With Newark's current population of residents, employees, students and Newark International Airport travelers, over 400,000 individuals pass through the city daily. The NOUEZ will launch a campaign focused on educating this population on all of Newark's amenities including retail, restaurants, arts and culture, and recreational activities to increase the patronage of existing facilities.

- **Launch a marketing campaign to key stakeholders**

In addition to reaching the existing Newark population, it is important that marketing efforts target key influencers, such as retail operators, real estate developers, hotel operators, and other tourism related organizations. The NOUEZ will lead efforts to promote Newark to this critical target audience.

- **Execute events that garner national exposure**

The Newark Alliance, in coordination with its partners, will identify and execute major events in Newark that will draw national media attention. The objective of these efforts is to demonstrate in a tangible way Newark's progress to the rest of the country. Queen Latifah's Last Holiday Movie Premiere was the first of such events.

Other Action Areas

- **To develop Newark's identity:**

- **Launch a unified brand for Newark**

Communicating a unified brand is critical to the further development of Newark's EAR cluster. The unified brand, developed around a shared vision of stakeholders, will provide a consistent message and convey current realities that match individuals' personal experiences when visiting the city. Brand development, which is a continuous process, will provide an overarching platform for institutions promoting their individual activities within the city. The Star Ledger, in partnership with the NOUEZ, will provide leadership on this initiative.

- **To promote Newark's assets:**

- **Launch a destination marketing organization or conventions and visitor's bureau**

An organization, with a dedicated, sustainable funding stream, is needed in the long run to ensure that the marketing, promotion and branding activities for the city are effectively managed. Based on benchmarking performed against other cities, it is recommended that a Destination Marketing Organization (DMO) or Conventions and Visitor's Bureau (CVB)-like organization be launched to provide Newark with the appropriate infrastructure to aggressively promote and market the city on an ongoing basis. These organizations, in the cities benchmarked, generate significant dollars for each dollar spent in advertising. For example, a study commissioned by the Greater Philadelphia Tourism Marketing Corporation found that for every \$1 spent in advertising, it generated \$185 in direct, indirect and induced spending and \$13 in regional and state taxes.

There is little question that image and perception impact all aspects of economic development. They are key economic drivers that, if appropriately addressed, can accelerate Newark's revitalization efforts, help realize the 24/7 downtown, improve neighborhoods and create hundreds of jobs within the EAR Cluster.

Measures of Success

The City Perception actions are expected to produce results that significantly change the image and perception of Newark over time. The following metrics will be used to monitor progress:

- Number of new businesses, residents, students and visitors to Newark;
- Change in perceptions measured by recurring surveys;
- Number of positive articles in local and national media about Newark;
- Number of new events and conventions to Newark; and,
- For every \$1 spent in advertising, the amount of direct, indirect and induced spending and regional and state taxes generated.

Urban Business Investment

Introduction

Ensuring a strong vibrant climate for Newark’s small, mid-sized and minority-owned businesses is another vehicle for creating job growth and wealth in the community. The Urban Business Investment Action Team was formed to identify initiatives that can further catalyze minority and small business development.

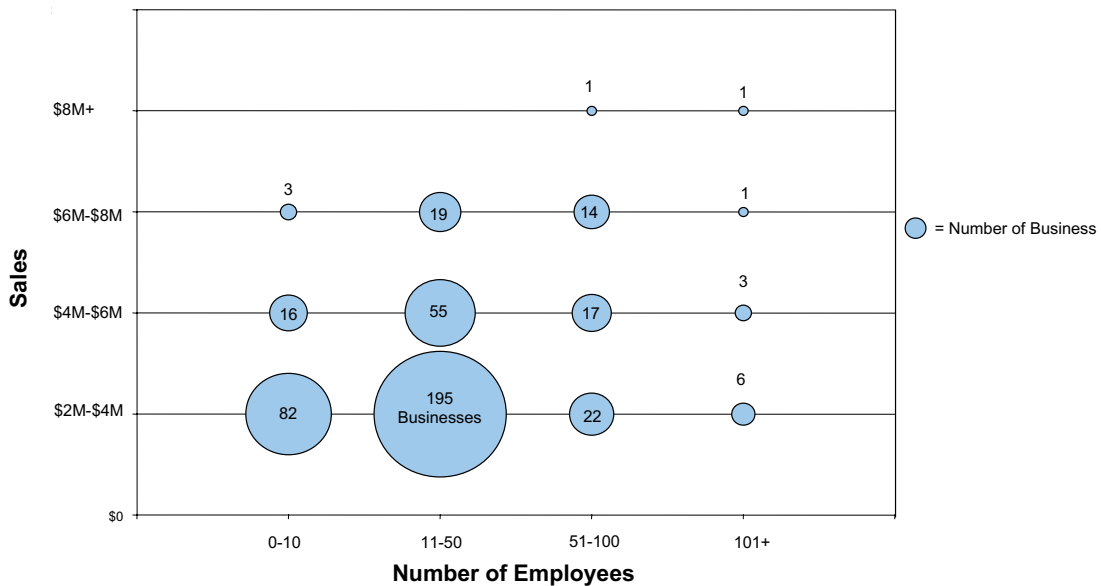
Description of Newark’s Small Business Community

There are over 400 businesses within Newark with sales from \$2 million to \$8 million, as depicted in Fig. 25. Collectively, these companies provide over 14,000 jobs and

generate over \$1.5 billion in sales. The average annual sales and average number of employees for this group are \$3.6 million and 32 employees, respectively.

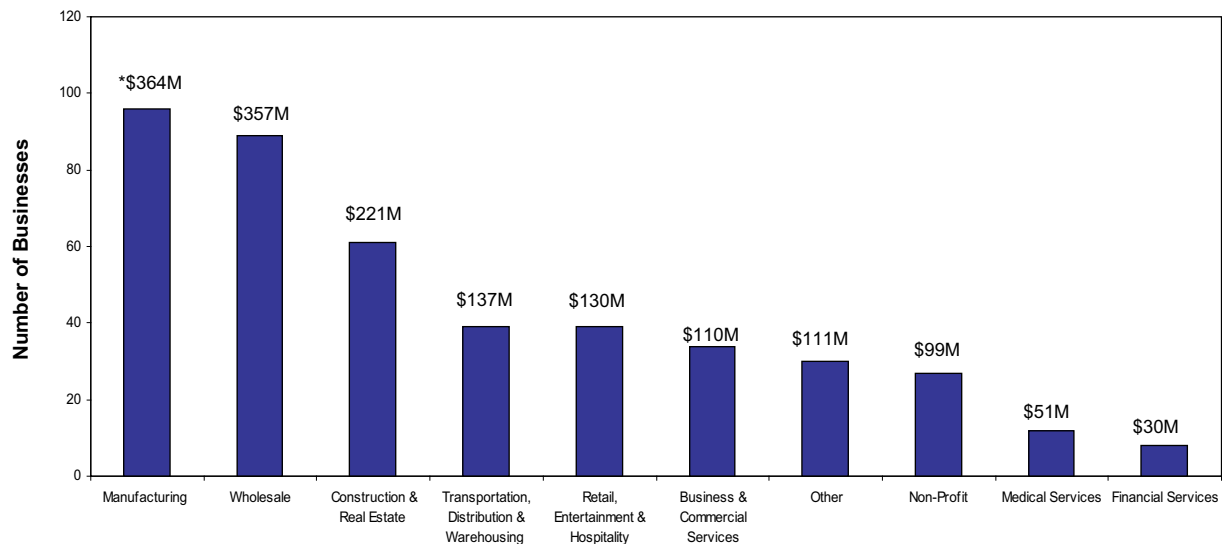
These small businesses fall into a broad range of industries. Almost 58 percent of total revenues are generated from three clusters (see Fig. 26): Manufacturing - 22 percent, Wholesale - 22 percent, and Construction & Real Estate - 14 percent. As job growth is predicted in the four industry clusters (TLD, EAR, EKC & Health Services) that were the target of this project, opportunities for small business growth should follow a similar pattern. Currently, these clusters collectively represent 90 businesses, with approximately \$318 million in total revenues (20 percent of total revenues). Newark’s revitalization should also create opportunities for small business growth within other industry clusters such as Construction & Real Estate.

Fig. 25: Newark Small Businesses by Sales and Size
(Only includes businesses with revenue between \$2M-\$8M)



Source: Dun & Bradstreet, courtesy of Rutgers University Business School

Fig. 26: Newark Small Businesses by Industry
(Only includes businesses with revenue between \$2M-\$8M)



Source: Dun & Bradstreet, Courtesy of Rutgers Business School
 *Note: Dollar amounts represent total revenue for businesses within the industry

These small businesses are an important part of Newark’s economy. Given their role in Newark’s economy and their potential for growth, one of the focal points of OpportunityNewark was to assess the current business environment that supports these entities. As the City is poised for growth, it is important to have a strong infrastructure to help entrepreneurs succeed.

Description of the Action Team

In order to devise strategies to address the issues identified, a team of experts representing various aspects of small business development was formed. The Urban Business Investment Action Team assessed current practices to identify gaps, if any, in three areas: access to capital; access to markets; and advisory services. Focus groups were held and interviews were conducted with capital providers, procurement officers of various institutions, providers of business services and entrepreneurs.

Issues Identified

Based on the data collected, it was determined that growth of many Newark-based small businesses is impeded by all or some combination of the following: a lack of capital, as well as a lack of the right type of capital for the growth stage; limited or no access to business networks; and thin technical resources and infrastructure.

Access to Capital: Capital provided to the Newark based small business population includes micro-lending (under \$35,000), debt financing and, to a lesser extent, traditional venture capital. The Greater Newark Business Development Consortium (GNBDC) is one of the primary sources of start-up capital to local minority-owned businesses. The NJEDA provides a portfolio of debt financings for businesses at all levels and most area financial institutions provide Small Business Association (SBA) lending.

Research indicates that inner city minority entrepreneurs are sometimes challenged with accessing debt financing against traditional underwriting criteria. Often times, the entrepreneur's asset base and/or credit history is insufficient to acquire funding at the level needed to move its business through the next growth cycle. Also, the inner city minority entrepreneur often times is unable to access angel capital or patient capital in the early life cycle of its business and, as a result, the businesses' growth is maintained at the micro- to small-enterprise level.¹¹⁰

Within the Newark community, there is a gap of patient capital between the ranges of \$35,000 to \$500,000. Financings at the lower range are met by the micro-lenders, while traditional venture capital (\$500,000 and above) is available for financings in the higher range. Financing structures available for Newark-based small businesses between \$35,000 and \$500,000 are generally in the form of debt and are not always the best structure for small companies in the early growth stage.

Additional observations regarding access to capital were as follows: established businesses in expansion mode (50+ employees) are the most likely to create substantial jobs and are likely targets for equity capital. An education process generally needs to take place with owners of companies of this size to show them the merits of equity capital. Having a pool of capital would likely create opportunity to participate in projects since businesses are attracted to locations that have available funding. A broad geographic scope is generally needed for an equity fund. The venture capital firms interviewed indicated that there have been only a few deals completed with firms in

Newark in recent years and most activity occurs within 15 to 20 miles of Newark. Approximately 269 small businesses in Newark have between 11 – 50 employees and sales in the \$2 – \$8 million range. This group is the likely target population of growth companies in the Newark market that could benefit from patient capital.

Access to Markets: Both the State of New Jersey and Essex County disparity studies found that there is a significant discrepancy in the availability and utilization of Minority/Women Owned Business Enterprises (M/WBE) across all procurement categories. This fact was further substantiated in interviews with both local businesses and procurement officers. This reality still exists, although various institutions have implemented myriad programs to provide M/WBE's with better access to secure contracts.

Advisory Services: There is a rich source of business assistance services available to the Newark small business community through organizations such as Greater Newark Business Development Consortium (GNBDC), the Institute For Entrepreneurial Leadership (IFEL), Prudential's Young Entrepreneurs Program (PYEP), and the Rutgers University Small Business Development Center (Rutgers SBDC). Additionally, NJEDA rotates its statewide Entrepreneurial Training Institute program through Newark on a periodic basis. These organizations provide a wide range of technical services, including management consulting, business plan development, strategic planning, specialized workshops in all business disciplines, and peer-to-peer support, among others. The Newark One-Stop Business Resource Center (BRC) is a centralized point-of-entry to inform business owners of services available in the community.

¹¹⁰ Patient Capital refers to providing "equity funding in the expectation of a return, but on a less demanding basis than pure commercial private equity capital as the returns are either lower or expected over a more deferred time frame than commercial investors would require or accept." Source: Impax Capital Corporation Ltd. The European Commission. *Patient Capital Initiative: Feasibility Study*. 11/04.

Action Plan

- **To improve access to capital:**

Introduce a vehicle that provides a new source of patient capital to help established businesses that have strong growth potential reach the next level while creating jobs. A white paper outlining the structure, goals and objectives of this source of capital will be completed. Providing another source of capital that is tied to job creation will benefit Newark businesses and the broader community. The Newark Alliance is spearheading the effort to introduce such a financial vehicle to Newark.

- **To improve the awareness and coordination of business assistance resources:**

Conduct joint marketing to increase awareness of the business assistance resources available to Newark area businesses. The marketing and promotion of these services would be more effective as a joint venture, versus individual efforts. This will further enhance program coordination among existing providers and better leverage assets such as the One-Stop Business

Resource Center to streamline referrals and provide a clearinghouse for programs and services. Additionally, the marketing efforts will help to better coordinate existing resources and highlight services provided by each organization. The Newark Alliance, working with the business assistance organizations, will manage this effort.

Measures of Success

The success of the Urban Business Investment Action Team recommendations, once implemented will be measured by the following metrics:

- Percent of employees hired from Newark for the jobs created;
- Increase in the number of entrepreneurs in Newark; and,
- Number of jobs created as a result of small business growth.

Workforce Development Infrastructure

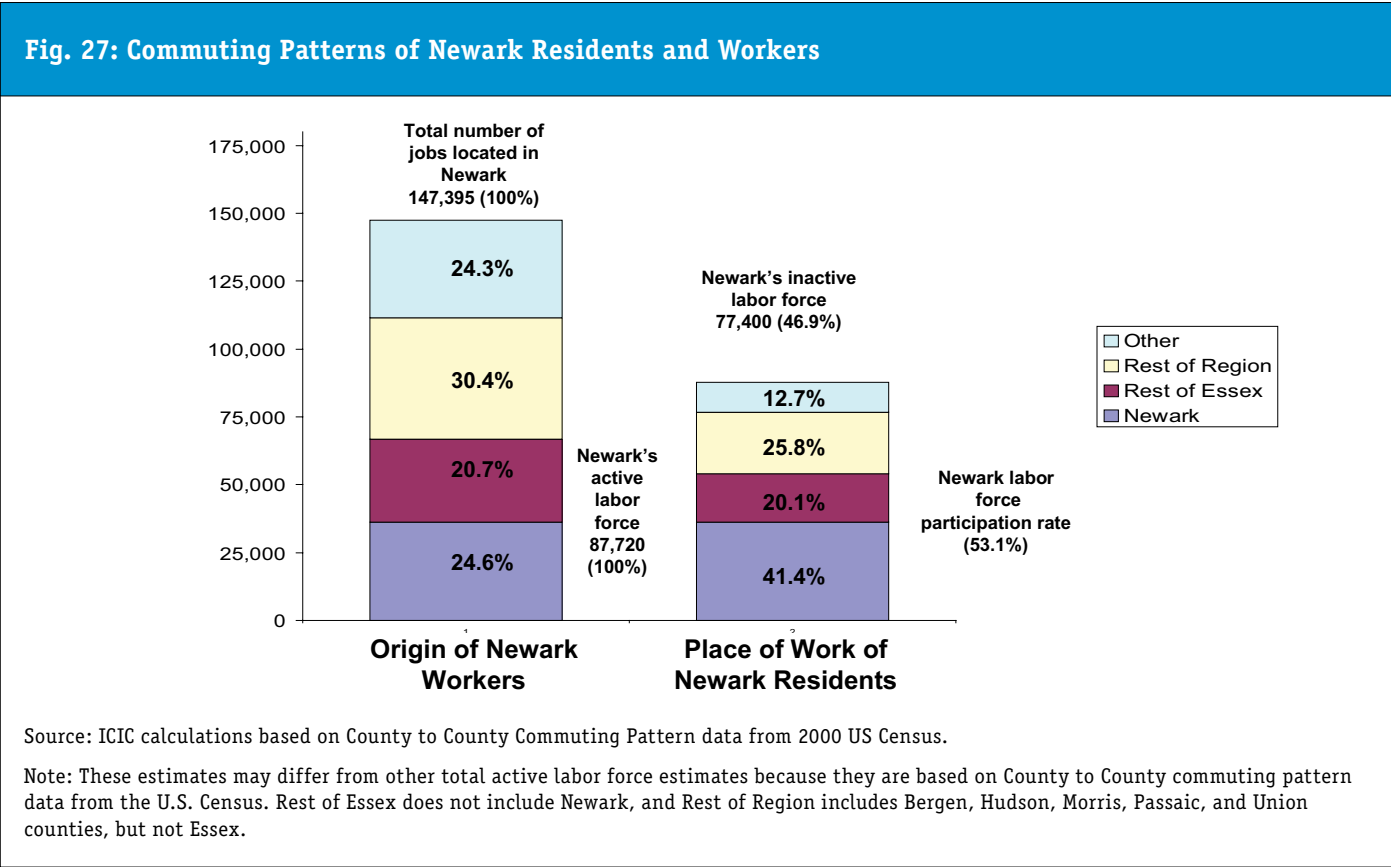
Introduction

Newark has many workforce development assets, including high-quality training programs, strong educational institutions, supportive state partners, an active Workforce Investment Board (WIB), and important employment resources, such as the Newark One-Stop. However, the system's full potential to guide residents to training programs and employment opportunities has not been realized due to the lack of awareness among Newark residents, employers, training programs, and workforce intermediaries about

these critical resources. A multi-tiered communications strategy will help bridge the knowledge gap to improve Newark's capacity to meet the employment needs of its residents and businesses.

Description of Newark's Workforce Landscape

More than half of Newark's total labor force is active – meaning these residents are working or looking for work. In 2000,

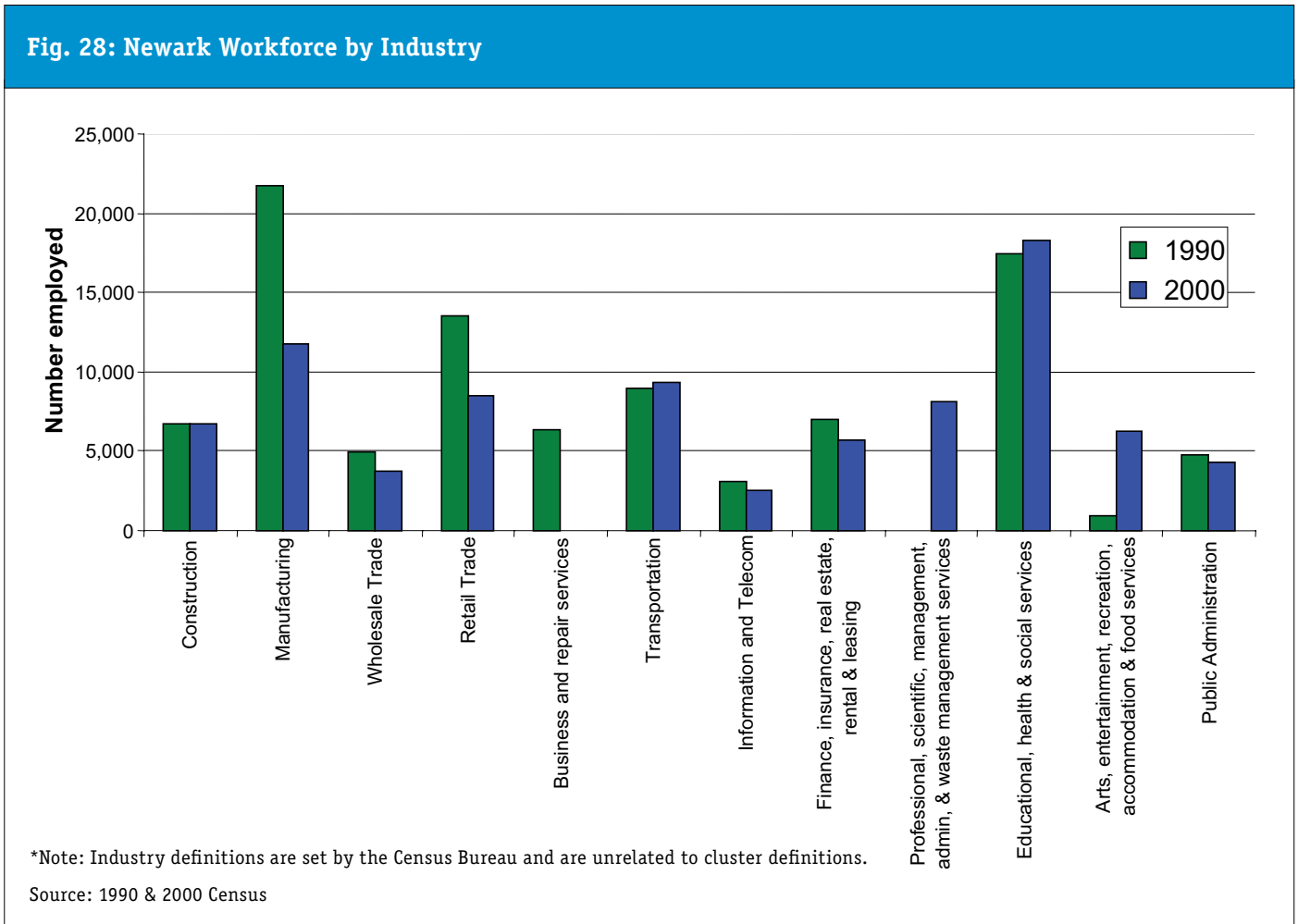


Newark's active labor force totaled 87,632, or 53.1 percent of the entire available labor force, as depicted in Fig. 27.¹¹¹ Of the Newark residents in the active labor force, 41 percent had jobs in Newark. However, Newark residents held only 25 percent, or 61,000, of the 147,395 jobs located in Newark in 2000.¹¹² Commuters from surrounding cities and towns held the remaining 86,400 local positions.¹¹³

According to U.S. Census estimates, Newark's employment landscape changed dramatically from 1990 to 2000 (See

Fig. 28). Like the national trend, manufacturing employment decreased significantly, losing its 1990 status as Newark's largest employer. By 2000, more Newark workers were employed in the Educational, Health, and Social Services sector than in any other. Further, employment in the Arts & Entertainment and Professional Services sectors grew significantly between 1990 and 2000.

As a result of these economic shifts, net employment in Newark has declined. Between 1998 and 2003, Newark lost

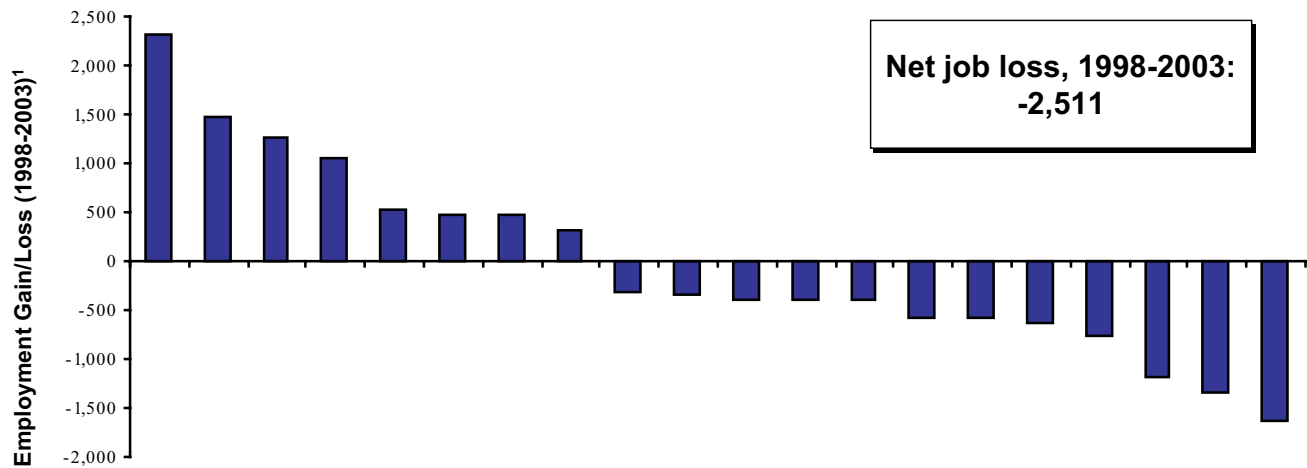


111 ICIC calculations based on *County to County Commuting Pattern* data from 2000 US Census. Note: These estimates may differ from other total active labor force estimates because they are based on County to County commuting pattern data from the U.S. Census.

112 U.S. Census data is the latest available on employment and workforce size of Newark residents.

113 ICIC calculations based on *County to County Commuting Pattern* data from 2000 US Census. Note: These estimates may differ from other total active labor force estimates because they are based on County to County commuting pattern data from the U.S. Census.

Fig. 29: Top Employment Gains and Losses in Newark by All Clusters



Source: ICIC calculations based on U.S. Department of Labor. Quarterly Census of Employment and Wages ES-202 1998 – 2003.

Note: Employment estimates for the cluster may differ from other estimates due to variations in the time period analyzed or the industry classifications used to define the cluster. Includes all clusters where job gain/loss was greater than 250 employees.

an estimated 2,500 jobs (see Fig. 29).¹¹⁴ Two key clusters in this analysis, logistics and health services, however, posted employment gains, growing by nearly 2,500 and 1,500 employees respectively.

While the unemployment rate was 19 percent in 2000,¹¹⁵ an estimated 52 percent of individuals working in Newark were underemployed, as depicted in Fig. 30.¹¹⁶ Underemployed individuals hold part-time or low-paying full-time jobs that do not enable them to meet their financial obligations. Office support workers, janitors and cleaners, and personal care workers are commonly among the underemployed. In addition, a growing segment of the underemployed consists of laid-off professionals who have taken positions below their skill levels or previous salaries. The underemployed desire full-time positions, higher paying jobs, and career progression. Moreover, they are willing to switch jobs should better opportunities present themselves.

Description of the Action Team

The Workforce Development Infrastructure (WDI) Action Team, made up of representatives from training programs, educational institutions, and the public workforce system, discussed ways to strengthen Newark’s workforce development infrastructure. These opportunities included developing additional soft skills training programs and developing apprenticeship programs (modeled after successful initiatives such as the Philadelphia Life Science Career Alliance), which would provide participants with skills and career paths. The WDI Action Team also brainstormed solutions to the problem of ex-offender unemployment. Among other ideas, the WDI Action Team considered replicating one of the innovative ex-offender re-entry models, such as San Francisco’s Delancey Street Foundation or the U.S. Department of Labor’s Federal Bonding Program, or hiring a dedicated prison re-entry specialist for the Newark One-Stop.

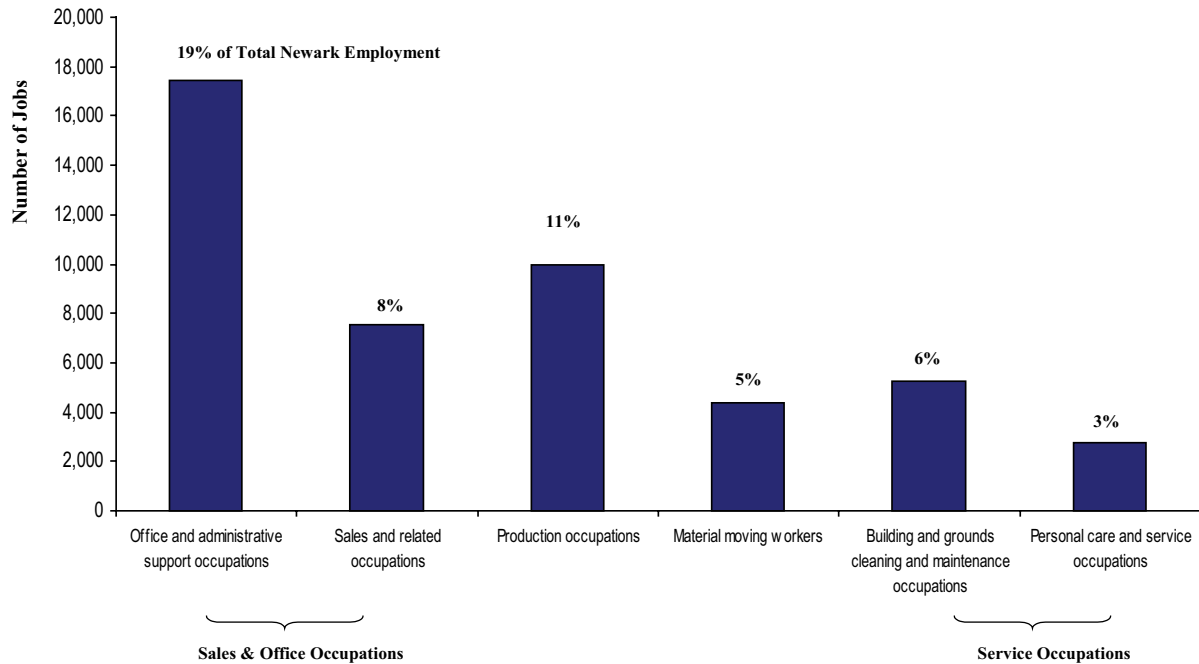
114 ICIC calculations based on U.S. Department of Labor. *Quarterly Census of Employment and Wages ES-202 1998 – 2003*. Note: Employment estimates for the cluster may differ from other estimates due to variations in the time period analyzed or the industry classifications used to define the cluster.

115 ICIC. *State of the Inner City Economies (SOICE)*. 2001. Note: Unemployment figure differs from the U.S. Census estimate due to the geographic area included in the SOICE analysis.

116 ICIC calculation based on U.S. Census 2000 estimates of Newark employment in select occupations.

Fig. 30: Underemployment in Newark

**Roughly 52% of Newark Residents are Underemployed
Representative Underemployed Occupations in Newark**



Source: ICIC calculation based on U.S Census 2000 estimates of Newark employment in select occupations.

Based on focus groups with Newark residents, interviews with workforce development stakeholders, and WDI Action Team discussions, the WDI Action Team concluded that two critical opportunities exist to strengthen Newark’s workforce development infrastructure. The Action Team recommends:

- Developing a multi-tiered communications strategy to increase awareness about training and employment opportunities among the underemployed, youth, immigrants, and employers; and,
- Developing support services, which target the underemployed, who require tailored programs due to work schedules, childcare duties, and financial constraints.

Issues Identified

Several studies have highlighted the need for Newark residents to improve their skill sets before they advance within their field or enter a new one. In particular, employers have voiced their concerns about Newark residents’ soft skills, which include timeliness, courtesy, work ethic, self-discipline, language proficiency, and workplace manner. Employers indicate that they have limited in-house capacity to pre-screen workers for soft skills and therefore shy away from hiring Newark residents.¹¹⁷

While external screening and training services exist, these services and their accomplishments are largely unknown

117 Stokes, Robert S. *Workforce Landscape Assessment, City of Newark, New Jersey*. RSS Associates for New Jersey Institute of Social Justice, Newark Community Development Network, and the Enterprise Foundation. 2/2002.

to employers.¹¹⁸ Furthermore, the business community is largely unaware of workforce training programs that target workers in their sectors and that could actually provide them with properly trained employees. In addition, few employers are aware of opportunities to receive government funding to train incumbent employees for higher skilled positions within their organizations.

While the employer community has limited knowledge of Newark's workforce development resources, the city's residents are also unclear about the available training and employment opportunities. In a series of focus groups, Newark residents indicated that they had little information about Newark's workforce development resources. Moreover, they did not know where to obtain information about these resources. Newark residents rely on word of mouth to learn about opportunities, often hearing about programs or jobs through friends or relatives. Few focus group participants had used or were aware of the Newark One-Stop. Among the focus group participants, the immigrant population was the most disconnected and unfamiliar with city services.

Despite this lack of awareness, participants, many of whom were underemployed, were interested in receiving training that would enable them to change careers or advance in their chosen fields. Given their need to balance work, family, and financial obligations, however, participants emphasized the importance of cost and timing to their training decisions. Lack of childcare, in particular, makes it difficult for residents to take the training they want and need. Unless friends or relatives can care for their children, they can not attend night classes. But daytime classes, without necessary supports, do not offer a viable alternative. The underemployed would have to sacrifice wages to participate in them. Participants said they would benefit from access to a point person who could help them identify feasible career and training opportunities.

Although online training may offer an alternative to inconvenient day or evening classes, Newark residents in the

mentioned focus groups were hesitant about online training. A few people who had computers in their homes were fairly positive, but still unsure if online training could replace classroom interaction. Most participants indicated that they would not be able to take advantage of online training because they did not have consistent access to a computer.

Although Newark faces challenges with respect to workforce development, it has critical assets that community leaders can leverage to break down the information barriers and transform its workforce environment. First, Newark has strong institutional support and leadership in the workforce arena from the WIB and the Newark One-Stop. In addition, over the past two years, the New Jersey Department of Labor and Workforce Development has been a very effective partner for Newark's WIB and One-Stop. In 2005, the Newark One-Stop provided over 159,000 staff-assisted services to Newark residents.¹¹⁹ More recently, the One-Stop worked with Home Depot to screen candidates for positions at its new facility. Home Depot hired 80 percent of its staff from the Newark One-Stop and was so pleased with these employees that it recently requested an additional pool of 30 screened candidates from the One-Stop, from which it hired 18 people.¹²⁰

Second, there are more than 50 training programs in Newark today, offering coursework in nursing, computer programming, construction, law, office administration, soft skills, and computer training, among others. Contributing to the strength of this education network are Newark's strong colleges and universities including Essex County College, Rutgers University, University of Medicine and Dentistry of New Jersey, and New Jersey Institute of Technology.

Third, Newark has a large population of underemployed workers. These individuals have proven track records of success in a variety of workplace settings and are eager to find new opportunities. Provided the proper training and resources, this group could be funneled into higher paying, higher skilled positions, opening up entry-level jobs for

118 Ibid.

119 JoAnn Hammill. New Jersey Department of Labor and Workforce Development. 3/23/06.

120 Marshall Cooper. Newark Workforce Investment Board. 2/23/06.

unemployed workers. With the leadership of the WIB and the One-Stop, and with continued state support, there is an opportunity to integrate Newark's network of training providers, social service organizations, and employers to strengthen the workforce development infrastructure and guide local residents into stable, well-paying jobs.

Action Plan

With many training programs, the involvement of the New Jersey Department of Labor and Workforce Development, an active Newark WIB, Workforce Investment Act funding, and the Newark One-Stop placement services, Newark is primed to address its workforce challenges. The proposed multi-tiered communications strategy will solidify Newark's workforce development infrastructure and enable residents and employers to effectively utilize the city's resources. The WDI Action Team believes that a multi-tiered communications strategy targeting underemployed workers; the immigrant population; school-to-career students; out of school youth; and employers will complement existing communications tools and increase the use of workforce resources to the city's advantage. By identifying areas of mutual interest and concern to Newark stakeholders, the communications strategy will improve collaboration among the different workforce development resources in Newark. With better information and a clearer guide to available resources, residents will be well-positioned to make directed career decisions.

• Multi-tiered communications strategy

The state, city and 50-plus independent workforce training programs in Newark already provide many needed services. However, these resources are not well publicized. Most focus group participants learned about job and training opportunities from family and friends, instead of through targeted communications from training programs or workforce intermediaries. Several participants indicated that despite efforts to identify specific training opportunities, they were unable to secure information from social service organizations. Meanwhile, employers expressed reluctance to hire Newark residents through the Newark One-Stop or from training programs because they did not have good information about their successes, such as the retention rates of employees placed by the One-Stop or the training participants' track records following graduation.

Given these dynamics, the WDI Action Team identified five groups for which better information is critical to effective

use of Newark's workforce development infrastructure. The communications strategy will target the underemployed, immigrants, out of school youth, school-to-career students, and employers, with the intent of accomplishing several goals. The multi-tiered communications strategy will:

- **Connect residents to training programs and employment opportunities:** The communications strategy will improve the flow of information about available opportunities. As a result, Newark residents will be able to make more informed decisions about jobs, training, and career opportunities. The strategy will increase prospective students' knowledge about training costs, program lengths, and prerequisites, as well as expected salaries for graduates. In addition, it will provide detailed information on positions in a variety of fields and communicate the required training, expected remuneration, and career trajectories in these sectors.
- **Publicize training program and screening and placement outcomes within the employer community:** The communications strategy will educate employers about the caliber of training program graduates and improve employer confidence in existing placement services by providing the business community with performance statistics (i.e. placement rates and student performance). It will also provide employers with a streamlined source of information about funding and relevant training programs, encouraging them to send incumbent workers to training programs to enrich skill sets, support professional development, and improve productivity.
- **Open the lines of communication between training providers, intermediaries, such as social services and community development corporations, and employers:** The strategy will facilitate the movement of residents through the workforce system to gainful employment by building relationships between training providers, placement agencies, and employers. Through collaboration with employers, training providers will be able to target their courses to meet employers' specific needs, and intermediaries will be better able to identify workers that meet specific job requirements.

When it achieves these goals, the communications strategy will dramatically improve the efficiency of the workforce development infrastructure. The combination of outreach to training providers and employers and the promotion of the training programs to Newark residents will increase training program participation, improve placement

rates, and help transition incumbent workers to higher paying jobs.

The development and implementation of the multi-tiered communications strategy will be managed by the WIB and supported by WDI Action Team sub-committees, each focused on defining the needs of and communication strategy for one of the five target groups: the underemployed, immigrants, out of school youth, school-to-career students, and employers. The sub-committees will identify the resources available to their target population, the major gaps in knowledge and services, and the best manner in which to fill these gaps through improved communication and customized services.

The WIB will work to publicize existing opportunities as well as new initiatives as defined by the sub-committees and distribute printed materials through a variety of channels. Focus group participants felt information would be best communicated or distributed through libraries, grocery stores, nail and hair salons, buses and other public transportation depots, daycare centers, and clinics. The WIB will distribute materials through these organizations and businesses. In addition, broadcast and print media will be used to spotlight training and employment resources, with advertisements running on local TV channels and posted on public transportation.

• *Develop strategies to meet underemployed workers' needs*

As we noted earlier, though the underemployed have proven employment track records as well as good soft skills, they find it difficult to improve their employment situations due to lack of time for training, lack of funds, and lack of awareness about employment opportunities. In addition, the underemployed face the challenge of balancing work commitments with family demands. Given their capabilities, however, they represent untapped workforce assets. The multi-tiered communications strategy will provide underemployed workers with the information they need to identify appropriate professional development opportunities. The campaign will also connect them to funding sources and the support services they need in order to participate in training programs.

One-Stop leaders acknowledge that their services are focused on the unemployed and that they need to do more to reach the underemployed, including professionals. Based on the recommendations of the communications strategy sub-committee for the underemployed, the Newark One-Stop will leverage existing resources to address the needs of the underemployed, with specific attention to financial and childcare needs. In addition, apprenticeship programs, like the Health Services Career Lattice and the EKC technology training consortium, proposed by the HS Action Team and EKC Action Team respectively, will improve the access of underemployed workers to career advancement opportunities which enhance their skill sets and increase their earning potential.

Measures of Success

The following metrics will be used to evaluate the success of these initiatives:

- Increased enrollment in Newark training programs;
- Increased use of public workforce system resources (e.g., One-Stop, available training dollars) by Newark residents and employers;
- Higher placement rates of training program graduates and One-Stop clients at Newark firms;
- Changes in retention rates and turn-over of entry-level workers;
- Increases in the average starting wage of various kinds of workers;
- Increased enrollment of underemployed in Newark training programs; and,
- Participation in new apprenticeship programs (e.g., Health Services Career Lattice).

Implementation Structure

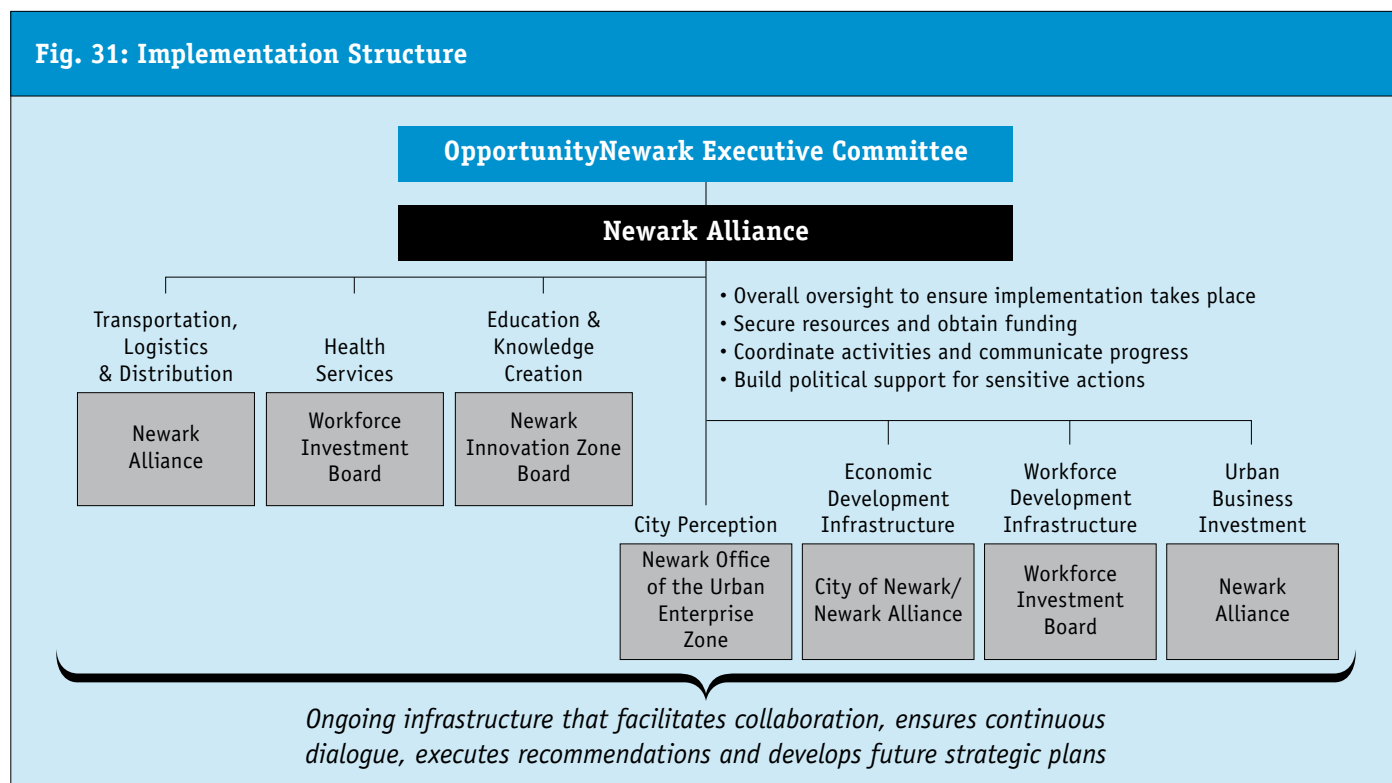
Ensuring the continued engagement and active participation of the Newark Community over the course of OpportunityNewark’s implementation phase is critical to executing the action plans and achieving OpportunityNewark’s vision. The Newark Alliance, as the sponsoring organization, will lead implementation of action plans developed in the OpportunityNewark project. Specifically, the Newark Alliance will work to ensure the success of implementation by building political support for sensitive actions, supporting efforts to secure resources and funding for implementation, and clearly communicating progress to the greater Newark Community.

In addition to the overarching leadership of the Newark Alliance, a coordinating entity has been identified within each action area. Collectively, these entities (see Fig. 31) — which include the Newark Workforce Investment Board, the Newark Innovation Zone Board, the Newark Office of

the Urban Enterprise Zone, the City of Newark, and the Newark Alliance, with support from other key stakeholders — represent the infrastructure needed to move the OpportunityNewark action plans forward. They will not only facilitate collaboration and ensure continuous dialogue with community stakeholders, but will also implement the recommended actions and develop future strategic plans. The Newark Alliance and the coordinating entities will be accountable for OpportunityNewark’s results and progress.

Although the Newark Alliance and the coordinating entities will share responsibility for OpportunityNewark’s impact, the importance of community support and involvement to ensuring the success of these initiatives cannot be understated. OpportunityNewark was conceived as a community effort and its implementation will require the continued support of the entire Newark community.

Fig. 31: Implementation Structure



Conclusion

Newark is an important economic center for the state of New Jersey. For more than ten years, Newark has been building upon its competitive assets, resulting in an unprecedented level of activity. Significant development efforts, infrastructure projects, and private investments have led to the city's transformation. However, issues such as poverty and unemployment remain and are not quickly resolved.

OpportunityNewark is an ambitious economic development initiative designed to advance Newark's progress in reducing poverty and unemployment. It is a market-driven economic model for creating jobs and wealth for Newark's residents by leveraging the city's competitive advantages as a strategic business location. Yet OpportunityNewark is not just about job creation, but about preparing Newark residents for and connecting them to local jobs.

OpportunityNewark provided a forum for all stakeholders to brainstorm, design and ultimately develop a strategic

plan in a collaborative manner. It provided a vehicle to align resources against a set of priorities and a shared vision, which is critical in order to have a meaningful and sustainable impact in the city.

OpportunityNewark is a major step for Newark in its efforts to improve its competitiveness in an organized and structured manner. With its focus on improving employment opportunities for Newark's residents, OpportunityNewark is addressing one of the most challenging aspects of revitalization. As such, it is a deliberate strategy that will require perseverance, sustained leadership, accountability and the appropriate resources for its success. OpportunityNewark provided a plan, but it is the Newark Community that will make it happen. Given the momentum and support that OpportunityNewark has achieved to date, there is every reason to believe it will meet its ultimate objective which is to create opportunities for success for all Newark residents.

Acknowledgements

The work presented in this report would not have been possible without the hours of support and the commitment of the many Newark community members who participated in OpportunityNewark, the various experts across the country that shared their wisdom and best practices, and the Newark Alliance the project sponsor. Thank you all for your time, expertise, and resources.

The Newark Alliance is grateful for the support, assistance and dedication of the committee members who have worked diligently to create the plan, and for the support of the Newark Alliance member companies. A special thanks to the OpportunityNewark financial sponsors, Prudential Financial, Inc., The MCJ Foundation, PSE&G and Verizon.

Below is a list of committee members, action team participants, and other contributors to OpportunityNewark. We would also like to thank all those individuals who agreed to be interviewed for the project. Due to the large number of interviewees, we are unable to list them. However, their contributions are no less valuable.

OpportunityNewark Committee Lists

Project Co-Chairs:

Al Koeppe, President & CEO, Newark Alliance
Arthur Ryan, Chairman & CEO, Prudential Financial, Inc.

Executive Committee

Dr. Robert Altenkirch, New Jersey Institute of Technology
George Arwady, The Star-Ledger
Drew Berry, McCarter & English
Dennis Bone, Verizon New Jersey
Ray Chambers, Amelior Foundation
Elizabeth Christopherson, NJN Public Television & Radio;
NJN Foundation
Jim Courter, IDT Corporation
Hon. Hector Corchado, Newark Municipal Council
Ronald Del Mauro, St. Barnabas Health Care System
Dr. Steve Diner, Rutgers, The State University
Larry Goldman, New Jersey Performing Arts Center
Rev. Dr. William Howard, Bethany Baptist Church
Patrick Hobbs, Seton Hall Law School
Ralph Izzo, Public Service Electric & Gas
Hon. Sharpe James, City of Newark
Hon. Thomas Kean, Former Governor of New Jersey
Al Koeppe, Newark Alliance
William Marino, Horizon Blue Cross Blue Shield of NJ
Richard Monteilh, City of Newark
Raymond Ocasio, Newark Community Development Network
Patricia Russo, Lucent Technologies
Arthur Ryan, Prudential Financial, Inc.
Michael Slocum, Wachovia
Jeffrey Vanderbeek, New Jersey Devils
Hon. Bessie Walker, Newark Municipal Council
Dr. A. Zachary Yamba, Essex County College

Strategy Board

James Barrood, Rothman Institute of Entrepreneurial Studies
Virginia Bauer, NJ Department of Commerce &
Economic Growth
Jeanette Brummell, University Heights Science Park
Thomas Carver, NJ Department of Labor &
Workforce Development
Marshall Cooper, Newark Workforce Investment Board
Anthony Coscia, Port Authority of New York and
New Jersey (PANYNJ)
Robert H. Doherty, Bank of America
Caren Franzini, New Jersey Economic Development Authority
George Hampton, Urban & Community Development, UMDNJ
Joyce Harley, Office of Essex County Administrator
Gus Heningburg, Gustav Heningburg Associates
Mark Hoover, Nicholson Foundation
Dr. Fred Jacobs, NJ Department of Health & Senior Services
Hon. Gayle Chaneyfield Jenkins, Newark Municipal Council
Joaquin Matias, Division of Economic Development,
City of Newark
Catherine McFarland, Victoria Foundation
Linwood Oglesby, Newark Arts Council
Dr. Randal Pinkett, BCT Partners
Louis Prezeau, City National Bank
Dr. Clement Price, Institute of Ethnicity & Culture,
Rutgers University
Richard Roper, Roper Group
Gene Vincenti, Rutgers University
Ken Zimmerman, New Jersey Institute for Social Justice

OpportunityNewark Project Management Team

Newark Alliance Team Members

Al Koeppe

Barbara Melone

Tanya Mitchell

Kathy Weaver

ICIC Team Members

Deirdre Coyle

Juan Gorricho

Stephanie Hutchison

Maxine Johnson

William Kaufmann

Richard Kleinman

Lorie McGee

Sarah Patterson

Devi Ramachandran

Ryan Robertson

Emily Tsiang

Carrie Vanderford

David Zipper

OpportunityNewark Committee Lists

Steering Team

Marcia Brown, Rutgers University

Barbara Bell Coleman, BBC Associates

Timothy Comerford,
Area Development Department,
Public Service Electric & Gas

Joel Freiser, Newark Office of the
Urban Enterprise Zone

Chip Hallock, Regional Business
Partnership

Jethro James, Urban Development
Department, Public Service
Electric & Gas

Barbara Kauffman, Regional Business
Partnership

Angie Merrill, Tri-City
Peoples Corporation

Tanya Mitchell, Newark Alliance

Gabriella Morris,
The Prudential Foundation

Dr. dt ogilvie,
Rutgers Business School

Mary Puryear, Community Resources,
The Prudential Foundation

Dr. Marilyn Rubin, Urbanomics

Joe Walsh, Amelior Foundation

Dr. Deborah Ward, Center for Urban
Development & Research

Shirley Ward, Community & Urban
Affairs, Public Service Electric & Gas

Kathy Weaver, Newark Alliance

Communications Team

Daisy Chan, Enterprise
Communications, Horizon Blue
Cross Blue Shield of NJ

Tanya Mitchell, Newark Alliance

David Muha, Rutgers Business School

Donna Purnell, City of Newark

Alicia Rodgers, Global
Communications, Prudential
Financial, Inc.

Ciro Scalera, Public Affairs,
Verizon New Jersey

Kathy Weaver, Newark Alliance

TLD Action Team

Malachi Brantley, Brantley Brothers
Moving & Storage

Mike Collins, Real Estate, New Jersey
Economic Development Authority

Marshall Cooper, Newark Workforce
Investment Board

Anthony Coscia, Port Authority of
New York and New Jersey (PANYNJ)

Sam Crane, Maher Terminals

Michael Francois, Real Estate /
Regional & Economic Development,
Port Authority of New York and New
Jersey (PANYNJ)

Caren Franzini, New Jersey Economic
Development Authority

Joel Freiser, Newark Urban
Enterprise Zone

Richard Johnson, Matrix
Development Group

Alfred Koeppe, Newark Alliance

Frank McDonough, New York
Shipping Association

Burton Trebour, Trebour
Consulting Services

Kathy Weaver, Newark Alliance

Gerard von Dohlen, Newark
Refrigerated Warehouse

TLD Business Attraction & Infrastructure Sub-team

Jerry Adelsohn, Frank Lehr
& Associates

Ade Afolabi, Land Development
Review, Dept. of Economic & Housing
Development, Office of Boards
— Central Planning, City of Newark

Mark Barksdale, Dept. of Economic &
Housing Development, City of Newark

Robert Beard, Strategic Planning,
Port Authority of New York and New
Jersey (PANYNJ)

Martin Bierbaum, Municipal Land Use
Center, The College of New Jersey

Alex Dambach, Land Development Review, Newark Department of Economic & Housing Development

Talvin Davis, Freight Management Planning & Intermodal Coordination, New Jersey Department of Transportation,

Joel Freiser, Newark Office of the Urban Enterprise Zone

John Hummer, Intermodal Planning, North Jersey Transportation Planning Authority

Robert James, Strategic Planning, Port Authority of New York and New Jersey (PANYNJ)

James Mack, Brownfields Technical Resources, Otto York Center for Environmental Engineering & Science, New Jersey Institute Of Technology

Kathy Weaver, Newark Alliance

Anne Strauss-Wieder, A. Strauss-Wieder, Inc.

Gerard von Dohlen, Newark Refrigerated Warehouse

TLD Workforce Development Sub-team

Larry Caringi, Smith & Solomon

Art Cifelli, Port Authority of New York and New Jersey (PANYNJ)

Marshall Cooper, Newark Workforce Investment Board

Genia Coren Philip, Newark Youth Investment Council

Vivian Fraser, Urban League of Essex County

Tom Heimgartner, BEST Transportation

Dick Jones, Association of Bi-State Motor Carriers

John Kerwin, The First Occupational Center of New Jersey

Rocco Meola, First Occupational Center of New Jersey

Krishna Murthy, Meadowlink Commuter Services

Titilayo Odion, Newark One-Stop

Bertram Shockley, Essex County College

Kinga Skora, Meadowlink Commuter Services

Kathy Weaver, Newark Alliance

Health Services Action Team

Lisa Block, Healthcare Foundation of New Jersey

Catherine Cuomo-Cecere, Newark Department of Health and Human Services

Terence French, Catholic Health and Human Services

Richard Giorgino, Columbus Hospital

Robert Marino, Horizon Blue Cross Blue Shield of New Jersey

Paul Mertz, Beth Israel Hospital

Windy Smith, Three Doctors Foundation

Dr. Kendall Sprott, University of Medicine and Dentistry of New Jersey

Kathy Weaver, Newark Alliance

Health Services Career Lattice Team

Sharon Bradbury, McEllis Training Institute

Ellen Boddie, New Community Corporation

Marshall Cooper, Newark Workforce Investment Board

Patricia Cooper, First Source Solutions, Inc.

Evanthia Corrado, New Jersey Department of Labor & Workforce Development

Irene Daniels, Newark Workforce Investment Board

Caren Freyer Desouza, Parsons Brinckerhoff; Newark Workforce Investment Board

Geri Dickson, Rutgers College of Nursing

Terence French, Catholic Health and Human Services

Vivian Fraser, Urban League of Essex County

David Gibson, School of Health Related Professions, University of Medicine and Dentistry of New Jersey

Richard Giorgino, Columbus Hospital

Joseph Gioia, Newark Community Health Centers

Judy Goldman, Division of Vocational Rehabilitation Services, New Jersey Department of Labor & Workforce Development

JoAnn Hammill, New Jersey Department of Labor & Workforce Development

Connie Harden, Newark Beth Israel/ St. Barnabas Health Care Systems

Gretchen Hartling, New Jersey Health Initiatives

Carolyn Jaidullo, International Youth Organization

Cathy Lardieri, Newark Department of Health and Human Services

Zach Lipner, Newark Beth Israel Medical Center

Michael Mackason, YouthBuild Newark, Inc

Maryann Master, University of Medicine and Dentistry of New Jersey

Stephanie McCluney, Newark Department of Health and Human Services

Mary Puryear, Prudential Foundation

Kristin Retlin, Catholic Charities Archbishop Boland Training Center

Mary Beth Rose, Cathedral Healthcare System

Ron Rubin, Division of Continuing Professional Education, New Jersey Institute Of Technology

Neddie Serra, Bloomfield College

Windy Smith, Three Doctors Foundation

Dr. Kendall Sprott, University of Medicine and Dentistry of New Jersey

Jill Stein, Essex County College

Shauntele Volpe, The First Occupational Center of New Jersey

Shirley Ward, Public Service Electric & Gas

Gwendolyn Watford, RN, Quality Health Care, Inc

Kathy Weaver, Newark Alliance

Ellsworth Wiggins, New Jersey Transit

EAR Action Team

Gayle Chaneyfield-Jenkins, Newark Councilwoman-at-Large

Joel Freiser, Newark Office of the Urban Enterprise Zone

Seth Grossman, Ironbound Special Improvement District

Richard Johnson, Matrix Development Group

Barbara Kauffman, Regional Business Partnership

Patricia Kettenring, Rutgers Business & the Arts

Ray Levy, Newark Sports & Entertainment Corporation

Joaquin Matias, City of Newark

Linda Morgan, Fidelco Realty Group

Linwood Oglesby, Newark Arts Council

Dr. Clement Price, Institute on Ethnicity, Culture, and the Modern Experience

Arthur Stern, The Cogswell Realty Group

Gene Vincenti, Rutgers-Newark

Joe Walsh, Amelior Foundation

Baye Wilson, African American Music Museum

Ted Zangari, Sills, Cummins, Radin, Tishman, Epstein and Gross

Marketing Team

Mark Albin, Newark Museum

George Arwady, The Star-Ledger

Catrina Boisson, New Jersey Performing Arts Center

Thomas Burke, Prudential

Suzanne Clare, formerly of Gateway Tourism Council

Carolyn Cobbs, Hilton Gateway

Gayle Chaneyfield-Jenkins, Newark Councilwoman-at-Large

Joel Freiser, Urban Enterprise Zone

Seth Grossman, Ironbound Special Improvement District

Pamela Goldstein, Diversity Marketing & Communications

Barbara Kauffman, Regional Business Partnership, NDD Board

Ray Levy, Newark Sports & Entertainment Corporation

Jim McQueeney, Winning Strategies Public Relations

Tanya Mitchell, Newark Alliance

Linda Morgan, Fidelco Realty Group

Alyson Nash, Zing Marketing

Jeffrey Norman, New Jersey Performing Arts Center

Linwood Oglesby, Newark Arts Council

Helen Paxton, Rutgers University

Robert Provost, The Star-Ledger

Donna Purnell, City of Newark

Cathy Scangarella, New Jersey Department of Commerce & Economic Growth

John Selby, Blue Cross Blue Shield of New Jersey

Urban Business Investment

David Broderick, McCarter & English

Gloria Bryant, The Writing Company

Jonah Cooper, Business & Resource Development, Rutgers University

Lou Gaburo, Prudential's Young Entrepreneurs Program, New Jersey Institute Of Technology

Lash Green, Office of Business & Job Opportunity, Port Authority of New York and New Jersey (PANYNJ)

Ron Hahn, Batelle Ventures

Chip Hallock, Regional Business Partnership

David Hamlin, National Minority Supplier Diversity Council, Public Service Electric & Gas

Michael Heninberg, New Jersey Schools Construction Committee

Susan Hogan, National Minority Supplier Diversity Council, Public Service Electric & Gas

Brenda Hopper, New Jersey Small Business Development Corporation

Robert Holmes, The Community Law Clinic, Rutgers University

Henry Johnson, The Institute for Entrepreneurial Leadership

Jill Johnson, The Institute for Entrepreneurial Leadership

John Kinghorn, Prudential Social Investments

Jim Kosci, Small Business Administration District Director

Tanya Mitchell, Newark Alliance

Tendai Ngoro, New Jersey Small Business Development Corporation (NJSBDC)

Dr. dt ogilvie, Rutgers Business School

Marjorie Perry, MZM Construction

Dr. Randal Pinkett, BCT Partners

Mark Quinn, Greater Newark Business Development Consortium

Andrew Rothman, The Community Law Clinic, Rutgers

Tom Uhlman, New Venture Partners

Joe Walsh, Amelior Foundation

Ernestine Watson, Minority Supplier Diversity, University of Medicine and Dentistry of New Jersey

Stanley Weeks, City National Bank

Ernest Williams, Disadvantaged Business Enterprise Outreach, New Jersey Transit

Marion Zajac, Entrepreneur Program, New Jersey Economic Development Authority

EKC: Technology Business Development Team

Dr. Fernando Alvarez, Rutgers University School of Business

David Bishop, Lucent Technologies, Inc.

Dr. Michel M. Bitritto, New Jersey Commission on Science & Technology

Walter J. Bogan, University Heights, Science Park

Cary A. Booker, Rutgers University

Michael E. Breton, Rutgers University

Jeanette Brummell, University Heights Science Park

Shawn Escoffery, BCT Partners

Paul Frank, New Jersey Technology Council

Joel Freiser, Newark Urban Empowerment Zone

Larry Gardner, CyberExtruder, Inc.

Peter Golika, University of Medicine and Dentistry of New Jersey

Yair Harel, Rutgers University

Richard Hullihen, Supertron Technologies, Inc.

Harvey D. Homan, Urovalve, Inc.

Barbara Kauffman, Regional Business Partnership

Dr. Stephen D. Keister, Essex County College

Dr. Bruce A. Kirchhoff, New Jersey Institute of Technology

Dr. Fred Russell Kramer, Public Health Research Institute

Scharron Little, Prudential Financial, Inc.

Dr. Ronald Morris, University of Medicine & Dentistry of New Jersey

Dr. Janet George Murnick, UV Solutions, Inc.

Dr. Randal Pinkett., BCT Partners

Stanley Salagaj, Newark Public Schools

Donald H. Sebastian, New Jersey Institute of Technology

Judith A. Sheft, New Jersey Institute of Technology

Vincent A. Smeraglia, University Of Medicine and Dentistry of New Jersey

Willam P. Steffens, Public Service Electric & Gas

Luigi Tartara, TRITONIC

Dr. Deborah Ward, Seton Hall University

Michael A. Wiley, New Jersey Economic Development Authority

Workforce Development Infrastructure Team

Fleeta Barnes, New Jersey Department of Commerce & Economic Growth

Glenda Blakely, New Jersey Institute for Social Justice

Ellen Brown, New Jersey Institute for Social Justice

Jerry Bruno, New Jersey Public Schools

Marshall Cooper, Newark Workforce Investment Board

Evanthia Corrado, New Jersey Department of Labor & Workforce Development

Irene Daniels, Newark Workforce Investment Board

Gail Davis, Public Service Electric & Gas; Essex County Workforce Investment Board

Rebecca Doggett, New Jersey Institute for Social Justice

Vivian Fraser, Urban League of Essex County

Caren Freyer Desouza, Parsons Brinckerhoff; Newark Workforce Investment Board

Arlene Drayton, The First Occupational Center of New Jersey

Dorne Edwards, Bovis Lend Lease
Danny Gale, Urban Solutions
Judy Goldman, New Jersey
Department of Labor & Workforce
Development
William Holt, Technical
Training Project
JoAnn Hammill, New Jersey
Department of Labor &
Workforce Development
Mark Hoover, Nicholson Foundation
Carolyn Jaidull, International
Youth Organization
Andralyn Johnson,
Newark Public Schools
SanDonna Jones, YouthBuild Newark
Steve Keister, Essex County College
John Kerwin, The First Occupational
Center of New Jersey
Zach Lipner, Newark Beth Israel
Medical Center
Michael Mackason, Youth
Build Newark
Maryann Master, University of
Medicine and Dentistry of New Jersey
Tanya Mitchell, Newark Alliance
Kathleen Nugent, MCJ Foundation
Dan Passarella,
New Community Corporation
Donna Westbrook Payton,
New Jersey Department of Labor
& Workforce Development
Bert Shockley, Essex County College
Jennie Singletary, Newark
Literacy Project
Kathy Weaver, Newark Alliance
Ellsworth Wiggins, New Jersey Transit
Ken Zimmerman, New Jersey
Institute for Social Justice

OpportunityNewark Other Contributors

Sherry Ambrose, Princeton University
Association of Bi-State
Motor Carriers
James Bickford, Princeton University
Carole Carlson, Community Venture
Fund Consultant
Robert Chefitz, NJTC Venture Fund
Elyse Cherry, Boston
Community Venture
Leo Chyi, Princeton University
Ray Cody, New Community
Corporation
Debra Collins, Office of County
Executive, Business Development
Hans Dekker, Community Foundation
of New Jersey
Mary Donelik, Prudential Financial,
Supplier Diversity
David Ehrenberg,
Princeton University
Matthew W. Finley, Mid-Mark Capital
Suzanne Gelderman,
Princeton University
Maria Gotch, NYC Investment Fund
Djena Graves, Inner City Venture
Jordan Hamory, Princeton University
Rochelle Haynes, Princeton University
James Heyes, Princeton University
Jesse Hipps, Sr., Heritage Center for
Human and Community Development
Dan Hoversten, Sustainable
Jobs Fund
Rick Larson, Sustainable Jobs Fund
Haywon A. Lee, Princeton University
John Martinson, Edison Fund

Ginger Moored, Princeton University
Dennis Newman, Mid-Mark Capital
Erin Noonan, Prudential Financial,
Supplier Diversity
Jamie Olson, Princeton University
Colleen Quinn, Princeton University
Philadelphia Workforce
Investment Board
Philadelphia Workforce
Development Corporation
Janice Robertson, NYC
Investment Fund
Joseph R. Robinson, Mid-Mark Capital
Irene Sanchez, Princeton University
Scott Sheeley, Lancaster County
Workforce Investment Board
Madeline Squire, Princeton University
Dr. Anthony Shorris,
Princeton University
Dr. Lauren Smith,
Boston Medical Center
Ernesto Vilchis, Princeton University
Joseph P. Welsh,
Life Science Career Alliance
Greg White, Chicago Venture



www.opportunitynewark.com