

A photograph of the Newark skyline at dusk, with buildings illuminated by warm lights and their reflections visible in the water. A blue truss bridge is on the left, and a large white tent is on the right. The sky is a mix of blue and orange.

**CITY OF
NEWARK**

Equitable Economic Recovery Plan

June 24, 2021

Mayor Ras J. Baraka

Plan Goals and Process



- **An Equitable Recovery Plan:** The plan is a map of Mayor Baraka’s vision of a stronger, fairer and more prosperous city and incorporates the equity principles of the Newark Forward Blueprint for Equitable Growth and Opportunity in Newark.
- **Inception:** In January 2021 the City of Newark reached out to internal and external partners to develop a City action plan to drive an equitable economic recovery. The goal of the plan is to build a better future for Newark - a stronger, more equitable, and more resilient city based on good jobs, equitable development, the growth of small businesses, and investment in Newark’s neighborhoods.
- **A Collaborative Process, which Builds on Past Work and Best Practices:** The City of Newark engaged Bloomberg Associates (BA) to support development of the plan. BA built on national best practices and the work done through the Reopening and Recovery Strikeforce, Newark Forward, Equitable Growth Commission and other economic development strategies. Bloomberg Associates interviewed over a dozen stakeholders including SIDs/BIDs, business groups, and City departments.
- **An 18 Month Implementation Timeframe:** Given the urgent need of residents and businesses, the actions proposed in this plan have an implementation timeframe of 18 months or less.
- **A Unique Opportunity to Leverage Federal Funding:** Between local funding sources and funding from the American Rescue Plan, Newark is well-positioned to address both its most urgent needs in addition to planning for long-term, equitable growth.
- **Workforce Alignment:** This plan would prioritize alignment with City’s workforce system to ensure that Newarkers - particularly unemployed, underemployed and residents with barriers to employment - are connected to good job opportunities.
- **Key Performance Indicators to Measure Impact:** To measure progress and outputs and impact, this plan will include SMART (Specific, Measurable, Achievable, Relevant, Time-bound) key performance indicators when the scope and budget are finalized.

Newark's Strengths

- **A history of strong job growth:** Pre-COVID, Newark's net job growth (9%) and annual wage increase (2.2%) were on par with state averages
- **Key sectors can be scaled and developed:** Transportation and Warehousing, Accommodation and Food, and Educational Services are the fastest-growing sectors and have been responsible for 75% of total job growth since 2010.
- **Young, diverse, and educated population:** The median age is 33.6 years old, 25% millennials, and 75% minority residents. Three in four residents have a high school diploma, with a 20% growth in college graduates since 2012
- **Emerging startup hub:** a community of inclusive and diverse entrepreneurs with over \$120M in venture capital raised. Ag-tech won the largest 2019 VC deal in Newark and the second in the state
- **Small businesses can thrive:** 73% of businesses having less than 10 employees (58% have less than 5 employees), - *can this be built upon? small business/entrepreneurship culture/momentum?*
- **Potential to grow sector clusters:** Emerging and priority clusters based upon growth industries include: Transportation and Logistics, E-commerce and Distribution, Made in Newark: Manufacturing, Food Processing and Tech, and Corporate and regional headquarters
- **Finance / insurance is projected to be the strongest performing sector:** to weather COVID-19's impact, experiencing fewer long-term GDP and employment losses in comparison to national and state averages
- **Home to major healthcare institutions:** Health care support services are projected to be the strongest performing occupation group to recover

Newark's Challenges

- Between February and May 2020, **16,000 residents lost jobs**, bringing Newark's unemployment to 19%. As of February 2021, Newark's unemployment still remains very high at 13% (HR&A Covid Economic Impacts Report).
- Job losses have been concentrated in four sectors: **hospitality, healthcare/social services, retail, and other services represent 60% of all jobs lost**. Sectors with high concentrations of small businesses will take the longest to recover.
 - Job losses has resulted in **\$60-\$100 million of lost consumer spending** that would have gone to Newark businesses, even after factoring in government benefits. This spending reduction disproportionately affect restaurants, entertainment, apparel and personal services in the city (HR&A COVID Economic Impacts Report).
- **14% of jobs lost requiring a high school diploma or less will not return**, creating an education recovery gap for affected workers. But with intentional cultivation of Newark's fastest-growing industries, including transportation and warehousing, accommodation and food, and educational services--which have been responsible for 74% of total job growth since 2010, these industries are well-suited to Newarkers with a high school diploma or less (Oxford Economics 2020).
- Pre-Covid, Newark has seen a **loss of 300K in non-local visitors** (Nov. '20 compared to Dec. '19) and a loss of 90K local visitors. (HR&A Downtown Newark Small Business Investment Strategy)
- The Newark MSA is projected to recover to 2019 employment levels by 2024. **This plan seeks to shorten the recovery period.** (Oxford Economics 2020)
- 82% of businesses surveyed in the Small Business Recovery Survey reported having decreased sales during the pandemic, and overwhelming number of businesses expressed a need **for more streamlined, direct communication** with the City.

Economic Recovery Objectives

1. **Good Jobs:** Attract, retain and expand businesses that create good jobs
2. **Equitable Development:** Improve and accelerate a development ecosystem that is invested in Newark's equitable growth
3. **Sustained and Thriving Small Businesses:** Help Newark's small businesses rebuild and thrive
4. **Vibrant Neighborhoods:** Create vibrant neighborhood business districts

1. Good Jobs



Action	Implementation Timeline *	Impact	How we will know we've been successful
<p>A. Support high-growth startups including support for women and minority founders</p> <ul style="list-style-type: none"> - The City of Newark will hire a dedicated FTE focused on growing and supporting Newark's startup/ tech cluster. - The City will appoint a start-up ambassador - a leading Newark entrepreneur who is committed to elevating Newark as a great city for entrepreneurs to live and start a business 	3 - 6 months	Medium	<p>-City reputation: attracting positive, relevant media coverage, creating tech events.</p> <p>-Startups: # of supported entrepreneurs</p> <p>- Talent pipeline: # residents who access tech training, or who gain work experience</p>
<p>B. Launch sector initiatives to attract and grow good jobs</p> <ul style="list-style-type: none"> - EHD will partner with the Newark Alliance to develop and implement strategies to attract and grow businesses in the following sectors: (1) transportation, distribution and logistics; (2) manufacturing / food processing; (3) technology, (4) corporate and regional offices; and (5) health care. - The City of Newark will hire Business Development Manager(s) to create sector strategies - Would align with existing workforce/apprenticeship programs to ensure Newarkers are connected to job opportunities in each sector. 	3 - 6 months	High	<p>- Jobs: # of good / promising jobs created, retained in target sectors. Geographic distribution of jobs. Gender & racial breakdown of jobs</p> <p>- Firms: # attracted, retained, expanded in target sectors</p>

* Estimated time to complete action from start to finish.

2. Equitable Development

Action	Implementation Timeline	Impact	How we will know we've been successful
<p>A. Create a development compliance team in EHD and strengthen the RDAs to hold developers accountable for putting properties into use</p> <ul style="list-style-type: none"> - The City of Newark will create a development compliance team by hiring two FTEs to monitor and enforce developer adherence to contractual obligations under PILOT and redevelopment agreements, and review and enforce Redevelopment Agreements. 	3 months - 1 year	High	<ul style="list-style-type: none"> - # of RDAs enforced - \$ impact fees collected - # RDAs with community benefits agreements - \$ value of exactions or impact fees
<p>B. Use geographic rubric to understand targeted areas and corridors for housing development</p> <ul style="list-style-type: none"> - In collaboration with Invest Newark and other partners, The City of Newark will develop a set of criteria and map to guide the strategic location of new housing across Newark's Wards and support equitable development goals. 	3 months	Medium	<ul style="list-style-type: none"> - Rubric developed - # of corridors/areas rubric applied - \$ disbursed through City funds
<p>C. Digitize the development application process and devise incentives, fee reductions and expedited approvals</p> <ul style="list-style-type: none"> - The City of Newark will begin the process of implementing an internal- and external- facing digital system to track development applications, and design incentives and other mechanisms for expediting approvals on projects that have community benefit. 	18 months	Medium	<ul style="list-style-type: none"> - \$ incentives offered - \$ incentives in deals - # of projects with incentives + resulting benefits - Creation of portal - # of staff trained - # of users - % reduced time in application process - # of staff time saved

3. Small Businesses



Action	Implementation Timeline	Impact	How we will know we've been successful
<p>A. Create Newark business navigators, small business technical assistance, and launch virtual small business hub</p> <ul style="list-style-type: none"> - The City will hire Newark Business Navigators as a central point of contact to rapidly connect Newark small businesses to support services - The City will fund technical assistance at local economic development partners to help small businesses re-open and recover. - The City will launch a virtual small business hub which brings together all support services available to Newark small businesses into one, easy to navigate website. 	6-12 months	High	<ul style="list-style-type: none"> - Jobs / Sales Growth: # supported small businesses which retain / increase employment, increase sales within 12 months, and/or become financially stable - Clients served: # of small businesses in priority categories provided grants - Private/philanthropic funds raised and leveraged - # of artists and organizations awarded funds which retain / become financially stable, increase sales within 12 months and/or increase employment - # of jobs created/ retained by supported businesses/ organizations in creative industries
<p>B. Launch Small Business Grant Fund Round 4, Launch Creative Catalyst Fund Round 3</p> <ul style="list-style-type: none"> - The City of Newark will leverage American Rescue Plan and philanthropic funding to launch Round 4 of the Small Business Grant Fund. - Collaborate with Invest Newark to provide technical assistance, education, certification and procurement opportunities. - Arts and Cultural Affairs will launch Round 3 of the Creative Catalyst Fund (CCF), the city-sponsored grant program for Newark-based artists, creative entrepreneurs and non-profit cultural organizations. 	1 - 3 months	Medium	<ul style="list-style-type: none"> - Jobs / Sales Growth: # supported small businesses which retain / increase employment, increase sales within 12 months, and/or become financially stable - Clients served: # of small businesses in priority categories provided grants - Private/philanthropic funds raised and leveraged - # of artists and organizations awarded funds which retain / become financially stable, increase sales within 12 months and/or increase employment - # of jobs created/ retained by supported businesses/ organizations in creative industries
<p>C. Increase broadband access for local businesses</p> <ul style="list-style-type: none"> - Newark will set the goal of being the first city in America to offer free or low-cost broadband access to all small businesses and will work with Invest Newark to expand Newark Fiber to all five wards. 	3 - 6 months	Medium	<ul style="list-style-type: none"> - # businesses connected to broadband and given TA, increase online sales within 12 months as a result

3. Small Business (continued)

Action	Implementation Timeline	Impact	How we will know we've been successful
<p>D. Reduce the cost of doing business in Newark</p> <ul style="list-style-type: none"> - The City will reduce small business costs by deferring fees / business taxes, waiving code compliance penalties / fees and developing a utility assistance program on sewer and water bills. 	<p>1 - 3 months</p>	<p>Medium</p>	<ul style="list-style-type: none"> - Jobs / Sales Growth: # supported small businesses which retain / increase employment, increase sales within 12 months, and/or become financially stable - Clients served: # of small businesses in priority categories served, issues resolved, grants/ financing secured. - Support provider net promoter score above 20 - % minority-owned, % women-owned, and % from LMI-neighborhood

4. Neighborhoods

Action	Implementation Timeline	Impact	How we will know we've been successful
<p>A. Invest in neighborhood partners to support recovery Programs</p> <ul style="list-style-type: none"> - The City of Newark will invest in new programming at local economic development partners to support commercial corridor and small business recovery. 	3 - 6 months	High	<ul style="list-style-type: none"> - # of neighborhood orgs supported which increase learning/ capacity, # of small business supported which retain / increase employment, increase sales within 12 months, and/or become financially stable
<p>B. Make outdoor activation easier and launch neighborhood shop local campaigns</p> <ul style="list-style-type: none"> - Increase ease of permitting, duration of validity, resolve indemnification issues and reduce cost for permits for parklets, strEATERIES, outdoor markets, etc. - Partner with BIDs/SIDS to launch neighborhood focused shop local campaigns to promote re-opening and drawing regional visitors. 	1 - 6 months	Medium	<ul style="list-style-type: none"> - Additional \$ spent in local businesses (retailers, restaurants, services) because of supported campaigns - # of [new] programs/events, pedestrian counts, special event attendees - # blocks portioned off for open streets
<p>C. Activate vacant buildings</p> <ul style="list-style-type: none"> - Work with neighborhood partners to re-tenant and activate vacant storefronts and upper floors by engaging property owners, increasing flexible uses in zoning regulations, accelerating permitting and identifying sources of capital for building improvements. 	6 - 12 months	High	<ul style="list-style-type: none"> - # of properties activated, foot traffic increase, blight reduction / impressions improved
<p>D. Create permanently affordable commercial space</p> <ul style="list-style-type: none"> - Create a program for the inclusion of permanently affordable onsite commercial space in mixed use projects for arts, nonprofit and small business tenants. 	6 - 18 months	Medium	<ul style="list-style-type: none"> - # of small business/ organizations which secure permanently affordable commercial space

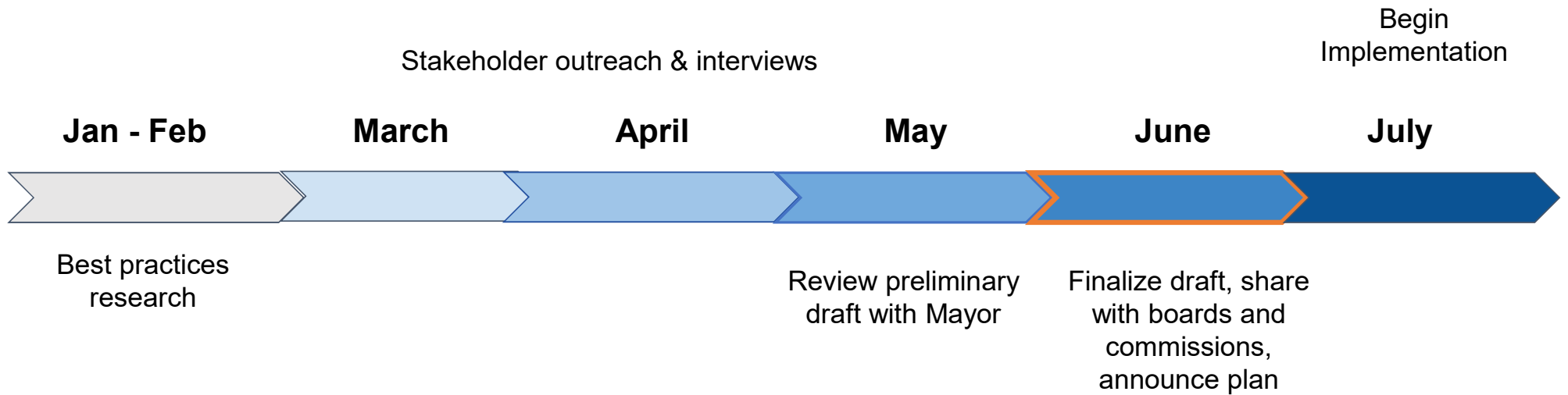
Summary

- 1. Jobs: Attract, retain and expand businesses that create good jobs**
 - a. Support high-growth startups including support for women and minority founders
 - b. Launch sector initiatives to attract and grow good jobs
- 2. Equitable Development: Improve and accelerate a development ecosystem that is invested in Newark's equitable growth**
 - a. Create a developer compliance team and strengthen the RDAs to hold developers accountable for putting properties back into use
 - b. Use geographic rubric to understand targeted areas and corridors for housing development
 - c. Digitize the permitting process and devise incentives, fee reductions and expedited approvals
- 3. Small Businesses: Help Newark's small businesses rebuild and thrive**
 - a. Create Newark business navigators, fund small business technical assistance and launch virtual small business hub
 - b. Launch Small Business Grant Fund Round 4 and launch Creative Catalyst Fund Round 3
 - c. Increase broadband access for local businesses
 - d. Reduce the cost of doing business in Newark
- 4. Neighborhoods: Create vibrant business districts**
 - a. Invest in neighborhood partners to support recovery Programs
 - b. Make outdoor activation easier and launch neighborhood shop local campaigns
 - c. Activate vacant buildings
 - d. Create permanently affordable commercial space

Budget Estimate

Actions	Staffing Budget	Senior FTE	Mid FTE	Junior FTE	Tech	Program	1-Year Total
All Actions	\$1,270,000	1	10.75	2	\$81,000	\$7,545,000	\$8,816,000

Plan Timeline



A photograph of the Newark skyline at dusk, featuring several tall buildings and a bridge over a river. The sky is a mix of blue and orange, and the buildings are illuminated with warm lights. A large white tent is visible on the right side of the image.

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