

The City of Bayonne
New Jersey

*“The Strategic Plan to Improve the Economic Health of the
Bayonne Town Center”*

***Prepared for:
The Bayonne Town Center Management Corporation***

January 26, 2009

***Prepared by:
Benecke Economics
Moonachie, New Jersey***

1-Introduction

Like most cities in the northeastern United States, the City of Bayonne is confronted with the challenge to prevent economic activity from evaporating, and with it the loss of jobs, store closings and declining property values. This challenge is amplified by the real estate, financial, and credit “crisis” that is hitting every sector of the economy in 2008; the affects of which will be felt for years to come.

Cities operate in a competitive environment, competing for scarce resources such as private sector investment and federal government grants. They also compete with each other for businesses that will improve commerce in the city and in turn improve the quality of life of it's residents. The cities that come out ahead in this competitive struggle will be in a better position to create employment opportunities, improve property values and provide a quality sense of place: a city that is enjoyable to live and work in, with a solid reputation.

Bayonne appears at crossroads. If the competitive struggle is met with aggressive planning, private sector investment, and business recruitment, Bayonne may be a true success story. If the challenges are not dealt with aggressively, the Bayonne Town Center and the City will undoubtedly languish. The City's assistance to the Bayonne Medical Center in 2007 and the construction of the “power retail center” at South Cove Commons are examples of aggressive planning and leadership, but they are only a start. The City of Bayonne and its related agencies, as described in this Strategic Plan, needs to transform once and for all, the Broadway corridor into a viable pedestrian friendly Town Center-the centerpiece of Bayonne.

The purpose of this Strategic Plan is to present an outline of the steps (e.g. “strategies”) necessary to meet the challenges of the City of Bayonne in turning around the Broadway corridor, focusing on the Town Center. The previous “Strategy: Empowering the Town Center to thrive in an Increasingly Competitive Economic Environment”, was prepared in August 2005. This Strategy focused on five discreet areas: “A-Redevelopment”; “B-Niche Marketing”; “C-Establish the Town Center as the City's Central Social District”; “D-Help Town Center Merchants become Stronger Competitors”; and “E-The Town Center's Concerns Must Go Beyond Its Boundaries”. We concur with these strategies, some are even more urgent today. For example, the use Redevelopment and the State's Long Term Tax Exemption Laws (LTTE) must be used and expanded to fill in the vacancies (both properties and storefronts) in the Broadway corridor. The Bayonne Town Center also needs to develop space for the public to be attracted to Bayonne emphasizing the Town Center as the City's central social district.

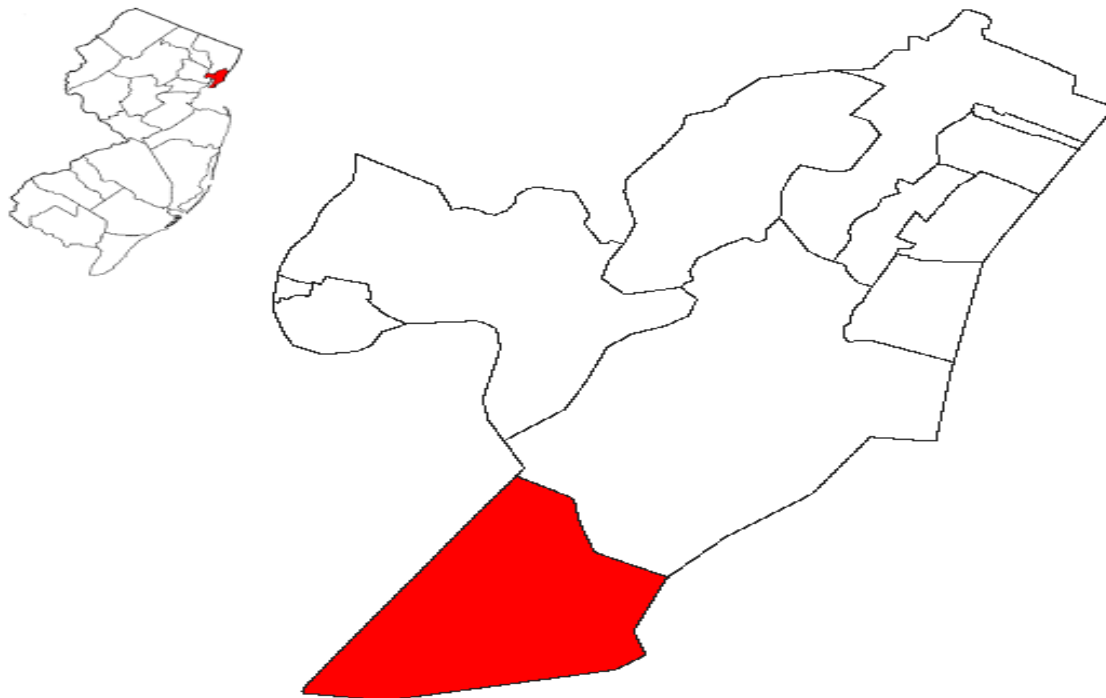
The Bayonne Town Center Management Corporation, BTCMC, under the leadership of the eleven member Board of Trustees has commissioned this Strategic Plan as both a follow-up to the 2005 Strategy and to come up with workable solutions to the issues plaguing the Bayonne Town Center, BTC. We begin with an analysis of the business environment, focusing on the data necessary to understand the scope of the task ahead and the assumptions behind the Strategies.

The City has several top notch professionals providing high quality guidance respecting economic development. Special mention must be made of Michael O'Connor, the City's Economic Development Director, John Fussa, Planning Director and Mary Divock, Executive Director of the Bayonne Town Center Management Corporation. Mrs. Divock contributed to this strategy in so many ways. She coordinated the September 11, 2008 focus group of retailers and property owners, she keeps close tabs on the retail and property counts, as used in this report, and she coordinates the promotions and events of the BTCMC, without which this Strategic Plan would be unnecessary because the BTC would be in dire straits. Instead it is in distress due to many external and demographic factors. Nonetheless, Bayonne is very fortunate to have these professionals on-board working and truly caring for the interests of the City of Bayonne.

2-The Business Environment

The Bayonne Town Center Management Corporation, BTCMC, is responsible for managing the central business district, CBD, of the City of Bayonne. The BTC area is located along the Broadway corridor, between 17th Street and 30th Street. The properties situated in the Bayonne Town Center, BTC, include two hundred and seventy two parcels located directly on Broadway. This area is the primary retail area of the City of Bayonne. This area is also the Special Improvement District of the City. The SID is designed to help business activity through promotion, marketing, and planning in support of the retail and (appropriate) service businesses in the District.

The City of Bayonne is located in southern Hudson County, New Jersey, as the following map illustrates:



The City is situated on a peninsula, on the shores of two bays, Newark and New York. It is bordered by the City of Jersey City to the north. The City of Bayonne had an estimated 2006 population of 58,844, a decrease of 4.8% from the 2000 census. Bayonne reached its high population point in 1930, with 88,979 people. It has steadily declined from that level to an estimate of less than 58,000 in 2007.

The BTC area is flanked by the Bayonne Medical Center (BMC) to the northeast, an important hospital serving the area, and to the southwest a busy supermarket, Shop-Rite. While not located directly in the BTC/SID area, these establishments are active participants in BTCMC activities, with the BMC contributing to and having a role in the business affairs of the BTCMC Board of Trustees.

A portion of Bayonne's Broadway corridor, north of the BTC area, is an Office/Retail Service District also having ground floor retail establishments as well as offices and multi-family residential uses on upper floors. To the south of the BTC is the Uptown Business District, with ground floor retail and service businesses. These districts are zoned by the City of Bayonne.

The City is located in the vibrant New York metropolitan area with good mass transit and vehicular transportation routes. Bayonne is connected to Staten Island, New York by the Bayonne Bridge. The Bayonne Bridge is lit in patriotic colors (red, white & blue) in the evenings, as a 9/11 memorial initiated in the summer of 2002. The Newark Bay Extension of the New Jersey Turnpike (Interstate 78) provides access to Jersey City to the northeast and, via the Holland Tunnel, Manhattan. In the opposite direction on the Newark Bay Extension, the Newark Bay Bridge provides access to Newark, Newark Liberty International Airport and the remainder of the New Jersey Turnpike (Interstate 95) as well as Interstate 78 toward Pennsylvania.

Route 440 runs along the east side of Bayonne, and the west side of Jersey City, following the old Morris Canal route. Although it has traffic lights it is usually the quickest way to go north-south within Bayonne. It connects to the Bayonne Bridge, I-78, and to Route 185 to Liberty State Park.

Bus transportation is provided on three main north-south streets of the city: Broadway, including the BTCMC area, Kennedy Boulevard, and Avenue C, both by the state-operated New Jersey Transit and private bus lines. The Broadway line runs solely inside Bayonne city limits, while bus lines on Avenue C and Kennedy Boulevard run to various end points in Jersey City. One Kennedy Boulevard service (the Coach USA 99S) runs to the Port Authority Bus Terminal in midtown Manhattan, New York City, and rush hours peak direction the NJ Transit 120 runs between Avenue C in Bayonne and Battery Park in Downtown Manhattan, while the 81 provides service to New Jersey. (See the New Jersey Transit Bus/Rail Connections guide.)

The Hudson-Bergen Light Rail, which was completed in the year 2000 currently has stops throughout Bayonne, Jersey City, Hoboken, Union City and North Bergen. The stations in Bayonne are:

- 45th Street: Avenue E at East 45th Street
- 34th Street: Avenue E at East 34th Street
- 22nd Street: Avenue E at East 22nd Street

A fourth station, 8th Street, which will be located at Avenue C, is under construction. Incidentally, all of these stations were the original train stations for the old Central Jersey railway system. Service within Bayonne is available between these three existing stations. Northbound service from Bayonne runs through Jersey City, mostly near the waterfront, to Hoboken Terminal. Other parts of the system can be accessed via transfers.

The Liberty State Park station is a transfer point for those traveling between Bayonne and stations on the West Side Avenue (Jersey City) line. Connections to PATH trains to midtown Manhattan and to New Jersey Transit commuter train service are available at the Hoboken Terminal. Transfers to PATH trains to Newark, Harrison, and downtown Manhattan are available at Exchange Place.

Portions of Bayonne, including the BTMC, are part of an Urban Enterprise Zone. A State endorsed program which encourages retail activity. In addition to other benefits to encourage investment and employment within the UEZ, shoppers can take advantage of a reduced 3½% sales tax rate (versus the 7% rate charged statewide). The UEZ Program offers participating businesses many incentives that encourage business growth and stimulate local economies. Program details include:

- Sales tax revenues generated by UEZ businesses are dedicated for use within the zones for economic development projects.
- Businesses participating in the UEZ Program can charge half the standard sales tax rate on certain purchases.
- In addition, UEZ businesses may enjoy tax exemptions on certain purchases and manufacturers may qualify for sales tax exemption on their energy and utility consumption when they meet specified employment and other criteria.
- For each new permanent full-time employee hired, businesses may receive a one-time \$1,500 tax credit.
- Employers may also benefit from subsidized unemployment insurance costs for certain employees who earn less than \$4,500 per quarter.
- The UEZ Program allows a tax credit against the Corporate Business Tax up to eight percent of qualified investments within the zone. Also, businesses may be eligible for priority financial assistance.

The following Chart depicts the demographic data necessary to understand the framework that Bayonne businesses operate in.

Chart 1

The City of Bayonne, New Jersey, Demographic Profile		
Category	Bayonne	New Jersey
Estimated Population (2006)	58,844	8,724,560
People per Square Mile	10,984	1,134.5
Persons per Household (2000)	2.42	2.68
Homeownership Rate	40%	65.6%
Households (2000)	25,545	3,064,645
Median Household Income 2000 Census ¹	\$41,556	\$55,146
Persons Below Poverty Line ²	10.1%	8.5%
Total Number of Business Firms	4,069	708,837
Retail Sales (2002) ³	\$273,227,000	\$102,153,833,000
Retail Sales Per Capita (2002) ⁴	\$4,450	\$11,984

1) The mean annual household income is \$51,706; this is more reflective of household spending patterns (capacity) than median income inasmuch as the poverty rate skews the median household income figure.

2) The national rate is 12.7%.

3) Excludes sales from food service and professional service establishments.

4) This the amount spent (annually) in Bayonne by Bayonne residents, the same is true for the NJ figure-dollars spent in NJ by NJ residents.

Chart 2 which follows depicts the categories of the 604 service firms and merchants located in Bayonne, including the 220 retail establishments, by industry code as reported by the United States Census in 2006.

Chart 2
City of Bayonne Retailers by Category
US Census Bureau-2006

Category ID	Category Description	Number
441110	New Car Dealers	1
441120	Used car dealers	1
441310	Automotive parts	5
441320	Tire dealers	2
442110	Furniture stores	3
442210	Floor covering	5
442291	Window treatment	1
442299	Other home furnishings	1
443111	Household appliance stores	2
443112	Radio, television, & electronics	8

443120	Computer and software	1
444120	Paint and wallpaper	1
444130	Hardware stores	3
444190	Other building materials	4
445110	Grocery/supermarkets	28
445120	Convenience	16
445210	Meat markets	4
445220	Fish and seafood markets	1
445230	Fruit markets	3
445291	Baked goods stores	1
445292	Confectionery stores	1
445299	Other specialty food stores	1
445310	Beer, wine, & liquor stores	12
446110	Pharmacies & drug stores	14
446130	Optical goods stores	1
446191	Food (health) supplement stores	3
446199	All other health & personal care stores	2
447110	Gasoline stations with convenience stores	7
447190	Other gasoline stations	13
448110	Men's clothing stores	1
448120	Women's clothing stores	8
448130	Children's & infants' clothing stores	2
448140	Family clothing stores	3
448190	Other clothing stores	3
448210	Shoe stores	4
448310	Jewelry stores	6
451110	Sporting goods stores	4
451120	Hobby, toy, & game stores	1
451211	Book stores	1
451212	News dealers & newsstands	3
451220	Prerecorded tape & record stores	1
452990	All other general merchandise stores	9
453110	Florists	4
453210	Office supplies & stationery stores	3
453220	Gift, novelty, & souvenir stores	6
453910	Pet & pet supplies stores	1
453991	Tobacco stores	1
453998	All other miscellaneous store retailers	4
454111	Electronic shopping	2
454113	Mail-order houses	2
454311	Heating oil dealers	3
454390	Other direct selling establishments	3
44-45	Total retail establishments in 2006	220
52-53	Finance, insurance, real estate offices	110
62	Health care and social assistance	167
72	Food service establishments	107
	Total retail, food and professional service firms	604

In addition to the above retail establishments, Bayonne is home to another 609 businesses. This includes businesses such as warehouse, wholesale, construction, etc. The total of all firms is 1,213 in Bayonne. These 1,213 establishments employed 13,845 people in 2006, according to the US Census Bureau.

It is significant to note that the number of retailers declined from 230 in 2002 to the aforementioned 220 in 2006.

3-The Bayonne Town Center

The Bayonne Town Center Management Corporation, BTMC, is empowered under its By-Laws to assist in the “economic development of the Town Center of the City of Bayonne”. The BTCMC actively promotes businesses located in the Bayonne Town Center and sponsors events of all types to attract visitors (shoppers) to the BTC. The BTCMC also administers the SID which includes operating the facade improvement program and supports the promotional activities of the BTCMC.

As previously mentioned the BTCMC is guided by an eleven member Board of Directors, having a Chairperson, Patricia Murphy, who presides at Board meetings and provides oversight of the Executive Director. The day to day operations of the BTCMC, such as event coordination and retail recruitment, are handled by an Executive Director.

The following is the description of the Bayonne Town Center, as written by the BTCMC Executive Director, Mary Divock:

“The Town Center is the CBD and heart of Bayonne. The district is pedestrian friendly with few “physical signs of disorder.” Significant numbers of strolling shoppers can be observed from morning through the early evening. The CBD’s appearance was recently strongly enhanced. The City completed a street improvement program along Broadway that repaved the roadbed, put in new sidewalk pavers, planted trees and installed benches, new trash baskets and new parking meters. The resulting improvements in the area’s appearance have been popular with shoppers and merchants alike. Furthermore, the Bayonne Town Center SID, together with the City’s Office of Community Development, has created an effective facade improvement program to assist both the CBD’s current retailers as well as new tenants.

The City has adopted architect -created design standards to guide the construction of any new storefronts and the makeover of any existing building facades and storefronts in the district. The facade program, is co-sponsored by the Bayonne Urban Enterprise Zone (UEZ) also offers property and store owners a grant that matches 50 percent of the cost of their improvements, with a maximum of up to \$10,000 for most stores, and up to \$15,000 for corner stores.

The Bayonne Town Center is also a consumer and small business banking center for South Hudson County, with many bank branches along Broadway from 17th to 30th Streets. This concentration of financial institutions not only attracts a substantial amount of customer traffic, but also suggests that the community’s wealth may be significantly greater than census data on household incomes might suggest.” (See our discussion of median and mean income in the preceding section.)

“The Town Center has ample parking, with 408 metered spaces in municipal lots, 177 metered spaces along Broadway and 154 metered spaces on adjacent side streets.”

Mrs. Divock has provided the following Town Center Market Information:

“Notable retailers in and near the Town Center include: Avenue, Blockbuster, Blimpie, CVS, Dee & Dee Stores, Dots, Fabco Shoes, Foot Locker, GNC, Joyce Leslie, Kentucky Fried Chicken, Make A Note of It, Mande, McDonald’s, Payless Shoe Stores, Radio Shack, Rite-Aid, Shop-Rite, and Walgreens.

The Town Center has a number of high quality, reasonably priced, family-oriented eateries that attract diners from all over Bayonne as well as from Jersey City and Staten Island. Among them are Pizza Masters, San Vito, Chez Marie, Benanti’s, Eat Rice, Big Apple, Constantine’s, Rincon de Espana, and the Networking Café. A strong jewelry niche with 8 stores has developed in the Town Center.

The six fitness centers and day spas in the Town Center have developed a significant niche that draws clients from Bayonne, Jersey City and Staten Island. These operations include: Dolphin Fitness, European Day Spa, The Forum, The Wellness Center, CKO Kickboxing, and Mid-City Gyms.

The Bayonne Medical Center anchors the northern end of the Town Center. It is the city’s largest employer, with over 1,200 employees. It also generates a considerable amount of visits to patients. In addition, it has a significant flow of out-patients. The Main Post Office at 26th Street and Broadway is a reliable and steady source of customer traffic.”

The BTC has 310 properties in 2008, of which five are vacant lots that have been dormant for some time. As we later discuss we strongly recommend a strategy for the City of Bayonne to work with the property owners to immediately turn around these properties.

According to the records of the BTCMC the following Chart depicts the categories of businesses in the Bayonne Town Center; this is 2008 data.

Chart 3
BTCMC Establishments by General Category

Retail establishments	116
Food service establishments	43
Finance, insurance, real estate	23
Health (medical)	16
Sub-total “equivalent categories”	198
Law offices	7
Other	7
Vacant	21
Pending Leases	7
Total establishments	240

When Chart 2 is compared with Chart 3 we find that 198 of the 604 total establishments in Bayonne are located in the BTC. Approximately 33% of all the businesses in Bayonne are located in the BTC. (We do recognize the difference in the year of the data sets; however, the data is relatively constant and appropriate for illustrative purposes.) The remaining establishments are located in the other sections of the Broadway corridor, neighborhood business area such as found along Avenue C and Avenue E, and more recently the establishments at South Cove Commons.

4-Retail Capacity-A Market Analysis

The capacity to attract high quality retailers and service businesses in a CBD (Town Center) business environment is largely dependent on two factors; 1-the level of spending by residents in the City, and 2-the ability to attract shoppers (customers) from outside the City. The ability to enhance these factors will improve the customer base and create conditions for economic development; the purpose of the BTCMC.

We now return to the demographics in Chart 1, specifically household income. If we multiply the mean household income (\$51,706) by the number of households (25,545) we obtain a total estimated household income of \$1,320,829,770, in 2000 dollars. While the population and the number of households in Bayonne has declined somewhat over the period of 2000-2006, by about 3%, we estimate that income increased at least 10% over this six year period. Accordingly, we will add 7% to the income figure, resulting in \$1,413,287,854 in adjusted annual household income in Bayonne. The new 2006 estimated annual household income is \$56,620, in Bayonne. (We also have modestly reduced the number of households to 24,961; for use in our analysis in this Section.)

Using data from the Bureau of Labor Statistics, "Consumer Expenditures in 2006", the average Bayonne household will have an after tax income of approximately \$45,239. Of this figure \$15,291 will be spent on housing and the remainder on goods and services. This is an annual "disposable income" of \$29,948. We will discount this number by 5% due to the vagaries in the data (such as savings rates) and come up with a net annual disposable income of \$28,451. The BLS data indicates that 37.8% of after tax household income is spent of goods and services such as those sold in the ground floor retail and service businesses in the BTC; such as food, apparel, healthcare, etc. This computation for Bayonne is: $\$45,239 \times .378 = \$17,110$ annually. The remainder of disposable income \$11,341 annually is spent on transportation, personal insurance, payments to others (credit), etc.

This analysis means that Bayonne households in aggregate have \$710 million of disposable income to spend, and at least \$427 million to spend on categories available in Bayonne, and the BTC.

Again returning to Chart 1 we see that retail sales per capita are only \$4,450, or approximately \$10,796 per household in Bayonne. This means that approximately \$270 million is spent by Bayonne residents in Bayonne ($\$10,796 \times 24,961$). While not exact, this gap of \$157 million ($\$427 - \270 million) represents the minimum "consumption leakage" attributed to Bayonne household spending in locations outside of Bayonne.

The goal is to reduce, or eliminate, this consumption leakage so that employment and other economic development benefits stay in Bayonne. It should be noted that these numbers are generally reported prior to the opening of the South Cove Commons. While some competition may exist between the establishments in the BTC and the Commons, justification for the Commons and the proposed Bayonne Crossings seems to exist based on this market analysis.

Using data from the Urban Land Institute (ULI) the consumption leakage of \$157,000,000 could support an additional 600,000 square feet of Class A retail and service business space (at \$250 per square foot of annual sales). A typical 2,000 square foot establishment would be expected to generate \$500,000 annually in sales. A coordinated strategy must exist to develop this potential retail and service business space in a manner to attract the right customer. In other words meet the customers demand(s) with establishments that serve a real need.

As the aforementioned description of the BTC indicates the Bayonne Town Center has several strong retail and service business categories upon which to build and attract investment. This includes local food establishments (43-including a diverse mix of restaurants), fitness/spas (35-including health food shops), banks (10), apparel/accessories (18), and a strong mix of professional services (47). As the 2005 Strategy indicates this is often referred to as “niche marketing”. Most central business districts need a few strong categories to survive and thrive. Moreover, a CBD the size and scope of the Broadway corridor requires several categories to thrive. The restaurant-fitness-apparel categories appear dominant in Bayonne and a strategy should be developed to focus advertising on these and perhaps other strong categories. This will create a “brand” for Bayonne.

5-Attracting Visitors (Shoppers/Diners) from Outside of Bayonne

We have focused on retaining the consumption (disposable income) of Bayonne residents. As we indicated on Page 8 the ability of a CBD to attract visitors from outside Bayonne is also vital to its economic development. The Bayonne Town Center Management Corporation holds many events to attract both Bayonne residents and visitors to the City, and the Broadway corridor. In the year 2008, the BTCMC held twenty such events, some of the events are; outdoor art show, outdoor movies, classic car shows, sidewalk sale, mini golf tournament, back to school free computer, Halloween parade, and holiday lighting ceremonies. These events are widely publicized in such newspapers as the Jersey Journal and the Bayonne Community News.

The BTCMC also widely distributes a newsletter, the “Tattler”, which also promotes the events of the BTCMC and informs the public of the happenings at the BTCMC. The Bayonne Town Center Management Corporation also advertises its’ events in the Jersey Journal and the Bayonne Community News newspapers. Examples of these publications/advertisements are attached to this Plan. The BTCMC also actively uses its web site, www.bayonnetowncenter.com, to inform the public about events and BTCMC happenings.

Many visitors to the Broadway corridor come as a result of interaction with the Bayonne Medical Center, BMC. The BMC has a School of Nursing and a vascular surgery institute, as well as other medical specialties attracting visitors from outside Bayonne. While the majority of visitors to the BMC come from Bayonne, a significant percent (approximately 20%) originate from outside the City.

The BMC is an economic catalyst (“category”) in and of itself and is important to the economic health of the City of Bayonne. It emerged from bankruptcy proceedings in late 2007 and is developing programs to improve its long term viability. While located just outside the BTC district the BMC contributes significant funding to the BTMC and has a member on the BTCMC Board of Trustees.

In September 2007, we prepared an “Economic Impact of the Potential Closing of the Hospital”; where we concluded that the BMC contributes \$270 million to the local Bayonne economy. (This is probably conservative.) At that time our research indicated that physicians associated with the BMC have offices in approximately 60 properties locate in Bayonne, most in or adjacent to the Broadway corridor. These physicians employ at least 180 people, providing a source of shoppers and diners to the Broadway corridor. It is positive that the City and BTCMC work hand in hand to support the BMC, and the BMC in turn supports the City and BTCMC.

The BTC is also home to an active Post Office and a Shop-Rite supermarket is located near the BTC. While both primarily serve those living in Bayonne (or Bayonne businesses) they are a focal point and are important generators of shopping trips to the Broadway corridor.

These entities; the BMC, the Post Office, and Shop-Rite work closely with the BTCMC and should be continually engaged for feedback on how to best support their businesses, so as to keep these “economic engines” working.

Currently, the City of Bayonne is working on plans for building projects at the former Military Ocean Terminal (MOTBY). Plans for the site include new housing and businesses. The Bayonne Golf Club, a private Irish/Scottish-links style golf course is now constructed on the site of the former City dump. The peninsula project(s) intended to develop or redevelop an area of Bayonne with spectacular views of New York City must be encouraged and, indeed prompted by the City of Bayonne and its relevant agencies. This development will give Bayonne a competitive advantage in the marketplace and will help bolster the entire central business district, CBD. A transportation link, using local buses, can be developed between a new project and the CBD. Although restaurant and service retail uses may be integrated in a large development project, the aforementioned categories in the BTMC can also be strengthened by a quality, well planned dense development.

6-The Focus Group

As previously mentioned a focus group was conducted on September 11, 2008 to ascertain the state of the merchant environment in Bayonne. Unfortunately, one week later we saw the collapse of international financial markets which may have altered (negatively) the mood of the group. The focus group is an excellent way to obtain feedback on current business conditions. Approximately 30 people attended, many vocal merchants, Mrs. Divock, Mrs. Murphy, and Mr. O’Connor also attended. We asked four questions of the group:

- A) Is your business better or worse than last year? Why?
- B) What strategies would you like to see implemented to increase business activity?
- C) What type of marketing does your business undertake?
- D) What is the single most prevalent/obvious obstacle to business improvement in the Broadway corridor?

We also asked for feedback, specifically what does the group want to see done to improve the business environment.

The responses to the questions and the feedback were generally consistent: as to Question A-while several businesses did not experience a business slowdown many did note the “worsening economic conditions”. One participant summed it up that a “siege mentality” was being exhibited by consumers. Question B-the empty lots are on many minds. They believe it is a blighting influence. Moreover, many of the lots have been vacant for years. Attracting more development was also a common theme in response to this question. Creating a better “walking” (pedestrian) environment also was expressed by several participants. Question C-Most businesses use print advertising and the internet as a marketing tool; this is not surprising. However, none cited radio, or cross promotions as an advertising method. With only one participant citing direct marketing. The Bayonne UEZ does advertise on the radio. Question D-One participant summed up the group’s opinion “people like to stroll up and down shopping stores and feel it was a great experience... (Bayonne) does not have this.” Others added security, parking, and property conditions (in addition to the empty lots) as prevalent obstacles.

The participants also inquired about the “big box” retail coming to Bayonne. It was noted that these retailers were going to be located either in Bayonne or in Jersey City, say in the Greenville section, close to Bayonne. Some also thought the events should be located more directly on Broadway. Space sometimes prohibits this, necessitating that a side street or parking lot be used.

7-The Strategies

The goal of the City of Bayonne (through it’s Economic Development Corporation where appropriate) and the Bayonne Town Center Management Corporation should be to maximize current economic assets, the properties along the Broadway corridor located in the Bayonne Town Center, so that the CBD is viable into the distant future. This goal may only be achieved with coordinated action by the City and the BTCMC; the following strategies will be pursued to achieve this goal:

1. *The BTCMC must continue to sponsor, conduct and advertise (in other words promote and “market”) events in Bayonne. Greater emphasis should be placed on: a) cross promoting specific categories (restaurants and fitness, as an example) and, b) attracting more visitors from outside of Bayonne.*
2. *The City of Bayonne and the BTCMC must engage our Local, County, and State leaders to qualify Bayonne as a New Jersey Transit Hub. This will provide additional incentives to develop in Bayonne, perhaps most importantly at the peninsula. Other logistic reasons may exist to pursue such a designation.*
3. *The City of Bayonne, working with the BTCMC, MUST redevelop the empty lots located in the Broadway corridor and the scattered site redevelopment area. These blighting influences must be removed, once and for all, from the CBD.*
4. *The City of Bayonne, working with the New Jersey Turnpike Authority, must improve, or redevelop, the exit from the Turnpike into Bayonne. The exit is bleak and blighted; not conducive to the “look and feel” visitors expect in a high quality City. It is perhaps the most important gateway into Bayonne and should appear as such.*

5. *The City of Bayonne and the BTCMC should aggressively pursue the peninsula project; this will attract visitors to the BTC and the CBD in general. This will add disposable income to Bayonne and bolster the economic development efforts of the City.*
6. *The City of Bayonne must consider second and third story NEW residential projects located directly above first floor retail and walk in service businesses. This will add disposable income directly into the BTC.*
7. *The City of Bayonne, working with the BTCMC, should expand the five year tax abatement program to all properties in the BTC, and perhaps the Broadway corridor. This will promote investment in the BTC, or at the very least eliminate the disincentive of paying property taxes on major building improvements.*
8. *The City of Bayonne must attack zoning violations and property maintenance violations along and adjacent to the Broadway corridor. Properties are in generally good shape but signs of neglect appear on many side streets; code enforcement must be increased to ameliorate this neglect.*
9. *The Broadway retail corridor is too expansive. The properties to the north of the BTC area should be explored for adaptive re-use. (The year 2000 Master Plan also addresses this phenomenon.) Having said this, we do note that an opportunity does exist to expand retail, assuming the financial markets and our consumption model (in Section 4 of this Plan) holds true in the future.*
10. *The BMC, Shop-Rite supermarket and the Post Office should all be continually engaged for feedback as to issues affecting visitors to Bayonne.*
11. *The City of Bayonne should consider designating the entire BTC as an area in need of redevelopment pursuant to NJSA 40A:12A-1 et seq., the Local Redevelopment and Housing Law (LRHL). This will allow the City to use the tools available under the Long Term tax Exemption statutes, to attract investment in Bayonne.*

On January 29, 2009 we will be updating the Bayonne Town Center Management Corporation on the state of the New Jersey economy and retail environment. In February or March, 2009 the BTCMC is scheduled hear from a commercial-retail broker on how to re-tenant vacant stores. Mrs. Divock does a very good job in pairing property owners with prospective tenants; this will be an extension of these efforts. And, a follow up focus group will be held in April, 2009 so as to receive an update on the state of the merchant environment in Bayonne. Merchants must be more active in the downtown

We hope that progress on the strategies and initiatives outlined in this Plan will have been made by the summer of 2009 and we can re tool-our Plan to generate more action steps to improve the economic foundation of Bayonne.

Benecke Economics
January 26, 2009