

C. Tools of Implementation

The tools to implement the Gloucester City Economic/Strategic Plan are described herein to demonstrate the wide range of opportunities available to set up and finance an effective implementation strategy. The tools are:

- Designation of Land for Rehabilitation and Redevelopment;
- Special Improvement Districts;
- Community Reinvestment Programs;
- Casino Reinvestment Development Authority Funds;
- Urban Development Action Grant Funds;
- Delaware River Port Authority Economic Development Funds.

1. Designation of Land for Rehabilitation and Redevelopment

The designation of specific land areas for rehabilitation or redevelopment will allow the municipality to assemble tracts of land that can be marketed to potential investors. The Local Redevelopment and Housing Law provides the legal definitions for these designations.

An area "in need of rehabilitation" is defined as follows:

- A significant portion of the structures are in a deteriorated or substandard condition;
- There is a continuing pattern of vacancy, abandonment, or under utilization of property in the area with a persistent arrearage of property tax payments thereon;
- A program of rehabilitation may be initiated in an area if it can be expected to prevent further deterioration and promote the overall development of the community.

An area "in need of redevelopment" is defined as follows:

- Buildings are generally substandard, unsafe, unsanitary, dilapidated, obsolescent, or possess any such characteristics, or are so lacking in light, air, and space, as to be conducive to unwholesome living or substandard conditions;

- That the continued use of buildings previously used for commercial manufacturing or industrial purposes, the abandonment of such buildings, or the allowing of such buildings to fall into so great a state of repair as to be untenable, is causing negative impact on the community;
- Areas with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout or any combination of these or other factors are detrimental to the safety, health, morals, or welfare of the community;
- Growing lack of proper utilization of areas caused by conditions of title, diverse ownership of the property therein, or other conditions, resulting in a stagnant or a not fully productive condition of the land that could be otherwise potentially useful and valuable for contributing to and serving the public health, safety and welfare.

The Local Redevelopment and Housing Law also allows for the inclusion of land, buildings, and home improvements, which themselves are not detrimental to the public health, safety or welfare, but the inclusion of which is found necessary, with or without change in their condition, for the effective redevelopment of the area of which they are a part.

The redevelopment and rehabilitation processes provide options for tax exemption and abatement for improvements to existing dwellings or construction of new dwellings, exemptions and abatements for improvements or conversions to multi-dwelling use, tax exemption for improvements to commercial and industrial structures, and tax agreements for abatement from taxation for particular projects.

To take advantage of the rehabilitation and redevelopment law, Gloucester City must adopt a series of redevelopment plans for areas determined to be "in need of rehabilitation" or "in need of redevelopment." Each redevelopment plan must include:

- A definition of the goals in the specific project area, such as the development of appropriate land uses, a reduction in population density, improvements in traffic flow and public transportation, improvements in public utilities, expansion of recreational and community facilities, and other public improvements;
- Proposed land uses and building requirements in the project area;
- Adequate provisions for the temporary and permanent relocation, as necessary, of the residents in the project area, including an estimate of the availability of affordable, decent, safe and sanitary dwellings, for the displaced residents;

- Identification of any property within the redevelopment area which is proposed to be acquired in accordance with the redevelopment plan;
- Identification of any significant relationships between the redevelopment plan to the Master Plans of the contiguous municipalities, the Master Plan of the County in which the municipality is located, and the State Development and Redevelopment Plan.

Both the rehabilitation and redevelopment processes are articulated in two reports contained at the end of this Element: Exhibit A, entitled "Long-Term Tax Exemption Law" and Exhibit B, entitled "5-Year Exemption and Abatement Law."

2. Special Improvement Districts

The State of New Jersey has approved legislation, known as the District Management Act, which encourages municipalities to create Special Improvement Districts (SIDs.) This law was founded upon the following premises:

- That municipalities should be encouraged to create self-financing Special Improvement Districts and designated District Management Corporations to execute self-help programs to enhance their local business climates;
- That the District Management Corporations will assist municipalities in promoting economic growth and employment within business districts;
- That municipalities should be given the broadest possible discretion in establishing, by local ordinance, the self-help programs most consistent with their local needs, goals and objectives.

In a Special Improvement District, a special tax is levied on the businesses in that district that goes into a central fund for exclusive use in the district. The money in the SID fund can then be used for such costs as parking, advertising, seasonal banners, marketing, and public relations.

The SID program offers the business community an excellent opportunity to function as a collective unit in accordance with a set program, budget, and central leadership. In essence, the SID Program parallels the management systems incorporated in retail malls, which are the primary source of competition for local business districts.

The Department of Community Affairs has established an entire program to encourage communities to develop SIDs. At one time, funding was made available in the form of a maximum \$10,000 loan to underwrite the cost of initiating a SID. The current status of such loans is unclear. However, key staff in charge of this program in the Department of Community Affairs have expressed a strong desire to assist Gloucester City by meeting with the community leaders to explain the scope of the program and assisting in the implementation of the process.

3. Community Reinvestment Program

The Board of Governors of the Federal Reserve System requires that state charter banks implement a Community Reinvestment Program within their respective areas of business.

The Community Reinvestment Act cites the purposes of this program as follows:

"The purposes of this regulation are to encourage state member banks to meet the credit needs of their local community or communities; to provide guidance to state member banks as to how the board will access records of state member banks in satisfying their continuing and affirmative obligations to help meet the credit needs of the local communities, including low-and-moderate income neighborhoods consistent with the safe and sound operation of those banks;..."

Member banks must file a Community Reinvestment Act Statement for each of their local communities. The banks must specifically list the types of credit opportunities provided and outline their Community Reinvestment Program and how they intend to implement it within their respective communities.

The creation of a SID, coupled with a Community Reinvestment Program, offers an excellent opportunity to leverage public and private funds and to focus upon designated goals of rebuilding portions of a community.

Therefore, the Community Reinvestment Programs of banks that service Gloucester City must be collected, analyzed, and reviewed to determine how they may be "piggy backed" with other city programs.

Traditionally, the banking community has been willing to help if reinvestment projects fall within the guidelines of the Community Reinvestment Act. Accordingly, banks servicing Gloucester City must be contacted and appraised of the Master Plan goals and objectives, thus allowing them to evaluate the variety of Community Reinvestment Programs in which they may choose to participate.

4. Casino Reinvestment Development Authority Funds

The Casino Reinvestment Development Authority (CRDA) was formulated after the advent of gaming was instituted in Atlantic City. It is funded by a percentage of the gaming revenues and funds are designated for improvement projects throughout the state. A minimum loan is \$350,000 and current rates are 6.5%. Projects are evaluated based upon their financial feasibility, public benefit, economic development value, etc. Loans are extended for 5, 10, 15, 20 or 30 years. The program is reasonable, flexible and based on the merit of individual projects.

The current focus of the CRDA is on completing major projects in Atlantic City, including a corridor project, convention headquarters hotel, and convention center. Therefore, immediate funding is limited. However, as Atlantic City projects are completed, funding will then be available for projects in other jurisdictions. Since Gloucester City's Strategic Plan focuses upon a long term strategy, CRDA funds should be requested for designated projects anticipated to require funding in three to five years.

5. Urban Development Action Grant Funds

The Urban Development Action Grant program, commonly called UDAG, was developed by the federal government to encourage economic development in depressed communities. Fortunately, Gloucester City was a recipient of a UDAG to finance the development of the Holt Port facilities. As a result of this, currently there are several million dollars available to the City for economic development projects.

Serious consideration should be given to using the UDAG funds to leverage such economic development projects as:

- Expansion of the existing Holt Port facilities;
- Improving circulation access to critical land areas, such as the Gloucester Point Redevelopment Area and the Holt Port facilities at the under-utilized portion of the site along Newton Creek.
- Financing soft costs for market analysis, appraisals, engineering studies, planning evaluations and coordination, legal fees, and other costs required for initiating the implementation of the strategic plan process.

The UDAG funds represent the single most important source of money available to the City by which it can underwrite its entire strategic planning process. The most efficient use of these funds would be to establish a loan program to provide seed money to implement the redevelopment and rehabilitation programs, the Special Improvement Districts, and the Community Reinvestment Program. Such projects typically require substantial underwriting over the first two years. Thus, the availability of UDAG funds in the form of loans could play a critical role in the success of these projects. In addition, a UDAG loan program, in contrast to a direct grant program, would ensure that the UDAG funds would not be depleted.

An alternative use of UDAG funds could be combining them with Delaware River Port Authority Economic Development funds.

6. Delaware River Port Authority Economic Development Funds

The Delaware River Port Authority can undertake economic development projects within its jurisdiction. Typically, such projects must enhance the economy of the area and support the Port Authority's related economic objectives, which are linked with the Camden/Philadelphia Port Facilities.

Port Authority funding would be ideally used for specific projects such as the Gloucester Point Redevelopment Area. Typically, such massive projects require a substantial infusion of economic development dollars. Invariably, the Gloucester Point Redevelopment Area will require economic support in its early years to pay for such costs as:

- Planning design and development details;
- Appraisals and marketing analysis;
- Legal fees;
- Special studies associated with acquisition, demolition and clean-up;
- Detailed transportation and circulation analysis;
- Detailed engineering planning.

The Delaware River Port Authority represents an important component in the implementation of the Strategic Plan elements. Currently, the City's funding hinges upon an agreement between Pennsylvania and New Jersey. It is indicated that such an agreement should be ratified within the next six to eight months, whereupon eligible communities will receive grants from the Port Authority.

When Gloucester City receives its grant, it should consider utilizing these funds as leverage monies to initiate projects, which, when completed, can strengthen the economic base of the community and improve the ratable base for the entire City.

D. Comprehensive Grants Processing

Comprehensive grants processing is a technique developed as part of this Economic/Strategic Plan Element to maximize and leverage the benefits of one project to another. In an environment of limited financial resources, Gloucester City must judiciously allocate funds, from whatever source, so that the implementation of one project supports the success of others.

Comprehensive grants processing takes into account the City's strategic planning goals and objectives. The governing body, by establishing priorities and engaging in a Strategic Plan whereby all grants are comprehensively processed, can demonstrate that the City is managing its resources with greater efficiency than other jurisdictions.

With cutbacks in federal and state funding, the City must demonstrate that its strategy for the use of grant dollars will systematically maximize the return on a dollar better than in other jurisdictions. Thus, the City's grants coordinator, Triad Associates, plays a key role in the process of comprehensively linking the City's grant requests with the Master Plan and Strategic Plan goals and objectives.

To assure the continuity of this strategy, Gloucester City's Master Plan and Strategic Plan Implementation Matrix, shown on page ECON-64, systematically identifies each Strategic Plan project by object description, size, location, funding source, assigned priorities, and other relevant information. This matrix is central to developing a comprehensive grants program. It shows funding agencies that their dollars are being leveraged with others to maximize the benefit of each grant dollar that comes into Gloucester City. This matrix is a working tool that organizes the entire grants program by linking it with the goals and objectives of the City's Master Plan and recommended Strategic Plans. This will help eliminate a traditional weakness in Master Plans by recognizing that the goals and objectives of plans must be systematically structured for implementation so that their full value can be realized.

With this Implementation Matrix, the City's decision-makers are equipped with the managerial processes, which if they affirm, will be their "blueprint" for rebuilding the City. The Gloucester City Master Plan and Strategic Plan Implementation Matrix can be the guide to measure the City's progress and success during the coming years. This simple document is a working tool that can organize the direction, funding, seeking of grants, and the management of their activities, which is vital to assure a coordinated, consolidated, and comprehensive management approach to rebuilding the City.

E. Conclusion

The process for initiating implementation of the City's Master Plan and Strategic Plans is relatively straight-forward. The Strategic Plan components of the Master Plan are listed and must be prioritized by the City's decision-makers. Although there are many worthwhile projects, the City may wish to give first priority to those that will take the longest to implement and reap the highest benefit in terms of jobs and ratables. Such projects include, but are not limited to, the Gloucester Point Redevelopment Area and the rebuilding the existing Coast Guard Station site into a marina and restaurant facility in the City's Riverfront Recreational District. There are, of course, other projects which must be evaluated. The process should be systematic and should include obtaining input from the City's financial, planning, engineering, and grants professionals.

The Strategic Plan projects will all require more detailed planning, engineering, traffic analysis, market studies, and land appraisals to "package" each project for implementation. Arrangements will have to be made for initial seed money to discuss feasibility, marketing strategies, advertising, and similar expenses necessary to give birth to individual projects.

Telling the "Gloucester City story" is a key component to any successful redevelopment effort. Therefore, marketing the City's Strategic Plan ideas is a vital strategy and necessary to win the support of such agencies and groups as the New Jersey Department of Economic Development, the Delaware River Port Authority, private development groups, existing land holders, the Army Corp of Engineers, the New Jersey Department of Environmental Protection, and local banks which may have community reinvestment funds.

The strategy is to approach these and other groups to demonstrate how Gloucester City is maximizing its opportunities by following a defined pattern of rehabilitation and redevelopment in a process which is mutually inter-related and self-reinforcing. It is clear that if Gloucester City invests in itself to implement its Master Plan and the component Strategic Plans that it will establish itself as a proto-typical community, worthy of being taken seriously by federal, state, and private agencies that allocate the scarce resources available in the region.