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Government

Downtown conference takes closer look at how special districts can help business

By **Meg Fry**, June 15, 2015 at 11:23 AM



Kennedy Smith delivered the keynote speech at the 2015 Downtown NJ Annual Conference. - (AARON HOUSTON)

The 2015 Downtown NJ Annual Conference, “Your Downtown: The New Frontier,” took place on Thursday at the Union County Performing Arts Center in Rahway.

This year, Downtown NJ — a New Brunswick-based nonprofit organization dedicated to strengthening New Jersey’s commercial business districts and traditional downtowns — focused on the importance and evolution of Special Improvement Districts (also known as Business Improvement Districts) and best practices in managing and working with them.

“They are our legislative and authorized mechanisms where a municipality can say, ‘We’re going to impose assessments on properties that will benefit from (Special Improvement District) programs, such as streetscape, façade improvements, garbage pickup, business promotion, marketing and more,’ ” said Bob Goldsmith, president of Downtown NJ and co-chair of Greenbaum, Rowe, Smith & Davis’ Redevelopment and Land Use Department.

It was fitting, then, that the conference be held in Rahway. After successfully pursuing massive redevelopment and economic revitalization efforts, Mayor Samson Steinman is now seeking to expand its Special Improvement District from the downtown business district to the entire town.

“It’s great if you improve your downtown business district, but when you’re driving through other areas of town — if those areas are desolate, run down or are not functioning properly, it gives a negative vibe,” Steinman said. “With the expansion of our S.I.D., we’re looking to work on every single business in our town.”

The controversial move would expand Rahway's S.I.D. from 138 businesses to 583.

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But Stuart Koperweis, co-chair of the conference and executive vice president of economic development and revitalization for Millennium Strategies in Caldwell, wanted those in attendance — including S.I.D. management professionals, business operators, public officials, and real estate and planning professionals — to understand one thing.

“(Special Improvement Districts) work hand-in-hand with the government to make recommendations and changes in terms of various ordinances that would allow businesses and property owners to grow,” Koperweis said. “(They) don't have control, but they do have a voice and the financial ability to support change.”

This delicate public-private partnership was a popular subject amongst the various panels and discussions throughout the day.

Beth Lippman, owner of Administrative Resources — an S.I.D. consultancy in Livingston — moderated a panel regarding S.I.D. relevancy and the new paradigm of downtown areas.

Joining her was Kathleen Miller Prunty, Cranford's business and economic development director, who has managed the first S.I.D. in the state for 18 years.

“Through the most difficult economic times, Cranford had and still has a vacancy rate that hovers between 2 and 3 percent,” Prunty said. “We became a real magnet for independent business owners that were looking for a safe, clean, inviting downtown.”

In response to the shift in retail, Prunty replied, “Until someone can tell me how I can get my shoes repaired or my hair cut online, I'm going to want a store downtown.”

David Milder, founder and CEO of DANTH — a Kew Gardens, New York-based downtown consulting firm — had other ideas on how to retain the success of downtown areas.

“Downtown is growing as a central service district,” Milder said. “It's the location where people want to live and spend time with their loved ones doing things that they enjoy — things like restaurants, public spaces, and entertainment venues such as bars, performing arts centers and museums.

“These are becoming the key places that draw people and drive retail in an ancillary kind of way.”

Mark Sokolich, attorney and mayor of Fort Lee, stressed the importance of forming a political consensus before starting an S.I.D. — especially in the wake of a controversial vacant land redevelopment at the foot of the George Washington Bridge.

“The first mayor that tried to accomplish this 45 years ago went into Witness Protection over it,” Sokolich said.

After a highly transparent and vetted public process, the billion-dollar redevelopment project is 75 percent complete. But Sokolich didn't think a brand new retail development right next to Fort Lee's “tired and obsolete” Main Street looked so hot.

“There were points during the course of our redevelopment that I wanted to form the Business District Alliance, but there were a couple council members that weren't on board,” Sokolich said. “Ultimately, when I felt comfortable with the consensus, we pulled the trigger and started the process.”

Sokolich — also known as “the Bridge Guy with all the lane closures” — was careful in whom he appointed to staff the B.D.A.

“I didn't need someone with a political or personal agenda,” Sokolich said. “I needed folks that were unconditionally committed to Fort Lee, and that was their only motivation.”

Which led right into the second panel of the day: Megan Jones-Holt, executive director of the Flemington Business Improvement District, moderated a panel regarding government relations and the Open Public Records Act.

Seth Grossman — a man with many titles, including the founder and director of Rutgers University-Newark's National Center of Public Performance's Institute of Business District Management; executive director of the Ironbound B.I.D. in Newark; and president of Cooperative Professional Services, a consultancy for special improvement districts — summed up the lively back-and-forth

discussion with a single quote:

“We are of government, but we are not in it,” Grossman said. “We sit, as I said, right at the crux between public interest and all of the private interest at the street level, where rubber hits the road. ... We bring the private sector into a very public process. And that’s a good thing — that’s how we get things done.”

But Walter Luers — an attorney concentrating on litigation regarding the Open Public Records Act and the Open Public Meetings Acts and president of the New Jersey Foundation for Open Government — added that executive directors should be careful of getting too involved in politics.

“In my opinion, I think it is important for special improvement districts to remain as neutral as possible,” Luers said. “You don’t want folks to start using O.P.R.A. against you.”

Additional panelists included Kathleen Clayton, principal and CPA for Spire Group’s not-for-profit and governmental services group; Nancy Adams, executive director of Red Bank’s RiverCenter and founder of Directions Downtown; Steve Santola, executive vice president and general counsel of Woodmont Properties in Fairfield; and Anthony Cancro, business administrator for Springfield Township

Kennedy Smith — president and co-founder of C.L.U.E. Group in Washington, D.C. — delivered the keynote speech over lunch at Luciano’s Ristorante in Rahway.

As an international expert on downtown economic development, Smith shared various innovations she’s encountered around the globe that have helped to revitalize downtown areas and identified four factors that would influence how downtowns continue to develop over the next decade: millennials, the environment, alternative economies and the growing importance of small industry.

“We need to make sure that we are not just controlling the design of historic areas and communities, but also making sure that we are building things as worthy of preservation as the places that are near and dear to us now,” Smith said.

Following the keynote and an open forum for retailers, panelists and experts, Steinman conducted a tour of Rahway’s newly built “parklets” — a much-discussed downtown addition at last year’s conference — and hosted a reception at Meatballs & Brews in Rahway.

Overall, both Goldsmith and Koperweis considered the conference to be a success.

“I enjoyed the ability for the district managers to talk amongst themselves and learn from each other,” Koperweis said. “We need to look at how to get to the next level as opposed to going backwards, and I think we built upon our value to the community today in doing so.”

“There’s really nothing like a downtown — a sense of place and community,” Goldsmith said. “It’s great to see that downtowns are being reborn.”

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