



*Feature Article, December 2010*

## Newark's New Vision

**With new leadership, Newark's Brick City Development Corporation is looking for new industry — and retail.**  
Randall Shearin

Lyneir Richardson is out to change the way retailers and developers think about Newark, New Jersey. As CEO of Brick City Development Corporation (BCDC), Newark's non-profit economic development engine, Richardson has a large undertaking. Hired from General Growth Properties — where he ran urban development — to run BCDC in 2009, Richardson was attracted by Newark's strong attributes and demographics, the vision of the city's charismatic mayor, Cory Booker, as well as the opportunity to make a real difference.

*Shopping Center Business* recently met with Richardson at BCDC's offices in downtown Newark. While there SCB also went on a tour of retail and industrial sites in the city, given by Ruben Gomez, senior vice president, business attraction for BCDC.

To understand what the mission of BCDC is, one has to understand where Newark is positioned in the market. Even as New Jersey's largest city, Newark has always benefited from its larger neighbor 10 miles to the east, New York City. While Richardson and staff won't deny that proximity to Manhattan is one of Newark's strongest attributes, they don't want that to be the only reason businesses choose Newark. Newark has always been known as the home to Prudential. The insurance giant has its headquarters downtown, and has branded the city's arena, Prudential Center. That type of corporate support and loyalty isn't uncommon in Newark. While Prudential may be the biggest name in town, other CEOs and executives serve on many non-profit boards and many corporations give a lot of dollars to the community's efforts.

Creating a great city, with plenty of jobs, is the major mission of Brick City Development Corporation. BCDC is a non-profit that has a contract to provide economic development services to the city of Newark. There are four missions to BCDC: business development, small business lending, sustainability, and conventions and tourism.

Since taking over in 2009, Richardson has spent a lot of time, he says, figuring out why more development hasn't been done in Newark.

"Some of it has been perception, some of it has been land assemblage issues," says Richardson. "Making the project financing work has also been an issue."

The city has strong assets: access to transportation; 60,000 university students; and a readily available workforce. To capitalize on these, Richardson has focused his staff on various areas that move development in a timely manner.

To help financing move forward, BCDC hired a number of specialists — many with 10 to 20 years at big banks — to help developers and tenants secure financing. Richardson has brought people with commercial real estate expertise on board to move developments through. In fact, most of BCDC's team has private sector experience.

"We wanted to put together a group that wasn't limited in their thinking and has the ability to devise creative solutions to get projects done," says Richardson. "We have a great board including several CEOs, a bank president, foundation heads, the former director of planning for the Port Authority, and two city council members. We have the influence to allow us to get done what we need to get done."

The new leadership at BCDC has looked at development from the perspective of an owner, user, developer, or broker. It has reviewed issues like location, site control, site conditions and ease of transportation. In doing so, it was able to identify the top 22 industrial sites in the area, as well as sites for new retail development. BCDC believes there are between eight and 10 potential locations for strong performing grocery stores. The city would be happy with three to five grocery stores from those sites. And it is not just that there are sites, there is an actual need for grocery-anchored retail. The city, which has a population of 280,000 residents, currently has only three grocery stores greater than 40,000 square feet.

"There's clearly an opportunity here for larger grocery stores, in addition to smaller chains," says Richardson.

In addition to retail, industrial uses and distribution are a big focus for BCDC. The city's labor force is used to industrial employment and Newark's proximity to the seaports, railways, airports and interstates make it a natural for distribution centers and manufacturing.

These types of tenants are slightly ahead of retail on Newark's wish list because they bring in jobs. Jobs that allow residents to spend money on retail.

"Retail will follow," says Richardson. "We have to get more jobs, and more development to happen downtown. Then retail will follow."

Newark has many success stories to tell. Two new hotels are underway. One is a 150-room Courtyard by Marriott hotel downtown. It will be the first new hotel in Newark in 35 years, and will also contain some retail space. The second hotel is an adaptive reuse of a former bank building. The Courtyard, being developed by Tucker Development, is near Prudential Center, the arena that serves as downtown Newark's entertainment anchor. Prudential Center serves as home for the NHL's New Jersey Devils and Seton Hall University's men's basketball team. The arena is also hosting the NCAA basketball playoffs in 2011.

Newark's Ironbound neighborhood is also home to the largest concentration of Spanish and Portuguese restaurants in the United States. The restaurants draw tourists and residents from nearby towns — including its big neighbor — on a regular basis.

Broad Street, long Newark's main downtown retail corridor, is still active with regional and local tenants, with a few national tenants scattered in the mix. Among the national tenants who are doing well on Broad Street are Ashley Stewart, Foot Locker and RadioShack.

"There's a true ethnic, urban, inner city core retail that is thriving in Newark," says Richardson. "If you walk along Broad at any given time during the day, you will see 1,000 people."

Tucker Development owns a site near downtown where it plans to build a 200,000-square-foot

shopping center called Springfield Avenue Marketplace. When constructed, it will be the largest new retail center in Newark in years.

BCDC is making a lot of headway. This year, it has lured two major manufacturing and distribution companies to town, bringing with them more than 1,000 jobs.

Now that it has done all the legwork in identifying sites, BCDC wants to tell its story to the development community and investors, brokers, owners and corporate executives.

Corporate relocations are also a big focus for BCDC. Staff try to meet with each interested company individually to get a feel for their needs. Most have a need that Newark fits, whether it is the need to be in a Foreign Trade Zone or to be in close proximity to an international airport. Because so many of BCDC's staff has been on the other side of the table, they know how to package the city for the prospective company or tenant.

"We like to do our homework and be strategic," says Richardson. "When someone comes to town, we don't like to waste their time. We will show them what they are looking for."

While many tenants and developers may know the strong points and opportunities that exist by locating a store or center in Newark, what they don't know is that BCDC has done the legwork in locating prospective sites.

"We have identified the sites, we know the environmental condition of each one, we know what it will take to make a deal," says Richardson.

From the city's perspective, BCDC is first and foremost charged with bringing jobs to Newark.

"We need industry," says Richardson. "The city wants more office buildings, distribution facilities, manufacturing facilities and stores. Inner city economic development is evolutionary, not revolutionary. As we get more jobs, more office space and more mixed-use development, maybe we will get more national retailers."