

INTRODUCTION..... IV-1

INCOME, EDUCATION, AND EMPLOYMENT IV-1

COMMERCIAL CORRIDORS IV-4

 CENTRAL AVENUE IV-4

 MAIN STREET (LOWER AND UPPER) IV-4

Lower Main Street IV-5

Upper Main Street IV-5

 EVERGREEN PLACE PROFESSIONAL DISTRICT IV-6

 SOUTH ORANGE AVENUE..... IV-6

 PARK AVENUE IV-6

OTHER COMMERCIAL NODES..... IV-7

 SPRINGDALE AVENUE IV-7

 SUSSEX AVENUE MALL IV-7

 DODD STREET IV-7

 AMPERE DISTRICT (FOURTH AVENUE)..... IV-8

ANALYSIS OF RETAIL DEMAND..... IV-8

 RETAIL MARKET ANALYSIS IV-8

 BUXTON COMMUNITYID STUDY..... IV-10

CITY TAX BASE..... IV-11

USE OF REDEVELOPMENT..... IV-13

 LOWER MAIN STREET PHASE I..... IV-14

 MUIR’S BERKELEY..... IV-16

 EVERGREEN/HALSTED PHASE I & EVERGREEN SQUARE REDEVELOPMENT AREA (ESRA) IV-16

 ARCADIAN GARDENS IV-17

 MULTIPLEX CONCRETE..... IV-17

 OTHER POTENTIAL REDEVELOPMENT AREAS IV-17

Worthington Pump..... IV-17

School Construction Projects IV-17

 BROWNFIELDS AND KNOWN CONTAMINATED SITES..... IV-17

URBAN AID MUNICIPALITY..... IV-20

EXTRAORDINARY AID PROGRAM IV-20

OTHER CITY INITIATIVES IV-21

 URBAN ENTERPRISE ZONE (UEZ) IV-21

City-wide IV-21

Central Avenue IV-22

Upper Main Street (now referred to as Dr. Martin Luther King Jr. Boulevard) Brick Church / North Harrison Street / Washington Street)..... IV-22

Lower Main Street IV-22

Ampere District (Fourth Avenue) IV-22

Sussex Avenue..... IV-23

Dodd Street / Upsala College..... IV-23

Evergreen Place IV-23

South Orange Avenue..... IV-23

 CENTRAL AVENUE BUSINESS IMPROVEMENT DISTRICT (CABID) IV-24

 FIVE-YEAR RECOVERY PLAN FOR YEARS 2002-03 THROUGH 2006-07 IV-24

 FIVE-YEAR CONSOLIDATED PLAN FOR EAST ORANGE 2005 TO 2009 IV-26

 BUSINESS ATTRACTION/RETENTION IV-29

RESIDENTIAL ATTRACTION/RETENTION IV-30
RENT CONTROL ORDINANCE IV-31
GRANTS IV-31
TRANSIT VILLAGE STATUS IV-32
MARKETING THROUGH EAST ORANGE WEBSITE IV-32
CITY AUCTION IV-33
TAX ABATEMENTS/PILOTS IV-33
RECOMMENDATIONS..... IV-33

It should be noted that the Census data presented herein for East Orange is from the Long Form (Summary File 3) of the 2000 U.S. decennial Census. The Long Form surveys a sample population (generally 1 in 6 households) in order to compile more detailed data. Acknowledging that fact, the Census may significantly underestimate the demographic, employment, economic, and housing characteristics of the City based upon 1) sampling methods, 2) probability of accuracy, and 3) underestimated population figures. In addition, the U.S. Census does not account for the redevelopment initiatives and activities that occurred after 2000 which have added new residents, jobs and housing. It should be noted that efforts to obtain more accurate information were incorporated into the Master Plan document, where available.

INTRODUCTION



Route 280

The Economic Development Plan discusses the existing economic conditions of the City, and the steps that the City should take to bring about sustained economic vitality. East Orange has traditionally been viewed as a regional center and has many strengths including its location at the intersection of the Garden State Parkway and Interstate 280; its proximity to the Newark Liberty International Airport, Port Newark and the New York metropolitan area; and the recent redevelopment and economic development initiatives underway and planned. This Plan seeks to reflect these strengths and encourage additional strategies for the City to continue its vision for success in the future.

INCOME, EDUCATION, AND EMPLOYMENT

Data from the US Census was gathered for the residents of East Orange including average household income, educational attainment of the labor force, employment by industry, and annual private sector employment. This analysis provides an overview of existing economic characteristics and context for economic development in East Orange.

Table 1 indicates the household incomes in 2000 for the City. Approximately one-quarter of East Orange's households recorded an income of less than \$15,000. Forty-three percent of the City households have incomes between \$15,000 and \$50,000. The 2000 median household income for East Orange was \$32,346.

Table 2 indicates the educational attainment in 2000 of the City's labor force (the resident population aged 25 years and over.) Approximately one-fifth of the City's labor force attended some level of college, and an additional 20 percent earned either an associate, bachelor's or graduate/professional degree. The majority of the population has earned up to a high school graduate degree (includes equivalency). It should be noted that 7.5 percent of the population earned less than a 9th grade education.

Table 1- Household Income, 2000

	Households	Percent
Less than \$15,000	6,641	25.5
\$15,000 to \$24,999	3,821	14.7
\$25,000 to \$34,999	3,364	12.9
\$35,000 to \$49,999	4,061	15.6
\$50,000 to \$74,999	4,166	16.0
\$75,000 to \$99,999	2,045	7.8
\$100,00 to \$149,999	1,460	5.6
\$150,000 or more	518	2.0
Total	26,076	100
Median Household Income	\$32,346	
Average Household Income	\$43,410	

Source: US Bureau of the Census, 2000.

Table 2- Educational Attainment for the City’s Labor Force (Residents 25 Years or Older)

	Residents	Percent
Less than 9th grade	3,257	7.5
9th to 12th grade	8,770	20.2
High school graduate (include high school equivalency)	13,502	31.0
Some college, no degree	9,323	21.4
Associate degree	2,112	4.9
Bachelor’s degree	4,574	10.5
Graduate or professional degree	1,971	4.5
City residents 25 years or greater	43,509	100.0
Percent high school graduate or higher	-	72.3
Percent bachelor’s degree or higher	-	15.0

Source: US Bureau of the Census, 2000.

Table 3- Labor Force - Industry Characteristics, 2000

Industry	Employees	Percent of Labor
Agriculture, forestry and fisheries	24	0.1
Construction	801	2.9
Manufacturing	2,292	8.4
Transportation, warehousing and utilities	2,944	10.7
Information	1,086	4.0
Wholesale trade	657	2.4
Retail trade	2,649	9.7
Finance, insurance and real estate	2,425	8.9
Professional, scientific, management	2,191	8.0
Educational, health, and social services	7,959	29.0
Art, entertainment, recreation, food	1,499	5.5
Other professional and related services	1,351	4.9
Public Administration	1,521	5.6
Employed persons 16 years and over	27,399	100

Source: US Bureau of the Census, 2000.

As shown in Table 3, according to the 2000 U.S. Census, there were 27,399 employed East Orange residents ages 16 years and older. Almost 30 percent or 7,959

City residents work in the education, health and social sciences field. The second highest work field includes transportation, warehousing and utilities, comprising almost 11 percent of the City's population. Retail and wholesale trade employment accounts for only 10 percent of City's residents.

As indicated below in Table 4, in 2003, the City had a total of 824 private sector employers with about 10,545 private sector workers. East Orange's major employment groups include 170 health care and social assistance establishments with over 4,500 employees, 123 retail establishments with 801 employees, and 83 other service establishments (except public administration) with 603 employees. It should be noted that the arts, entertainment, and recreation establishments was least representative in the City, with only 4 establishments and 19 employees.

Table 4- Annual Private/Public Sector Covered Employment for East Orange, 2003

	Annual Average	Average Employment
Utilities	.	.
Construction	33	185
Manufacturing	27	542
Wholesale Trade	19	128
Retail Trade	123	801
Transportation and warehousing	25	338
Information	11	125
Finance and insurance	16	193
Real estate, rental and leasing	81	411
Professional and technical services	80	809
Management of companies and enterprises	.	.
Administrative and waste services	39	700
Education services	18	233
Health care and social assistance	170	4,552
Arts, entertainment and recreation	4	19
Accommodation and food services	52	737
Other services (except public administration)	83	603
Unclassified entities	42	26
Private Sector Total	824	10,545
Federal Government Total	5	1,579
Local Government Total	31	2,973

Source: New Jersey State Data Center, Labor Market Information.

Among the large regional enterprises located in the City are East Orange General Hospital, Veterans Affairs Medical Center, and a branch of the Kessler Institute of Rehabilitation. In addition, several engineering companies, including Louis Berger & Associates, have corporate offices in the City.

As shown in Table 5, the unemployment rate in East Orange was 8 percent for 2004; an increase from 7.2 percent in 2001.

	Labor Force	Employment	Unemployment	Unemployment
2001	34,450	31,954	2,496	7.2%
2004	34,823	32,050	2,773	8.0%

Source: New Jersey State Data Center, Labor Market Information.

COMMERCIAL CORRIDORS

The City's commercial and professional offices are mainly located along Central Avenue, Dr. Martin Luther King Jr. Boulevard, Evergreen Place, South Orange Avenue, and Park Avenue, with small commercial nodes located along Springdale Avenue, Dodd Street, and within the Ampere District (Fourth Avenue).

Central Avenue

Central Avenue extends the length of East Orange for a total of 29 blocks. The 1998 UEZ Strategic Plan rated Central Avenue as the most viable commercial district of all the districts and commercial nodes of East Orange, however due to the perception of crime, lack of parking, and lack of diverse businesses, the Central Avenue corridor remained underutilized. Primary uses along Central Avenue include fast food eateries and small retailers.



Central Avenue

The Central Avenue Business Improvement District (CABID) was established in 2002 and includes several blocks along Central Avenue. Further discussion of the CABID is provided later in this Chapter. In addition to the BID, other Central Avenue initiatives include the removal of the Central Avenue arcade, planned streetscape and façade improvements, a new 90-seat Hollywood Movie Theater. The new theater will house approximately 90 seats and has five state-of-the-art movie screens.

Main Street (Lower and Upper)

The Main Street corridor, which includes the entire length of Dr. Martin Luther King Jr. Boulevard, stretches from City Hall Plaza (North Arlington Avenue to Baldwin Street) to the City of Orange Township's border. The City's UEZ Strategic Plan,

prepared in 1998, divided the corridor into Lower and Upper Main Street due to each section's distinct characteristics.

Both Lower and Upper Main Streets, now referred to as Dr. Martin Luther King Jr. Boulevard, contain the Brick Church redevelopment area (Brick Church / North Harrison Street / Washington Street). While the City was previously considering the establishment of a Business Improvement District (BID) for both Lower and Upper Main Street, the recent redevelopment initiatives will serve as a catalyst for interest in the area.

Lower Main Street

Existing uses include convenience-type stores and auto-related uses. Since the 1990 Master Plan, the City received a Smart Growth Grant to help revitalize Lower Main Street via the designation of a redevelopment area. Future uses planned for the Lower Main Street Redevelopment Area include a performing arts district with mixed use, artist housing/studios, sidewalk improvements, and murals. Also included as part of the Lower Main Street initiative is the new Cicely Tyson School of Fine and Performing Arts, a \$115 million community school which will accommodate 1,300 students from pre-Kindergarten through 12th grade and offers two performing arts spaces, a 400-seat theater and a 800-seat theater.



Lower Main Street Redevelopment Area

Upper Main Street

Primary uses along Upper Main Street include small retail establishments, drug stores, fast food eateries and churches. The Muir's Berkeley Redevelopment Area located at the intersection of Dr. Martin Luther King Jr. Boulevard and Prospect Street, includes mixed-use retail, four stories of residential apartments, underground residential parking and surface retail parking, and retail space.



Upper Main Street

Also included along Upper Main Street is the Dr. King Plaza shopping. While the shopping center is fully-leased by D&K Buffet, House of Africa, Bank of America, Contours Fitness, Elegant Eyes store, Military Recruitment Center, and Galleria Deli

shop, control of loitering, and façade and streetscape improvements are definitely needed.

Evergreen Place Professional District

Evergreen Place extends between Central Avenue and Freeway Drive. Along this corridor, there is a large concentration of office and commercial buildings, including two small hotels, and numerous insurance and professional offices. As stated in the 2004 Master Plan Reexamination, the Evergreen Place Professional District remains a focus for revitalizing the City's office sector.

In 2002, a two-phased area investigation report and plan identified Evergreen Place as a prime redevelopment location for uses such as a hotel and convention center, market-rate condos, office space and supplemental retail uses. The City is reevaluating its vision for the Evergreen Place district, and will be developing a new comprehensive redevelopment plan for the entire area.

South Orange Avenue

South Orange Avenue forms the southernmost border between East Orange and the City of Newark. The primary uses along South Orange Avenue include a number of small bodegas, liquor stores, and convenience-type uses.

Crime and lack of streetscape improvements keep new businesses from settling along the South Orange Avenue corridor, and many of the storefronts are vacant or in need of repair. The opportunity presents itself where the East Orange UEZ could coordinate efforts with the Newark UEZ to revitalize and secure the South Orange Avenue corridor.



Park Avenue

Park Avenue

The area bounded by Park Avenue, Lincoln Street, Hamilton Street and North Clinton Street is the largest commercial node in the southern quadrant of the first Ward. There are a number of abandoned lots and incompatible storefronts attached to residential buildings. Primary uses in this node largely consist of laundromats, food and liquor establishments. The 1990 Master Plan identified this node as having

the largest potential for redevelopment due to its large size and location. Since the last Master Plan, a multi-family residential rehabilitation project is underway, commonly known as the North Walnut Street Redevelopment Area.

OTHER COMMERCIAL NODES

Springdale Avenue

Springdale Avenue runs the full length of East Orange from east to west. There is a neighborhood shopping area and commercial strip along Springdale Avenue in Ward 5. In addition to the commercial uses, there is an industrial building located at North 19th Street and Springdale Avenue which is partially used for manufacturing. The 1990 Master Plan recommended commercial rehabilitation and reuse for the factory as a long-term goal, and general improvements such as property maintenance and clean up are needed for the short term.

Sussex Avenue Mall

The Sussex Avenue Mall is located within the Arcadian Redevelopment Area. Route 280 and the Garden State Parkway separate this commercial node from other main commercial areas, including Dr. Martin Luther King Jr. Boulevard. The site contains a vacant, boarded-up Foodtown which closed in the early 1990s. In 2005, a redevelopment plan was adopted and the site will be developed with a mixed-use district that will consist of residential lofts, office space, upscale retail and open space.



Sussex Avenue Mall

Dodd Street

The Dodd Street district is located between Springdale Avenue and Dodd Street and between North Clinton Street and the City line with the City of Orange Township. This commercial node consists of neighborhood commercial uses, a commercial / industrial corridor, the Upsala Redevelopment Area (formerly the Upsala College Campus), and Manufacturer's Village. Most of the existing businesses are in good condition. The Manufacturer's Village, a rehabilitated industrial building was converted into a commercial and manufacturing real estate campus, with 80 percent occupancy as of April 2004. This commercial node is surrounded by stable residential neighborhoods. A portion of the former Upsala College site was purchased by the East Orange Board of Education and is now the home of the



Manufacturer's Village

Citywide High School. Across the street from the High School, the redevelopment plan called for 51 upscale, single family detached market rate homes and 16 townhouses. It should be noted that the sale of the Upsala College eliminated a \$3.4 million debt obligation that weighed down the City since Upsala closed its doors. Redevelopment of the site provides the City with an expanded tax roll, greater foot traffic and the creation of additional market-rate residential housing.

Ampere District (Fourth Avenue)

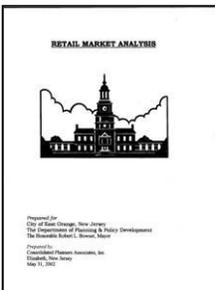
The Ampere District is a commercial node located at the three-road intersection of Fourth Avenue, Eighteenth Street and Whitney Place. The primary uses near this intersection include small convenience stores and groceries. The Worthington Pump Brownfields site is adjacent to the Ampere District.



Ampere Business District

In 1995, the Rutgers University Graduate Planning Studio of the Edward J. Bloustein School of Planning and Public Policy prepared a redevelopment plan for the Ampere District. Their findings concluded, similar to the South Orange Avenue corridor, that the Ampere District lacks diverse business establishments due to the perception of crime, and that the existing street grid offers the opportunity for an outdoor mall or gathering area to provide for an ethnic marketplace or festival.

As stated in the 2004 Master Plan Reexamination Report, the New Way of Life, a Muslim organization, has expressed interest in redeveloping the neighborhood. Since the prior Master Plan, the City received funding to conduct a feasibility study to reevaluate the reopening of the Ampere train station which would serve as a catalyst for development within Ward 4. The City is also evaluating the creation of a Business Improvement District for the Ampere District which would serve as a financing mechanism for area-wide improvements, including facade upgrades, overall property maintenance, marketing, and safety issues.



Retail Market Analysis (2002)

ANALYSIS OF RETAIL DEMAND

Retail Market Analysis

In May 2002, a Retail Market Analysis was prepared as part of the East Orange Comprehensive Economic Development Strategy (CEDS) to analyze the City's retail

market. The analysis utilized data to see the types of purchasing trends occurring between residents living in and around the City. The report identified two trade areas. The Primary Trade Area (PTA) included a one mile radius around City Hall and the Secondary Trade Area (STA) included a two mile ring around the PTA which included the remaining portion of East Orange, and expanded the boundaries into portions of Newark, Orange, Bloomfield, Belleville, Irvington, South Orange, West Orange, Glen Ridge, Montclair, and portions of Kearny, East Newark and Harrison in Hudson County. The Analysis identified the purchasing trends for each of the two trade areas, and indicated what types of retail and commercial goods the City should target in order to capture additional demand.

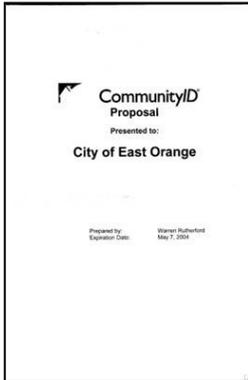
The Retail Analysis indicated that residents living within and around East Orange are spending significant dollars on retail goods and services, groceries, restaurants, transportation, apparel, and items for the household. In 1997, the most important retail segment was groceries, followed by health and personal care, and gasoline stations. The most money spent by those within the PTA and STA was on Food At Home, transportation, Food Away from Home.

In 2001, TV and radio, apparel, alcohol, household items, personal care were the most significant purchases made by East Orange residents. Transportation and Food were the top expenditures. Purchases of household items were also significant expenditures. Residents' patronage of grocery stores was by far the greatest in both trade areas.

The Analysis examined the City's "pull factor" which measures how much of a municipality's stores are patronized by its own residents. Values of 1.0 mean that at least 100% of the residents are making purchases in the municipality. East Orange's retail sales "pull factor" was 0.22 meaning the City is only selling to 22 percent of its residents. The retail sales "pull factor" is very low and it is clear that the East Orange stores are not attracting significant portions of its residents.

In the trade areas, female consumers, typically around 34 years old, and teen and young adult populations represent a significant share of the East Orange consumers. In terms of disposable income, there is a large volume of spending available to

support retail expansion in East Orange. The analysis concluded that a junior department store of approximately 40,000 square feet, like Annie Sez, Today’s Man, Dress Barn and TJ Max would be a good anchor on Central Avenue and along the Dr. Martin Luther King, Jr. corridor. Restaurants and electronic stores were also identified as stores which would capture sales in the missing segments of the City’s markets.



Buxton CommunityID Study

Buxton CommunityID Study

As a follow up to the Retail Market Analysis, the CommunityID Proposal was prepared in Summer 2005 to identify ways for the City to attract new retailers and restaurants specifically along Dr. Martin Luther King Jr. Boulevard through a targeted marketing strategy.

The Buxton study identified many retailers and restaurants whose locational requirements match the real estate offerings of East Orange. The list was narrowed to 50 targets based upon overall desirability, community preferences, potential tenant mix and other issues specific to the goals of East Orange. The report yielded a final recommended list of 20 retail and restaurant targets. In addition to identifying specific uses, the report recommended the spatial needs for the individual use. Table 6 lists the 20 possibilities, their retailer classification, the number of establishments throughout the United States, and their preferred gross floor area.

Table 6- Retail and Restaurant Targets for East Orange

Retailer	Retailer Classification	US	Preferred GLA
American Eagle	Women's Apparel, Men's Apparel	917	5,500-8,500
B Dalton Bookseller	Book Stores	231	2,800-6,000
Bath & Body Works	Cosmetics, Body care, Fragrance	1,600	2,000-4,500
Brooks Brothers	Women's Apparel, Men's Apparel	1,204	10,000
Champs Sports	Sporting Goods, Athletic Wear,	3,608	4,500
Hancock Fabrics	Art Supplies, Crafts, Hobbies,	433	15,000
Lady Foot Locker	Sporting Goods, Athletic Wear,	3,608	1,800-2,000
Manhattan Bagel	Bakeries, Bagels, Pretzels	221	1,800-2,000
Naturalizer Shoes	Shoes	160	1,200
Nine West	Shoes	650	1,800-2,000
Olive Garden	Restaurants/Bars	568	7,000-8,500
Outback Steakhouse	Restaurants/Bars	825	6,000
Red Lobster	Restaurants/Bars	676	6,200-9,000
Ruth's Chris Steak	Restaurants/Bars	85	8,000-9,000
TJ Maxx	Off-price, Outlet Stores	749	29,000-65,000

Source: CommunityID Report, prepared by Buxton, April 2004.

Based upon input obtained at the Ward meetings and through the community surveys, when asked what types of businesses the City should attract, many respondents indicated the need for more cultural centers, retail department stores and regional chains, upscale businesses and restaurants. Participants indicated that they were not happy with the number of dollar stores and fast food eateries in the City.

The Buxton Report recommended that the City's revitalization strategy should seek to attract new businesses which offer a diversity of services, including the targeted restaurants and retail stores listed above, cafes, and movie theaters.

CITY TAX BASE

In order to determine the breakdown of the tax base relative to the total assessed value of the City, Table 7 indicates the City's tax amongst its residential, apartment, commercial, industrial and vacant uses for 2004. East Orange's total assessed value is \$98,588,450. Approximately 50 percent of the City's total assessed value is comprised of residential land uses. Commercial and industrial classifications are valued at \$22 million and \$1 million, respectively. Vacant tracts and apartments contribute \$4 million and \$18 million, respectively, to the City's net valuation.

Table 7- Assessed Value by Land Use Type, 2004				
Real Property Classification	Total Assessed Value (\$)	2004 District School Budget (\$)	2004 Local Municipal Purposes (\$)	Contribution of Total Local Tax Revenues (%)
		(Tax Rate 5.98)	(Tax Rate 17.96)	
Vacant	4,956,400	29,639,272	89,016,944	118,656,216
Residential	51,342,300	307,026,954	922,107,708	1,229,134,662
Apartment	18,091,900	108,189,562	324,930,524	433,120,086
Commercial	22,687,050	135,668,559	407,459,418	543,127,977
Industrial	1,510,800	9,034,584	27,133,968	36,168,552
Total	98,588,450	589,558,931	1,770,648,562	2,360,207,493

Source: City of East Orange Tax Assessor, 2004.

Table 7 indicates a real dependency on the residential uses to contribute to the City’s tax base. In addition, nearly half of the City’s property is exempt from taxation. The City’s Consolidated Plan indicates that taxes are a major priority on the minds of many residents, especially for many seniors who have seen their taxes rise and anticipate the further increase of taxes. As indicated previously, there is an identified need for more diverse uses throughout the City to create more of a balance between the City’s ratables.

It should be noted that in Mayor Bowser’s 2006 New Year’s Day Inaugural Address, the Mayor highlighted that the City recently received bonding approvals from the State Local Finance Board to fund eight priority capital projects without increasing the City’s annual bond indebtedness payments. These projects are:

1. A mandated de-icing and salt storage structure.
2. Repair the City Hall roof and cupola.
3. Make the Municipal Court House handicap accessible with improved security provisions.
4. Renovate the existing Police Headquarters.
5. Renovate the existing Health & Human Services building.
6. A new Civic Center multi-purpose building.
7. A new City Employee Parking Facility.
8. Street and road restoration resurfacing project.

Other major projects completed or planned since the prior Master Plan include:

Table 8 – Major Redevelopment Projects		
Year of Impact	Project	Projected Use
FY 2003-2004	Multiplex Concrete Greenwood	Light Manufacturing Medium/High Density Residential
FY 2004-2005	North Walnut Greenwood	Medium/High Density Residential Medium/High Density Residential
FY 2005-2006	Rutledge Avenue Evergreen/Halsted Phase I Upsala Greenwood	Low/Medium Density Residential Hotel and Office Building Low Density Single-Family Medium/High Density Residential
FY 2006-2007	Lower Main Street Phase I/II Muir’s Berkeley-Brick Church	Commercial and Residential Mixed use and Residential
<i>Source: City of East Orange Five-Year Recovery Plan. Status Report. 2003.</i>		

These projects, once completed, will result in significant increases in property values and property tax revenues.

As part of the overall revitalization strategy, the need to enhance the commercial and industrial bases should be considered a priority and be incorporated as part of any future economic development and marketing strategy.

It should be noted that a property value reassessment in East Orange is currently underway. The last revaluation was completed in 1974. This process will help improve the accuracy and fairness in the distribution of the property tax burden, will help increase the City’s taxable base by taxing property based on its fair market value, which fluctuates over time, and will include the recent commercial and mixed use development that resulted from the redevelopment plans.

USE OF REDEVELOPMENT

New Jersey's Local Redevelopment and Housing Law (LRHL) (NJSA 40:12A-1 et seq.) provides municipalities with an important tool to facilitate economic development. Under the statute, the City can examine an area to see if it meets the criteria for an area in need of redevelopment. Sections 5 and

6 of the LRHL specify the conditions which must be met and the process to be undertaken by the planning board. Section 3 of the LRHL allows the inclusion of parcels necessary for the effective redevelopment necessary of the area, by stating "a redevelopment area may include land, buildings, or improvements, which of themselves are not detrimental to the health, safety or welfare, but the inclusion of which is found necessary, with or without change in their conditions, for the effective redevelopment of the area in which they are a part."

Since the 1990 Master Plan, the City has created a number of redevelopment areas by designating areas "in need of redevelopment" per the LHRL.

The following provides a brief summary of each redevelopment area, which are shown on Map IV-1. The Land Use Plan contains a more detailed summary of each redevelopment area and its status.

Lower Main Street Phase I

The Lower Main Street Redevelopment area is located within Ward 2 and consists of two phases. Phase I is bounded by Halsted and Lincoln Streets to the west, William Street to the north, North Arlington and North Munn Avenues to the east, and Freeway Drive East and West to the south. Phase I is divided into two districts including an Educational and Residential District and a Commercial Business District including townhouses, public schools, performing arts/cultural/museums as well as multifamily apartments and garden apartments. A redeveloper for the educational district has been selected.

Map IV 1

Also included as part of the Lower Main Street Phase I initiative is the Cicely Tyson School of Fine and Performing Arts. The facility, a \$115 million community school, will accommodate 1,300 students from pre-Kindergarten through 12th grade. The school will be built on the site of the former East Orange High School. The 340,000 square foot facility is being designed to accommodate all age groups and offers two performing arts spaces, a 400-seat theater and a 800-seat theater. Construction is expected to begin in late spring/early summer 2006.

Muir's Berkeley

This redevelopment area is also located within Ward 2. The area is bounded by Freeway Drive West to the south, Halsted and Lincoln Streets to the east, Carlton and William Streets to the north, and North Harrison and South Harrison Streets to the west. The initial phase of revitalization of the area is complete with the development of Dr. King Plaza. The Plaza is a mixed-use project with 36,500 square feet of retail space at street level and four stories of residential rental space above it containing 96 apartments. Street level parking is provided for shoppers; underground parking is provided for residents. Additionally, a parking deck with 320 parking spaces will be included to accommodate both residents and shoppers will also be constructed. Planned as part of the area's improvements is a new Black Box Theatre¹ and Artist Entrepreneurial Cooperative subsidy program. The building will contain a 5,000 square foot performance and exhibit theater with 220 seats, and a 5,000 square foot live-work, collaborative artists' space with office facilities. The project is expected to be completed in 2007.

Evergreen/Halsted Phase I & Evergreen Square Redevelopment Area (ESRA)

Located within Ward 2, the Evergreen/Halsted Phase I & Evergreen Square Redevelopment Area includes two phases. Phase I is bounded by Evergreen Place to west, Freeway Drive East to north, Halsted Place to the south and Halsted Street to east. The current plan recommended a full-service hotel, including back office space and/or conference centers and supplemental retail. Phase II, located to the south of Phase I, bounded by South Harrison Street to west, Freeway Drive West to north, Central Avenue to the south, and Halsted Street to the east. A revised area investigation and redevelopment plan will be conducted for the ESRA by the Department of Policy, Planning and Development (PP&D) in Spring/Fall 2006.

¹ A "black box" theater is known as an experimental or free form theater, which is adjustable to the needs of a production. It allows small, low budget operations to reconfigure space.

Arcadian Gardens

Arcadian is located within Ward 4 and is bounded by Route 280 to the north, the City of Newark to the east, Ninth Street to the south, and Steuben Street to the west. The area has been designated in need of redevelopment by both the East Orange Planning Board and City Council. The plan, which recommends market-rate and affordable townhomes, single-family units, public open space and parks, and retail, office, and lofts, was approved by the Planning Board and City Council.

Multiplex Concrete

Located in Ward 1, the site is located at the northeastern corner of Greenwood Place and Glenwood Avenue. The Multiplex developer/owner has a commercial location in East Orange. The redevelopment plan includes a new headquarter office and business for the concrete center. Overters Construction Company has been selected as the developer. Environmental remediation is underway and construction is expected to begin Spring 2006.

Other Potential Redevelopment Areas*Worthington Pump*

The City is continuing to explore whether to pursue redevelopment designation at Worthington Pump, located in Ward 5 near the Ampere District, however, there are some legal hurdles that must be overcome first.

School Construction Projects

In addition, the Board of Education has undertaken several School Construction projects under the New Jersey Schools Construction Corporation Program. The construction of a Performing Arts Center Demonstration Project is only one of the proposed components of the New Schools Construction Program. Further discussion of the school facilities is provided in the Community Facilities Element of the Master Plan.

Brownfields and Known Contaminated Sites

In accordance with the City's Comprehensive Economic Development Plan Strategy, the City is encouraging the reuse and redevelopment of City owned properties obtained as a result of private owner abandonment and tax liens. Often, contaminated properties are referred to as Brownfields and

have the potential of being developed into economically viable properties that encourage new business interest as well as first-time homeownership, resulting in new tax ratables for the City.

Site assessment and clean-up for several of these sites, which could include the presence of hazardous substance or contaminants generated by previous uses, is funded by programs sponsored by both the state and federal government. Many of these brownfield sites, which had not been included in the City's approved redevelopment sites, have been researched and logged into the New Jersey Smart Growth/Brownfield website, as indicated in the appendix of this report.

In addition to the brownfield sites, other sites ~where contamination of soil or ground water have been identified or are suspected to have been, or discharge of contamination have been identified ~ have been compiled into a Contaminated Sites List (KCSL) for New Jersey in 2005. The Appendix provides a listing of these properties within East Orange, as well as whether remediation is either currently under way, required but not yet initiated or has been completed. Map IV-2 and provides the location of the City's known brownfields and contaminated sites. The City should consider developing a strategy that locates and secures funding resources to address corridor contaminated areas such as Central Avenue, Hoffman Boulevard and Clinton Streets, as shown on Map IV-2.

Map IV-2

URBAN AID MUNICIPALITY

The New Jersey Department of Community Affairs' Division of Local Government Services annually lists the municipalities eligible for the Municipal (Urban) Aid Program. For CY 2005/FY 2006, the City of East Orange meets the eligibility criteria of an Urban Aid municipality found in NJSA 52:27D-178.

Urban aid classifications were developed by the New Jersey Department of Community Affairs (DCA), and subsequently adopted by the New Jersey Department of Education, for the purpose of identifying large, urban municipalities in need of additional resources to maintain and upgrade municipal services and to offset local property taxes. These additional state funds were deemed necessary given the extent to which the tax base of recipient municipalities was simply overwhelmed by the confluence of pressing social and economic needs and a depressed tax base.

Generally, to qualify as an urban aid district, a municipality must contain at least 250 children whose families receive welfare; it must have public housing within its borders; and either its equalized tax rate must exceed the State per capita averages or its property valuation must be less than State per capita averages by specified amounts.

East Orange did not apply for urban aid for CY 2005-06.

EXTRAORDINARY AID PROGRAM

In 1998, the City of East Orange was identified as a Distressed City by the state. The city then prepared a multi-year financial recovery plan, and via the Distressed City Aid Program, the state infused nearly 30 million dollars into the City from 1999 to 2003. The city worked constructively with the state, figured out a way to expand revenues while containing costs, and in 2001, the city stabilized their financial condition. As a result, the city voluntarily chose to opt out of the state-controlled supervision program.

Since 2004, the city has applied for financial assistance via the Extraordinary Aid Program because it no longer qualified under the Distressed City Aid Program. The Extraordinary Aid Program is administered by the New Jersey Department of Community Affairs. To receive the aid, the municipality must provide a realistic picture of the financial condition/distress that necessitates the request. The program is open to all municipalities.

In FY 2004 and FY 2005, the city received \$900,000 per fiscal year in aid, the largest of any aid received in the state. The city has applied for \$2,500,000 for FY 2006. According to the city's application, the city contains a large number of vacant, dilapidated structures in need of rehabilitation, and an old infrastructure system in need of repair. Among the social issues in the City, 13 percent of the city residents live below the poverty level, and 25 percent of the city's children are living in poverty.

The aid must be used to reduce the city tax rate. The municipality must maximize the tax collection rate when computing the reserve for uncollected taxes, based on the prior year so as to keep the appropriation at the lowest possible level.



East Orange UEZ

OTHER CITY INITIATIVES

Urban Enterprise Zone (UEZ)

In 1998, the East Orange Urban Enterprise Zone (UEZ) was designated by the New Jersey Urban Enterprise Zone Authority to help revitalize the City's commercial and industrial districts. The purpose of a UEZ is to assist urban downtowns in the face of suburbanization and reduce the conditions of high unemployment, depressed property values, and high vacancy rates. The UEZ assesses a 2 percent tax on local merchants within the UEZ to create a funding source for façade and street improvements, and marketing strategies for the UEZ. Businesses within the district pay no sales tax on business supplies or capital expenses.

The goal of the East Orange UEZ is to establish a sustainable economic base that will extend beyond the 20-year UEZ time period. The Strategic Plan for the UEZ was prepared by the City in December 1998. Eight subareas or distinct districts were defined within the UEZ, and goals and strategies were created to serve as a vision of what the City can become in the future. The UEZ boundaries are shown on Map IV-1. Following are the goals for the City and each subarea.

City-wide

- An attractive, appealing, clean and safe streetscape.
- A unified façade and signage system.
- A more diverse mix of businesses in all of East Orange.

- Develop a parking plan considering the need for additional parking lots and the rehabilitation of existing parking lots.
- Market East Orange based on excellent access afforded by Interstate 280, the Garden State Parkway and mass transit, etc.
- A safe and secure City to reside, work, shop, recreate, visit and drive, walk or bicycle through.
- A range of employment opportunities and job training options for residents and young adults with the desire to find gainful employment and pursue career goals.
- Foster the development of merchant associations throughout subareas.

Central Avenue

- To establish a nexus of businesses that support and develop from each other (ie home-related uses).
- Reexamine permitted uses to discourage storefront churches and take-out establishments.
- To encourage life in the City after 5:00 PM.
- Develop a link between the existing business district on Evergreen Place and Central Avenue.

Upper Main Street (now referred to as Dr. Martin Luther King Jr. Boulevard) Brick Church / North Harrison Street / Washington Street

- Reexamine permitted uses to discourage storefront churches and take-out establishments.
- To encourage life in the City after 5:00 PM.
- To support the Muir's Berkeley redevelopment plan.

Lower Main Street

- Involve community youth in constructive neighborhood projects.
- Create a draw on Lower Main Street to attract employees and visitors from the municipal building as well as NJ transit riders.

Ampere District (Fourth Avenue)

- Create greater employment opportunities in this area.

- Create a more established district of neighborhood commercial uses.

Sussex Avenue

- Facilitate pedestrian access across Sussex Avenue.
- Rehabilitate the Arcadian Gardens and Sussex Avenue Shopping Plaza.
- Implement recommendations from the Arcadian Gardens Redevelopment Plan.

Dodd Street / Upsala College

- Support and encourage the redevelopment of the Upsala College campus.
- Revitalize the neighborhood business corridor on Dodd Street.

Evergreen Place

- Establish an Evergreen Place Professional District.
- Develop a link between the existing businesses and Central Avenue.
- Develop an effective Business Retention Program.

South Orange Avenue

- Create a unified signage and façade system in cooperation with the City of Newark.
- Improve the perception and image of South Orange Avenue.

This fund, which has accumulated approximately \$650,000 annually, can be used by the City for a variety of economic development projects. To date, the City has used the Zone Assistance Fund to pay for streetscape improvements, community policing initiatives, façade improvement programs and to support the creation of a Business Improvement Districts (BID) for Central Avenue.

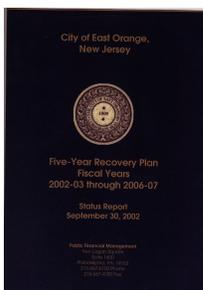
The Strategic Plan established a five-year time line prioritizing the goals and strategies, and to ultimately guide the future revitalization of the City's UEZ. The UEZ Action Plan is attached as an appendix to the Economic Development Plan Element.

Recently, the City approved UEZ funding to assist in the development of the City's Black Box Theater. The funding included hiring a program coordinator to schedule and manage theater performances and for the purchase and installation of equipment for sound, acoustic, seating, and the program and box offices.

Central Avenue Business Improvement District (CABID)

In 2002, the Central Avenue Business Improvement District (CABID) was established within the City's Urban Enterprise Zone (UEZ) to help revitalize this corridor. As shown on Map IV-1, the CABID extends along Central Avenue from Munn Street west to the East Orange border. There are approximately 117 properties within the CABD. The main goals of the CABID are to improve the appearance of the Central Avenue businesses, retain existing businesses, and attract new businesses. Security, cleanliness and marketing are the top priorities of the CABID, and one main concern of the CABID is the lack of diverse establishments. The management of the CABID consists of one, ad-hoc City representative, six property owners from the eastern side of Central Avenue and six property owners from the western side of Central Avenue.

For Fiscal Year 2004-2005, the CABID budget of \$95,000 has been approved by the City's Governing Body. Half of the budget (\$47,500) will be funded by the UEZ program, and the remaining budget will be matched via a 2 percent BID tax assessment on the district property owners. The budget expenditures will provide for promotions (advertising in the form of coupons, contests, flyers, cable TV events, and holiday events), clean-up, security and other uses elected by the BID.



Five-Year Recovery Plan

Five-Year Recovery Plan for Years 2002-03 through 2006-07

A Five-Year Recovery Plan was prepared for the City of East Orange in March 2003 with the goal of sustaining the City's economic and financial recovery through fiscal stability, efficient and effective government operations, economic competitiveness, and strong governance and accountability. Table 9 indicates the City's fiscal gap for East Orange.

\$ in Millions	FY2002-03	FY2003-04	FY2004-05	FY2005-06	FY2006-07	Total
Revenues	122.5	113.5	112.7	112.3	112.2	573.3
Expenditures	(117.8)	(121.2)	123.3	(124.6)	(128.5)	(615.4)
Budget Gap	4.7	(7.7)	(10.6)	(12.2)	(16.3)	(42.1)
Productivity Fund	0.0	(1.2)	(2.5)	(3.9)	(5.4)	(13.1)
Capital Investment	0.0		(0.9)	(1.7)	(1.9)	(4.6)
Fiscal Gap	\$4.7	(\$8.9)	(\$14.1)	(\$17.9)	(\$23.7)	(\$59.9)

Source: Five Year Recovery Plan, 2003.

The Plan determined that several factors including the flat property values, the elimination of "Distressed Cities Aid," the decline of property sales revenues, the increase in costs of wages, health care, and pension contributions were the key factors behind the City's fiscal gap.

Factor	Value
Loss of Distressed Cities Aid	\$3.5 million
Decline in Property Sale Revenues	\$2.0 million
Increase in Wage & Salaries	\$1.4 million
Increase in Health Care and Pensions	\$4.3 million
Total	\$11.3 million

Source: Five Year Recovery Plan, 2003.

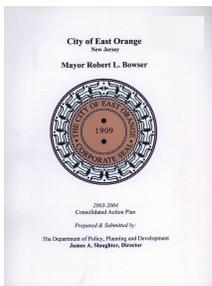
Since its designation into the Distressed Cities Program in 1999, East Orange has significantly improved its fiscal situation by increasing its tax collection rate, growing its tax base, eliminating a large budget deficit, implementing aggressive revenue collection efforts, cleaning up foreclosed properties to increase their value, and generating an operating surplus for the last three years in a row.

Part of the City's financial recovery, the City has the initiative to regain its competitiveness in the economy via tax rate stability, coordinated management of economic development, capital investments in quality citizen services and economic development, attracting and retaining investment in market-rate housing, curtailment of locally funded tax abatements, special development districts for retail and other purposes, improved transportation linkages, and regulatory reform and business affairs.

Specific strategies that the Fiscal Recovery Plan recommended were:

- **Balanced Operating Budget-** A budget balanced without reliance on tax rate increases, with stable and thriving residential neighborhoods and job creating businesses.
- **Efficiency and Effective Operations-** Utilizing ways to expand revenues, limit spending growth, and improve productivity.
- **Economic Competitive Opportunity-** Coordinated economic development, capital investments in quality services and development, attracting new homes, eliminating tax abatements and implementing special districts.
- **Fiscal Stability-** Identification of the fiscal gap (budget, capital investment and productivity gap).
- **Increase Operations Efficiency and Capital Investment-** Turn non-productive, underutilized land back onto tax-roll, collect deficient taxes, seek relief from punitive PILOTs, and evaluate efficiency of City Departments, and debt service.

Specific recommendations related to municipal departments are described within the Community Facilities Element of the Master Plan.



Five-Year Consolidated Plan

Five-Year Consolidated Plan for East Orange 2005 to 2009

The Consolidated Plan was prepared by the City’s Department of Policy, Planning and Development (PP&D), including the Divisions of Community Development (DCD), Neighborhood Housing & Revitalization Division (NHR), Comprehensive Planning and Economic Development (CPED). The Plan was also developed in consultation with the public and various stakeholders throughout the community. Input was also solicited from the Mayor’s Office and City Council representatives, other governmental agencies, the private sector and non-profit agencies.

The overall goal of the Consolidated Plan is to develop and maintain viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities principally for very low and low income persons.

This 5-year Consolidated Plan is designed to serve the following functions:

- A planning document for the City of East Orange built upon participation at all levels.
- An application for federal funds.
- A strategy to be followed while carrying out Housing and Urban Development (HUD) Programs.
- An action plan to match goals, objectives and outcomes.

As indicated in the Consolidated Plan, the goals of the East Orange Economic Development Division are to foster the growth and retention of businesses, provide job opportunities and establish a strong tax base. The Economic Development programs generally focus on the following objectives:

- Retaining existing business and industry.
- Attracting business.
- Nurturing small and start-up businesses.
- Expanding participation in the Urban Enterprise Zone

Economic Development Initiatives that the City will be pursuing include:

- Preparing a strategy to revitalize and market the significant inventory of vacant commercial space in the City, particularly on Evergreen Place and South Harrison Street.
- Preparing an incentive package to give to potential developers that are considering building in the City; bring in representatives from other cities where revitalization efforts have been successful, such as Newark and Jersey City, to educate Council members and staff about the revitalization and redevelopment process.
- Exploring various funding alternatives for redevelopment projects, including the New Jersey Redevelopment Authority, New Jersey Economic Development Authority, New Jersey Transit, Federal New Market Tax Credits, State Neighborhood Revitalization Tax Credits, and Public Service Electric and Gas.
- Establishing local community-based organizations such as special improvement districts, neighborhood improvement districts and local

economic development corporations to help revitalize residential neighborhoods and local commercial areas.

- Working through local and neighborhood development organizations to attract funding for commercial/neighborhood revitalization strategies.
- Coordinating and marketing sites that are appropriate for general types of uses such as office parks for the health and insurance businesses, industrial parks for manufacturing uses, research parks for high technology uses and shopping centers for retail use.

The following table summarizes the Five Year Strategic Plan Summary for Economic Development Initiatives.

EAST ORANGE CONSOLIDATED PLAN FIVE YEAR STRATEGIC PLAN (2005-2009) SUMMARY ECONOMIC DEVELOPMENT		
OBJECTIVE	STRATEGY	OUTCOME
1. To encourage the use of public/private partnerships to enhance and expand the production, maintenance and security of economic development opportunities, jobs development, training and placement.	1. Expand self-empowerment opportunities through small business incubators, New Market Tax Credits or other means that will deliver services directly to the at-risk population. 2. Encourage expansion of existing small businesses. 3. Encourage the adaptive reuse of existing buildings. 4. Target industries that are employment intensive and that have a natural competitive advantage in East Orange. 5. Encourage partnerships with the Board of Education for the training of youth not going to college but into the trades.	1. Commit funds for five (5) economic development activities by Year 5. 2. Work with developers and property owners to place commercial businesses in their vacant spaces.
2. Upgrade basic infrastructure to encourage economic and housing development.	1. Conduct planned, scheduled upgrading of streets, parks and public facilities.	1. Continue renovation of branch libraries. 2. Complete renovation of Fellowship Civic Center and Health Department by Year 5.
1. To remove blight and return parcels of land to full use for economic development purposes.	1. Demolish unsafe structures that pose a health and safety hazard.	1. Demolish one (1) commercial or industrial structure annually beginning in Year 1.

Business Attraction/Retention

As indicated in the Consolidated Plan and further expressed at the Business Community Meetings and Ward meetings, cleanliness of the streets, proper lighting, more police presence and litter were priority issues needing to be addressed.

The overall appearance and conditions of the streets and the store fronts are major concerns of property owners and business operators in the downtown. The common place neglect and lack of property maintenance sets forth a negative image both to existing property owners and those businesses who the City is trying to attract. A recommendation to improve the look of the City downtown is to institute uniformity on store fronts in the major business districts, by creating coordinated signage, streetscape improvements, and bulk standards.

Additional concerns of this group focused on poor parking conditions in municipal owned lots, more time on parking meters for patrons to shop and the creation of more parking. More immediate concerns were the addition of lighting and safety measures in parking lots and on the streets. A suggestion was made to institute a community program of business persons that could share ideas and work on areas and programs which are good for the entire community. To encourage additional development throughout the City, the permitting process should be evaluated and streamlined to the extent feasible.

Addressing these issues and concerns should be a priority in any revitalization strategy.

In March 2005, the City initiated the East Orange Construction Careers Program with the overall goal to "learn, earn and help rebuild the City of East Orange." Specifically, the Program is designed to recruit and prepare city residents to qualify as construction helpers, apprentices and skilled trade workers. In order to prepare the applicant to apply for their trade of choice, the Program offers three six week Pre-Apprenticeship Training Sessions. The sessions focus on life skills, construction basics, and workplace safety, and small stipend for travel expenses and on-the-job paid training is included.



Workforce in Transition Program

The aim of the Program is to keep the graduated applicant in the City for employment, however the applicant reserves the right to work wherever he/she desires. Since the Program's initiation, there have been 60 graduates. Ten graduates also completed the New Jersey Department of Health and Human Services Asbestos Removal Certification and are now employed.

Residential Attraction/Retention

In a city of East Orange's size and density, the future of its downtown and commercial areas depends on improving the conditions of its residential neighborhoods. The City's Five Year Recovery Plan describes East Orange's attractive, well-situated housing stock as one of the City's greatest advantages. But, since the mid-1970's, the level of private investment in market-rate housing has fallen well short of that needed to maintain stable property values. As indicated in the Housing Element of the Master Plan, the Department of Neighborhood Housing and Revitalization offers assistance to residents through education and outreach, including:

- Improving the appearance of the City's neighborhoods by demolishing unsafe structures.
- Supporting community outreach groups, such as neighborhood improvement associations, to instill neighborhood pride and support improvement initiatives.
- Increasing the number of homeowners by expanding the City's First Time Homebuyer's program.
- Strengthening the quality of the City's housing stock by expanding the City's housing rehabilitation program.
- Improving the appearance of the City's neighborhoods by expanding the Clean and Green program.
- Reducing the number of homes with lead paint hazards by expanding the City's lead abatement program.

Rent Control Ordinance

Commonplace to approximately 35,900 municipal and township governments in the United States, East Orange instituted a Rent Control Ordinance in 1975. The goals of the Ordinance are to provide access to affordable housing, protection from evictions, code compliance, and protect landlords from going out of business. While it is one of the ways the City has encouraged housing affordability, the Five Year Fiscal Recovery Plan indicates that the City has lost \$200 million in ratables between the late 1990's and when the City adopted rent control laws.

As indicated in the Fiscal Recovery Plan, when rental revenues are controlled, but costs are not, incentives for market-rate development are lacking. The Code also creates a rent control board and the position of a rent leveling administrator. The board and the administrator are responsible for applying the rent leveling laws, including approving or denying exemptions and hardship and capital improvement increases. While rates of conversions and applications for hardship and capital improvement increases are low, the rates of code violation complaints are high. The rent control limits the amount of revenue a landlord may collect, while many other variables like taxes, utilities and the rates at which property maintenance is kept up continue to increase. At a minimum, this may have contributed to a run-down rental building stock, decreased building investment and property values.

The Fiscal Recovery Plan offers several suggestions in changing the provisions of the Rent Control Ordinance. First, the maximum annual percentage of rent increases could be increased, or evaluated each year. Second, the City could create an income based test to qualify for rent control. Third, the City could offer a permanent decontrol provision. Under this option, when tenants move out of a rental unit voluntarily, the unit will no longer be subject to rent control laws, and as time passes, rent control laws will be gradually phased out.

The City should revisit its rent control ordinance. Efforts to create a balance between the interest of the existing tenants and owners should be implemented as the market continues to steadily increase.

Grants

The following provides a brief summary of the grants the City has received to improve parks, increase parking capacity, and address other social issues within the City:

- The City received a grant from the State Department of Transportation to construct a parking deck on Halsted Street. The City would be responsible for the construction of 200 parking stalls at a cost of \$2 million.
- The City received a matching grant from the State Green Acres Program in the amount of \$1.8 million to rehabilitate the City's parks.
- The City received a Major League Baseball grant to build a little league field.
- The City's Health Department received a \$600,000 grant for three years to address dental, substance abuse and mental health of youth residents.
- A partnership was formed between the City and the City's school district to create space for a resident health clinic.

A \$95,000 grant was awarded to the East Orange Justice Department to develop programs for the intervention and prevention of juveniles in the justice system. As part of this grant, the "Weed and Seed" program was developed to increase community policing and collaboration. The goal of the program is to reduce the crime rate in the highest crime areas including Memorial Park and Lenox.

Transit Village Status

In 2004, the City applied for, but did not receive Transit Village designation for both the Brick Church and East Orange train stations. Creation of a Transit Village in East Orange will provide new tax ratables, a funding source for the clean-up of parking lots and for sidewalk improvements, and new employment opportunities, among other benefits. The various redevelopment plans in the City are also a resource to the Transit Village initiative as they will support and strengthen each other. The City intends to reapply for Transit Village status in 2006. The Transit Village designation is shown on Map IV-1; and further discussion of the program is provided in the Circulation Element.

Marketing through East Orange Website

Due to the significant inventory of vacant commercial and office space in the City, especially along Evergreen and South Harrison Street, the City's Economic Development Department is in the process of preparing an Action Plan to market these sites.

Currently, the City coordinates and markets sites through their website that are appropriate for general types of uses such as back office space, businesses, light industrial for small manufacturing uses, office space for high technology uses and shopping center retail use.

City Auction

Another strategy to rebuild the City, to remove blight and to return underutilized property back on the tax rolls, East Orange developed an auction of city-owned property, which is also provided on the City's website. Because of the improved information management by the Tax Collector, and timely issuance of delinquency notices and initiation of foreclosure proceedings, the City has increased the frequency and value of its property auctions. Currently, there are 19 properties listed to be auctioned off. Most of the land is residentially-zoned vacant land and a limited number of commercial properties.

Tax Abatements/PILOTS

Under state law, municipalities have been able to adopt ordinances providing residents and business owners with tax abatements on the assessed value of improvements. As indicated previously, nearly half of the City's property is exempt from taxation and East Orange has its share of tax abatements. In addition, the City has roughly 30 payment in lieu of taxes (PILOT) agreements as part of many prior residential developments. As indicated in the Five Year Recovery Plan, based on FY2001-02 PILOT bills and assessments, the difference between the total of PILOT payments and the assessed values of the same properties is \$14.0 million. Many of these PILOTS are long-term agreements that have 40 or 50 year terms and will not expire until 2015 or later.

The City should research the terms of each PILOT and the laws that govern them. Potential strategies to address the PILOT properties include challenging illegitimate contracts, identifying breaches of contract and seek redress, and denying the ability to "grandfather" provisions that violate new PILOT law. As a more permanent solution, the City should also consider instituting a moratorium on all new PILOTS and tax abatements except as part of an integrated redeveloper's agreement necessary to implement redevelopment plans. By establishing a moratorium, the City will set forth a clear and simple position on any future PILOT requests.

RECOMMENDATIONS

The Action Plan provides implementation time frames and identifies responsible party/funding sources for each recommendation of this element. The following list briefly summarizes the economic development recommendations:

- Consider establishing a Redevelopment Authority to oversee the City's redevelopment initiatives.

- Encourage a more balanced tax base through more diversified land uses, and eliminating tax abatements and PILOT projects.
- Revisit zoning issues related to more stringent signage regulations, design standards and aesthetics.
- Address non-conforming uses and building height regulations.
- Enhance wall and fence standards by setting a minimum height and maximum height and eliminating chain link fences.
- Enforce open space and buffer standards.
- Rezone commercial areas within residential two-family areas and add buffer standards to address non-conforming uses.
- Address the need for commercial and residential rehabilitation, especially at the corner of Park Avenue and Walnut Street and Schuyler Terrace.
- Address the need for upgrading and/or adaptive reuse of the Western Beef and Brick Church shopping centers.
- Identify commercial development opportunities as an infill solution to address the vacant corridor between South Grove Street and South Munn Avenue.
- Strategy should be developed to coordinate economic development retention/incentive package for developers and business owners.
- Streamline business development/implementation procedure.
- Reduce application fees.
- Expedite the permit process.
- Implement fees incentive programs in redevelopment and UEZ areas.
- Implement recommendations of the Buxton Retail Study to encourage more diverse uses.
- Eliminate specific uses including drive-thru restaurants, fast food eateries, take-out restaurants, transient hotels, dollar stores and billboards.
- Restrict specific uses along Lower Main Street, including driving schools, auto parts and car showrooms.
- Encourage clean up or development of the City's vacant or underutilized lots and empty parking lots.
- Consider developing a strategy that locates and secures funding resources to address corridor contaminated areas such as Central Avenue, Hoffman Boulevard and Clinton Streets.

- Provide assistance for start up businesses and business incubators, including microloans, utilization of the City's website, and promotional tools.
- Promote business retention, especially along Lower Main Street where redevelopment is occurring.
- Consider establishing an Entertainment District to facilitate downtown revitalization.
- Encourage home ownership, maintenance and rehabilitation of properties.
- Enforce citywide ordinances requiring property maintenance and clean up including street sweeping, and garbage and snow removal.
- Address safety issues and increase police presence throughout the City.
- Establish police substations in each ward to effectively reduce response time.
- Increase vocational schools to adequately provide training skills for residents.
- Establish partnership with East Orange General Hospital, Veterans Affairs Medical Center, and the Kessler Institute of Rehabilitation.
- Entice young families to move into the City by promoting the City's Schools of Choice program, transportation assets, and assistance towards first time homebuyers and low interest loans.
- Encourage cultural and entertainment venues and businesses.
- Prepare a Capital Improvement Plan (CIP) in coordination with the City's Planning Board and Department heads. City Department heads must begin to craft six-year projections to include in the Capital Improvement Plan (CIP).
- Increase maintenance and clean-up along the City's waterbodies and tributaries, including but not limited to the Second River, and the Nishuane Brook.