



**THE PORT AUTHORITY  
OF NY & NJ**



# Perth Amboy Economic Growth Strategy

**HR&A**  
Analyze. Advise. Act.

***GJC Associates – Development Advisory Services***

January 2012  
Presented to City Council,  
May 2012

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## EXECUTIVE SUMMARY

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# Acknowledgements

## Executive Summary

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This Economic Growth Strategy was prepared for the City of Perth Amboy with funds provided by the Port Authority of New York and New Jersey through its Local Assistance Program.



Chris Christie, Governor

### THE PORT AUTHORITY OF NY & NJ

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Kenneth Balut, Council President

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## Consultants



***GJC Associates – Development Advisory Services***

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## Executive Summary

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This Project Team engaged a wide range of stakeholders to develop a strategy that reflects the community's vision for the future economic growth of the City. The stakeholders who participated in the process are listed below.

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# Project Vision

## Executive Summary

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As one of New Jersey's **great waterfront cities**, Perth Amboy contains assets that, when harnessed, will help it achieve its economic goals.



Engaged **leadership**



Established redevelopment plan  
and designated  
**redevelopment areas**



Transportation **infrastructure**



Historic **downtown**



Six miles of accessible  
**waterfront**



A strong sense of **community**



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# Project Vision

## Executive Summary

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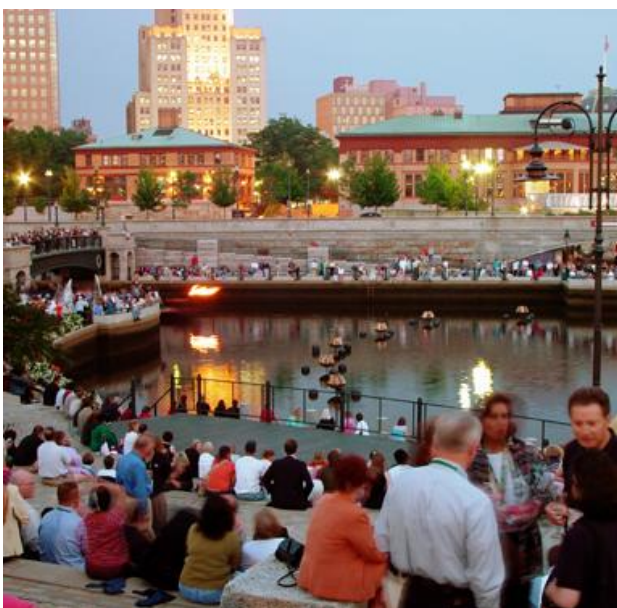
Perth Amboy has a vision for economic growth that includes:

Establishing a regional center  
of **21<sup>st</sup> Century industry**,  
including renewable energy



Wind turbine manufacturing facility

Developing an energized and  
vibrant **downtown and  
waterfront** that are regional  
destinations



Downtown "Waterfire" event in Providence, RI

Building a skilled **workforce**  
that is attractive to businesses

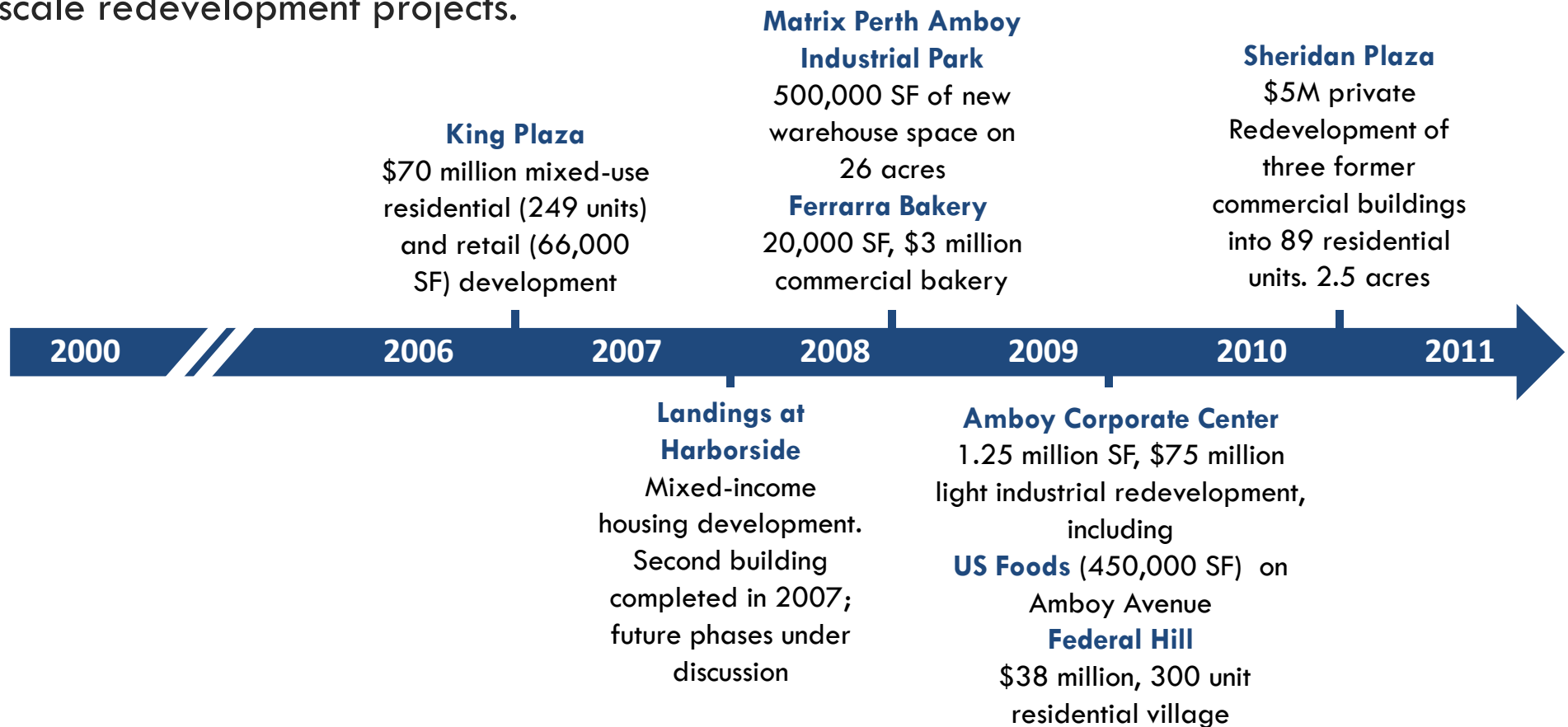


Mechanics at work building hybrid engines

# Project Context

## Executive Summary

The City made significant progress in attracting new businesses and redevelopment since its last economic growth plan, Focus 2000, by overseeing the execution of several large-scale redevelopment projects.





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## Project Summary

### Executive Summary

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The Team developed this actionable strategy for promoting the City's vision for economic growth.

- In Phase 1, the Team assessed existing conditions to identify core assets and weaknesses, as well as opportunities and threats. The Team also conducted a series of 7 outreach meetings with community representatives.
- In Phase 2, the Team identified a comprehensive list of potential strategies and potential actions for implementation.
- This Phase 3 report recommends strategic priorities for implementation.



Existing Conditions: Assets, Challenges and Goals

Economic Growth Strategy Development

Action Plan

The City identified the following goals for economic growth:

1. Grow Perth Amboy's **existing businesses**.
2. Grow Perth Amboy's **job base**.
3. Attract **new, complementary businesses**.
4. Develop a City-based **workforce** that meets business skill needs.
5. Grow the **property tax base**, including elimination of blight and better use of underutilized properties.
6. Achieve recognition of Perth Amboy as an attractive historic, cultural, and recreational regional **destination**.

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# Short-Term Action Plan

## Executive Summary

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In the short-term (**1-3 years**), the City should prioritize actions that can be completed with existing capacity or with limited additional resources.

Continue to work with the private sector to redevelop the ePort site to anchor renewable energy and other industrial uses.

Enhance downtown's brand with targeted marketing and year-round programming.

Complete new wayfinding to and within the City using existing NJDOT funding.

Implement recreational programming to promote the waterfront.

Pursue Urban Transit Hub Tax Credit (UTHTC) designation to attract job-creating development.

Work closely with State and regional economic development organizations.

Facilitate business and educational partnerships for workforce development.

Evaluate options to enhance capacity of City's development agencies.

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## Mid-Term Action Plan

### Executive Summary

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In the mid-term (**3-8 years**), the City can plan for actions that require additional resources, pursuing funding needed for those strategies.



Increase staffing for industry outreach and support.

Leverage City assets to attract green industries.

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## Long-Term Action Plan

### Executive Summary

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In the long term (**8+ years**), the City should dedicate resources to pursue resource-intensive tactics that can generate additional benefits.

Develop arts/multicultural center.

Pursue opportunities for recreational waterfront redevelopment.



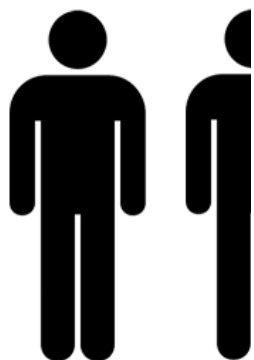
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## Required Resources

### Executive Summary

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While the City already creatively uses limited resources and has streamlined the management of economic development, additional resources will be necessary to implement the economic growth strategy. The Team recommends that the City invest in additional economic development capacity starting in 2012 to achieve maximum impact from this plan.



#### **At least one and a half additional employees**

Perth Amboy has roughly one-third the staff capacity of peer economic development organizations. Additional employees could better support existing efforts and facilitate the implementation of new priority initiatives.

These employees could potentially be funded through grants, the BID or other non-general fund sources. This investment in staff will likely require an additional \$70,000-\$90,000, plus benefits, per year.

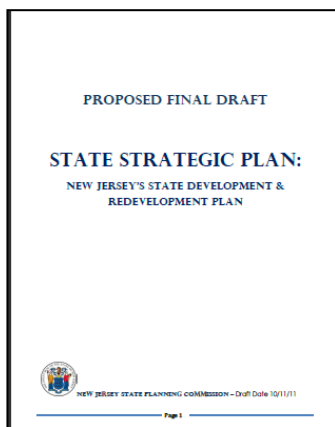
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# Required Resources

## Executive Summary

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This Economic Growth Strategy for Perth Amboy is closely-aligned with recent Statewide economic development initiatives, strengthening its ability to tap these resources:



### New State Strategic Plan, draft released October 2011

Goals include:

- **Targeted Economic Growth:** Strengthen & promote industry clusters.
- **Effective Planning for Vibrant Regions:** Devote State resources to create community amenities in existing urban areas.
- **Preservation and Enhancement of Critical State Resources:** Foster smart growth strategies and benefits-driven conservation initiatives.
- **Tactical Alignment of Government:** Enhance vertical coordination between the State, regional planning authorities, county governments, and municipalities.



### Partnership for Action, founded April 2010

A public-private partnership for Statewide business attraction and support across three organizations:

- **Choose NJ:** A privately-funded nonprofit provides marketing and promotion
- **The Business Action Center:** The State's one-stop shop, reporting to the Lieutenant Governor, provides a complete customer service experience for new and existing businesses.
- **New Jersey Economic Development Authority (NJEDA):** The State's "bank for business" oversees many of the core programs supporting New Jersey's businesses and development.

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## Required Resources

### Executive Summary

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In addition to potential City funds, there are other key sources of funding that can support the City in achieving these goals.

<b>State of New Jersey</b>	<ul style="list-style-type: none"><li>▪ <b>Economic Redevelopment and Growth Grants (ERG):</b> Development reimbursement from state tax revenues generated by the project. Enhances IRR for borderline projects.</li><li>▪ <b>Urban Transit Hub Tax Credits (UTHTC):</b> Tax credits for companies making capital investments near transit hubs.</li><li>▪ <b>Business Employment Incentive Program (BEIP):</b> Tax credits to companies that locate jobs in NJ.</li><li>▪ <b>Business Retention and Relocation Assistance Grants (BRAGG):</b> A State grant for job preservation for companies considering relocation.</li><li>▪ <b>Neighborhood Revitalization Tax Credits (NRTC):</b> State tax credits to businesses that invest in neighborhood development initiatives.</li></ul>
<b>Port Authority</b>	<ul style="list-style-type: none"><li>▪ <b>Portfields Initiative:</b> Funding to help communities transform brownfield sites into warehouse and distribution centers.</li><li>▪ <b>Local Assistance Program:</b> Funding could contribute resources for marketing the City or wayfinding.</li></ul>
<b>Private/Non-Profit</b>	<ul style="list-style-type: none"><li>▪ <b>Choose NJ:</b> Potential promotion and networking support.</li><li>▪ <b>Philanthropic grants:</b> Locally-active foundations, such as the Surdna foundation, Ford foundation, and the Fund for New Jersey, could support City incentives.</li><li>▪ <b>Partnerships:</b> Opportunities to tap private support by connecting with local businesses and organizations through the BID/UEZ, or as a component of PILOTs.</li></ul>

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## Conclusions

### Executive Summary

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Executing this Strategy will help the City implement its vision for economic growth. This action plan is a tool to empower Perth Amboy's leadership to achieve its vision for the future, resulting in measurable economic and fiscal growth, including:

- A **thriving economy**, with a focus on advanced industrial uses, that provides jobs for local residents and increases the commercial property tax base in the City.
- A **vibrant downtown** that attracts visitors from around the region and promotes Perth Amboy as an exciting place to work, shop, and live.
- A **competitive local workforce** that has the skills necessary to meet business needs in the City and region, maintains a low unemployment rate, and increases average local household incomes.



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# INTRODUCTION

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## Project Context

### Introduction

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In its Focus 2000 plan and 2003 Comprehensive Master Plan, the City identified four priority economic growth goals.



Eliminate blight



Attract industry



Attract development



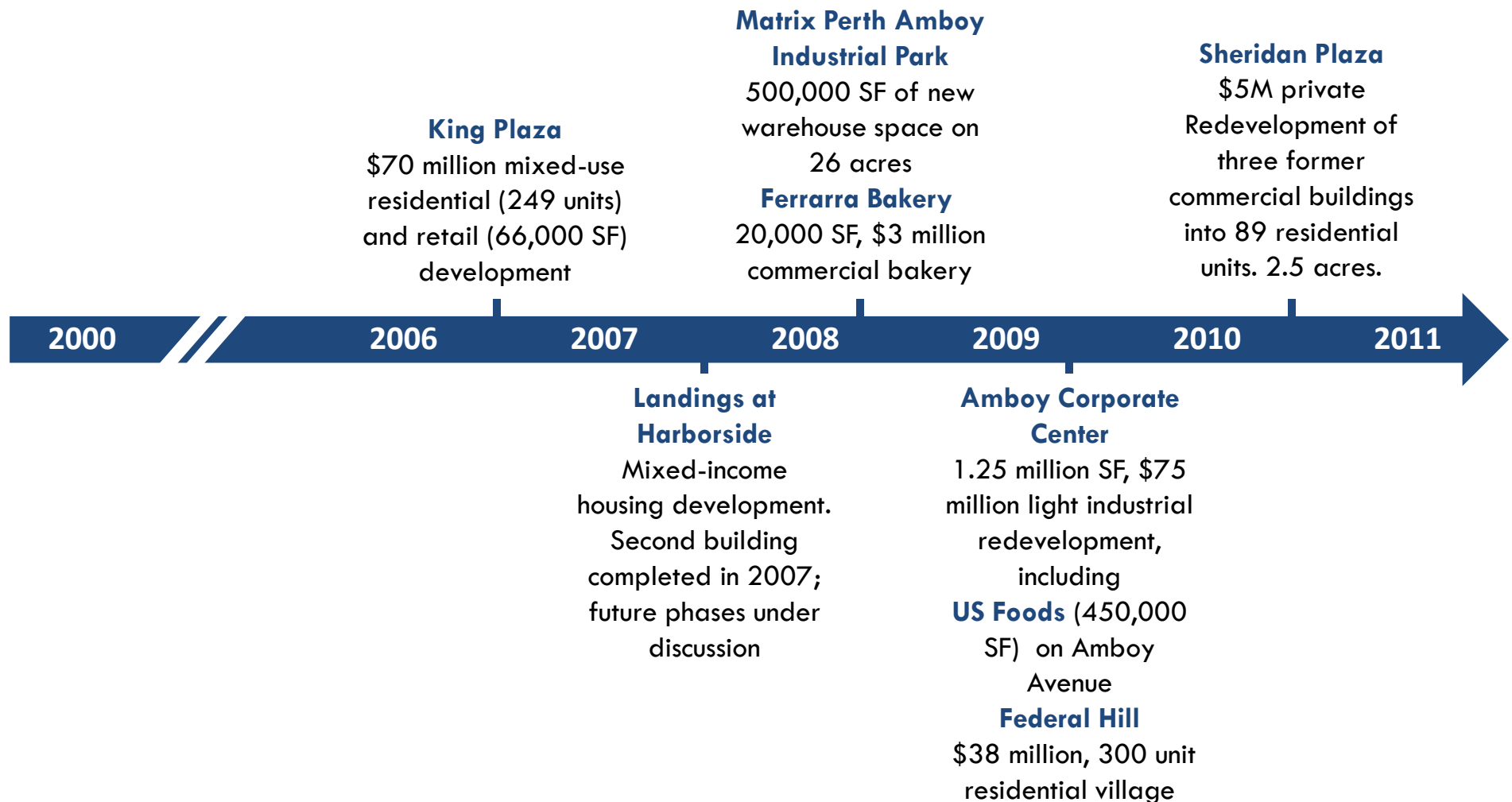
Create jobs for  
residents

The City made marked progress toward many of these goals. It has promoted downtown revitalization in partnership with an active Business Improvement District (BID). It has attracted new employers, including Best Buy and US Foods, to new industrial development. It has supported the execution of approximately a dozen major redevelopment projects. These efforts have resulted in minimal job losses during the recent recession, despite significantly negative national and regional employment trends.

# Project Context

## Executive Summary

The City made significant progress in attracting new businesses and redevelopment since Focus 2000 by overseeing the execution of several large-scale redevelopment projects.



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# Project Context

## Introduction

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The purpose of this economic growth strategy is to build upon the achievements of the past decade and create a new approach tailored to current and expected future economic conditions.

### Local Economy in 2000

In 2000, New Jersey's economy was booming and Perth Amboy's economy was underperforming. Local growth depended on tapping into broader regional growth.

- 6.4% unemployment
- 11,521 jobs (2002)
- Regional economic growth, but limited development in Perth Amboy



Focus on ratables and brownfield redevelopment.

### Local Economy in 2010

Local and statewide economic stagnation requires innovation and strategies which capitalize on Perth Amboy's unique assets.

- 17.4% unemployment
- 11,528 jobs (2009)
- Completion of key local development projects
- Regional economic stagnation



Focus on retaining and building key industries.



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## Acknowledgements

### Introductions

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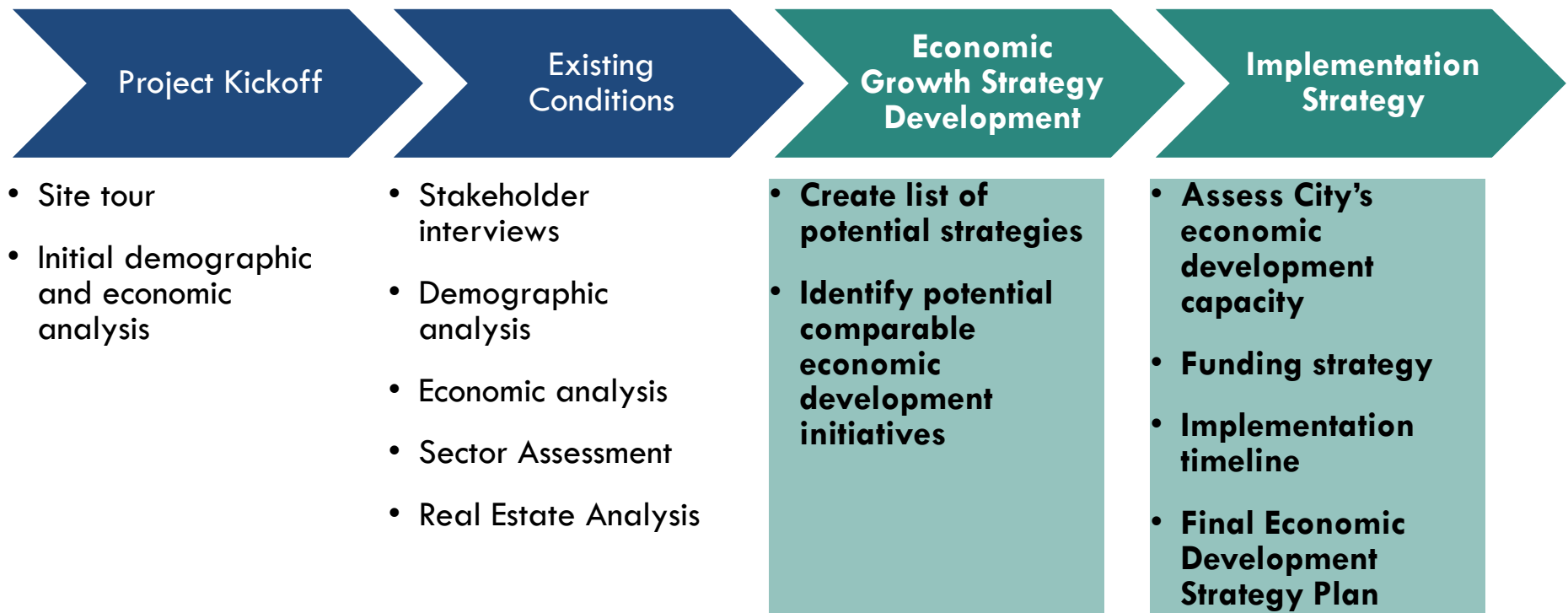
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# Project Purpose

## Introduction

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This strategy builds upon a comprehensive existing conditions analysis that was completed in October 2011. It describes a vision for economic growth and goals that emerged from the existing conditions analysis and identifies a series of specific actions the City should take to execute the strategy.



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# Summary of Existing Conditions

## Introduction

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Perth Amboy contains substantial assets that provide a strong platform for future growth.

- The City exhibits a **strong sense of community** and an improving **connection to its historical and cultural past**. Its large Hispanic base creates a demographic profile that is unique for the region.
- The City has a number of assets with its **location proximate to New York City** and access to **multiple modes of transportation** for moving people and goods.
- The City's existing strength in **manufacturing and wholesale trade** sectors, the amount of land assembled and primed for redevelopment, future redevelopment opportunities, and competitive rents/land prices put the City at a competitive advantage for attracting more of these uses. While these uses are less job intensive, they do add value to the property tax rolls.



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## Summary of Existing Conditions

### Introduction

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Perth Amboy contains substantial assets that provide a strong platform for future growth.

- The City's economy is driven by a **base of small and mid-sized entrepreneurial businesses**. This applies to both the retailers and restaurant owners downtown, as well as mid-size businesses such as Ferrara Bakery and Vira Manufacturing.
- The City's **large business assets** include Raritan Bay Medical Center, US Food Services, Tropical Cheese, and Vopak.
- The City is positioned to benefit from the **State's focus on reducing regulatory and tax burden** on businesses and a **coordinated marketing effort** to attract new companies.

Refer to the appendix for the full existing conditions analysis.

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## Summary of Existing Conditions

### Introduction

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At the same time, there exist a number of challenges:

- There exists a **negative perception** and view the city as unsafe and are unaware of the waterfront and downtown.
- Resident **education and income levels** lag behind those in other local communities. These factors deter national retailers and specialty manufacturers from locating in the City.
- The City has a **high debt burden** due to past financial management decisions.
- New Jersey long-term growth forecasts project **limited State employment growth**. Unless State government policy interventions to attract private investment alter this projection, a faster rate of growth in Perth Amboy will require attracting a larger share of statewide economic activity.

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# STRATEGY FOR ECONOMIC GROWTH

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# Project Vision

## Strategy for Economic Growth

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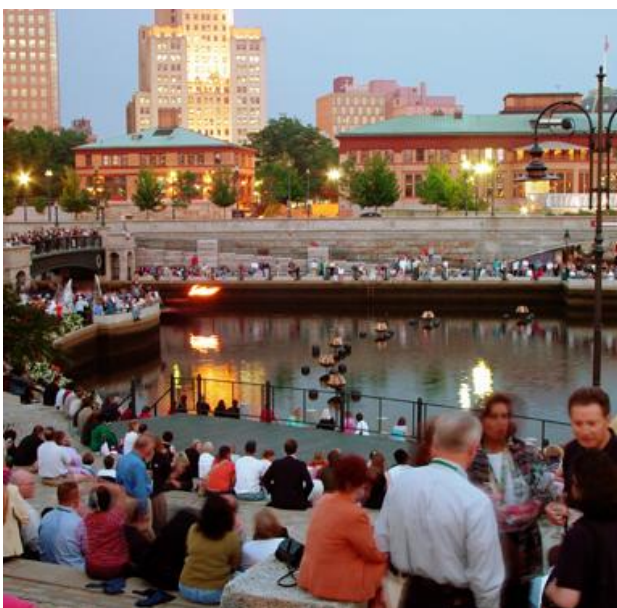
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Downtown "Waterfire" event in Providence, RI

Building a skilled **workforce**  
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Mechanics at work building hybrid engines

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## Summary of Goals

### Strategy for Economic Growth

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Based on input from a range of stakeholders, the City identified the following six goals as economic growth priorities to support the vision.

Goal	Description
1. Grow the City's job base.	For a community of its size and density, Perth Amboy has a relatively small job base and high unemployment. The City administration would like to increase the number of jobs in the city to provide more employment opportunities for residents and attract outside investment.
2. Grow the City's existing businesses.	Perth Amboy has a strong business base in several key industries: manufacturing (particularly food services), healthcare, restaurants, and independent retail. As the businesses are already committed to Perth Amboy, the City would like to support their growth and job creation.
3. Attract new businesses.	The City administration would like to attract new businesses to complement and enhance the existing business base. New businesses in existing core industries help strengthen existing clusters and create industry destinations, while new industries in the City provide diversification and open up additional channels for growth.

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## Summary of Goals

### Strategy for Economic Growth

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These goals provide a framework around which specific economic development tactics are oriented.

Goal	Description
4. Grow the property tax base.	The City would like to increase its property tax base to reduce the tax burden on residential households and support the delivery of the highest caliber public services.
5. Establish a City-based workforce that meets business skill needs.	The educational attainment of Perth Amboy residents lags behind that in surrounding communities. Complementing the City's goal of increasing job opportunities for residents, the City has a goal of developing a workforce with the right skill sets for business demands in the region.
6. Achieve regional recognition of Perth Amboy as an attractive historic, cultural, and recreational destination.	The City would like to change negative perceptions of Perth Amboy and establish it as an attractive, regional destination. Raising the city's profile would attract more outside spending that would support business growth, job creation, and ultimately tax revenues.

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## Translating Goals to Strategy

### Strategy for Economic Growth

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The Team developed an actionable plan for economic growth by **identifying a range of strategies** that support the goals. The Team used these strategies to **group specific action items** that support progress towards growth goals. In some cases, a single action supports multiple strategies. The Team then **narrowed the comprehensive list** to a set of priorities by assessing **potential impact** and **resources required**.





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## Economic Growth Strategies

### Strategy for Economic Growth

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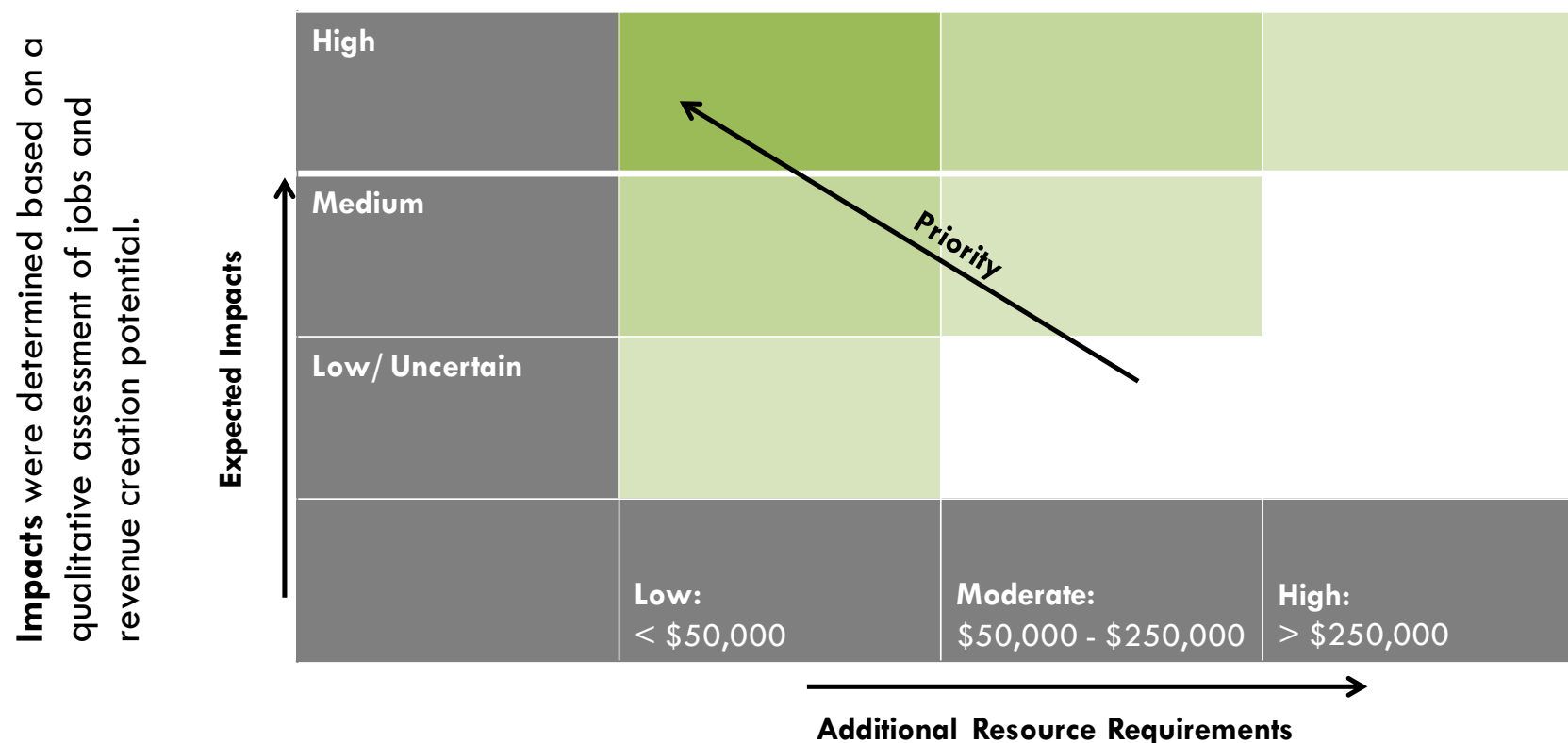
The Team identified four key economic growth strategies that had the most potential to support a broad set of City goals.

Strategy	Goals Supported
Increase business access to sources of incentives, including Federal, State, Port Authority and other resources.	<ul style="list-style-type: none"><li>▪ Grow Perth Amboy's existing businesses.</li><li>▪ Grow Perth Amboy's job base.</li><li>▪ Attract new businesses that are complementary to the existing business base.</li><li>▪ Grow property tax base.</li></ul>
Develop industry clusters to support new economic activity.	<ul style="list-style-type: none"><li>▪ Grow Perth Amboy's job base.</li><li>▪ Attract new businesses that are complementary to the existing business base.</li><li>▪ Grow property tax base.</li></ul>
Strengthen the skill base of the local workforce.	<ul style="list-style-type: none"><li>▪ Establish a City-based workforce that meets business skill needs.</li></ul>
Market downtown and waterfront and increase accessibility to improve perceptions of Perth Amboy.	<ul style="list-style-type: none"><li>▪ Achieve regional recognition of Perth Amboy as an attractive historic, cultural, and recreational destination.</li></ul>

# Translating Goals to Strategy

## Strategy for Economic Growth

Within each strategy, the Team identified actions and prioritized based on an assessment of expected impact and level of resources required.



**Resources** are the amount of incremental investment required by the City. Low resource actions can be done with existing resources. Moderate actions can be done with 1-2 additional staff. High resource actions require significant investment.

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## Strategy #1: Increase business access to incentives.

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### Overview

In the face of constrained local resources, Perth Amboy must draw on external funding sources to the extent possible to advance economic development goals. As many State and regional economic development incentives are given directly to businesses, not cities, the City could yield greater impacts from these resources if it:

- 1) Helped developers and business owners understand incentives and navigate the application process for State, Port, and federal funding; and
- 2) Partnered with State and regional organizations to increase incentives available to Perth Amboy businesses (both amount of funding and eligibility for funding).

The following pages provide more specific information on different tactics supporting this strategy, the City investment required, and likely outcomes.

#### Goals Supported

- Grow Perth Amboy's existing businesses.
- Grow Perth Amboy's job base.
- Attract new businesses that are complementary to the existing business base.
- Grow property tax base.

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## Strategy #1: Increase business access to incentives.

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### Overview of Actions

Actions	Required Resources	Impacts
Pursue Urban Transit Hub designation.	Low	High
Continue to support full build-out of ePort site.	Moderate	High
Provide support to businesses seeking State and Port Authority incentives for Perth Amboy projects.	Low-Moderate	Moderate-High
Establish an industry resource person within the City government.	Moderate	Moderate-High
Use property tax incentives strategically to catalyze development.	Low	Moderate-High

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## Strategy #1: Increase business access to incentives.

---

### Action

Obtain Urban Transit Hub Tax Credits (UTHTC) designation, a powerful development incentive and job creation tool available in 9 other New Jersey cities.

#### Specific Action Items

1. Focus on underutilized properties near train station as key locations for UTHTC designation.
2. Conduct study defining the economic benefits of UTHTC to Perth Amboy.
3. Regularly meet with key legislators to promote the issue.

#### Resources Required:

- *Staff time*
- *Funding for benefits study*
- *Ongoing relationship development*

#### Impacts:

Attracting new Transit-Oriented Development downtown

- *Increased property values*
- *Increased State tax revenues originating in Perth Amboy*

## Strategy #1: Increase business access to incentives.

### Action

Obtain Urban Transit Hub Tax Credits (UTHTC) designation, a powerful development incentive and job creation tool available in 9 other New Jersey cities. It provide incentives, summarized below, for businesses to locate in the designated areas. The pending Grow New Jersey Program expands use of a portion of these incentives to a broader region. While the main UTHTC program provides a richer set of incentives, Perth Amboy could also benefit from the new Grow New Jersey program, albeit there will likely be more competition.

	UTHTC	Grow New Jersey
<b>Minimum Investment</b>	\$50 million investment with at least 250 employees (employment at up to three tenants can be combined).	\$20 million investment with at least 100 employees (employment at up to three tenants can be combined).
<b>Incentive</b>	100% NJ corporation business tax credits (10% per year for 10 years). 20% credit for qualified residential.	\$5000 credit per job per year for 10 years.
<b>Eligibility</b>	Projects within ½ mile of transit stations and projects near active freight rail that are used by adjacent businesses in <b>9 designated cities</b> .	Projects in designated planning areas (1&2), former military bases, and vacant buildings exceeding 400,000 SF.
<b>Available Funding</b>	Approximately \$475 Million of the \$1.5 billion allocated.*	\$200 million allocated from UTHTC reserve.

\* \$825 million awarded through November 2011, according to December 2011 NJ Spotlight article. Assumes \$200 million allocated to Grow New Jersey program.



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## Strategy #1: Increase business access to incentives.

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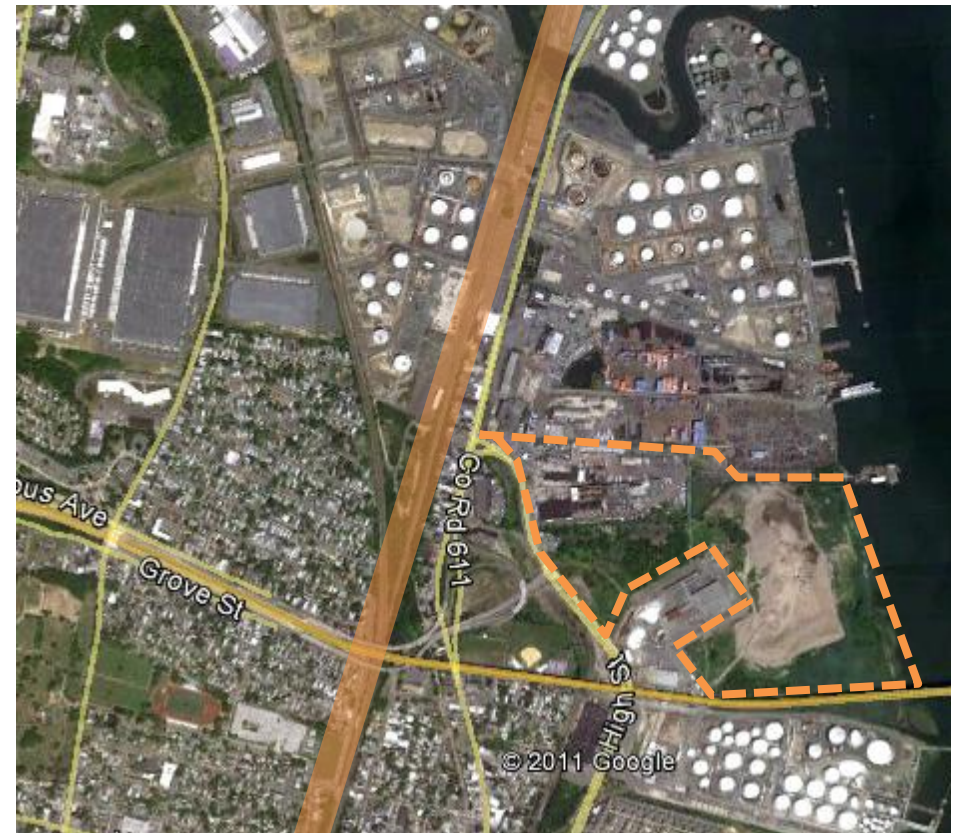
### Action

Obtain Urban Transit Hub Tax Credits (UTHTC) designation.

**Downtown Transit Zone**



**ePort Freight Transit Zone**





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## Strategy #1: Increase business access incentives.

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### Action

Obtain Urban Transit Hub Tax Credits (UTHTC) designation.

### CASE STUDY

#### Gateway Center & Wellness Plaza New Brunswick, NJ

*Urban Transit Hub Tax Credits have been a major driver of downtown redevelopment in New Brunswick, one of the nine municipalities designated to receive UTHTC. Most recently, they have been used to support the development of the Gateway Center adjacent to the train station, which, at 16 stories, will be the City's tallest building, and the Wellness Plaza, a fitness center and supermarket affiliated with the Robert Wood Johnson Hospital. The Gateway Center is a \$250 million mixed-use development supported by over \$50 million in UTHTC funds. It will include nearly 200 residential units, 50,000 SF of office space, and 65,000 SF of retail anchored by a Barnes & Noble bookstore. Combined, the two projects total 1.2 million SF and represent a complete transformation of New Brunswick's downtown.*



Source: NJEDA, 2011

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## Strategy #1: Increase business access to incentives.

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### Action

Continue to support full build-out of ePort site.

#### Specific Action Items

1. Increase PARA staff capacity to act as a liason to redevelopers
2. Help to connect private developer with State and Port incentives, including Portfields, BEIP, BRAGG, Grow NJ, and potentially UTHTC.
3. Consider local incentives to support site development.

#### Resources Required:

- *Staff time*
- *Possible local funding*

#### Impacts:

Anchor industrial development within the City.

- *Increased jobs*
- *Increased property values*
- *Increased State tax revenues originating in Perth Amboy*

## Strategy #1: Increase business access to incentives.

### Action

Continue to support full build-out of ePort site.

**PANYNJ's Portfields Initiative** provides funding to help communities transform brownfield sites into warehouse and distribution centers. Waterfront sites within the Port district are eligible for funding. Within Perth Amboy, the ePort site is eligible for Portfields funding; the City should pursue funding allocation.



Source: PANYNJ, 2011

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## Strategy #1: Increase business access to incentives.

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### Action

Increase business awareness of State incentives and provide support with applications.

#### Specific Action Items

1. Identify target industries and businesses:
  - a. Food services processing, manufacturing, and distribution.
  - b. Advanced manufacturing, including electronics, computing, and robotics.
2. Develop resource materials (best approach would be a website) for local businesses describing incentive programs and application processes.
3. Distribute resource materials through existing and new channels (BID, UEZ, business forum).
4. Continue to meet with NJEDA staff on a regular basis to build relationships.
5. Provide City and/or BID staff support to help businesses to fill out applications.

#### Resources Required:

- *Staff time*
- *Moderate funding*

#### Impacts:

Supporting existing businesses and helping attract new businesses.

- *Increased jobs*
- *Increased property values*
- *Increased State tax revenues originating in Perth Amboy*

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## Strategy #1: Increase business access to incentives.

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### Action

Offer businesses looking to expand into Perth Amboy a point of contact who can provide assistance in applying for government incentives.

#### Specific Action Items

1. Designate one staff person as liaison for businesses applying for government incentives.
2. Staff member should be trained on all NJEDA incentives and other relevant State and federal programs.
3. Staff member should continue to develop relationships with State and Port Authority to facilitate relationships with businesses.
4. Staff member should conduct outreach activities to businesses to increase awareness of incentive opportunities.
5. Staff member should support businesses applying for incentives by reviewing application requirements and other relevant materials.

#### Resources Required:

- *Allocation of at least one Full-Time Equivalent Staff Person*

#### Impacts:

Increased development projects

- *Increased jobs*
- *Increased property values*
- *Increased State tax revenues originating in Perth Amboy*

---

## Strategy #1: Increase business access to incentives.

---

### Action

Use property tax incentives strategically to catalyze development that supports local job growth.

#### Specific Action Items

1. Continue to promote appropriate commercial and industrial redevelopment within existing redevelopment areas.
2. Focus on downtown and waterfront sites as priority recipients of local incentives in addition to the redevelopment areas.
3. Identify priority tenants that could support multiple economic growth goals.

#### Resources Required:

*Though property tax incentives vary, they represent substantial unearned tax revenues.*

#### Impacts:

Attract high impact businesses to high priority development sites.

- *Increased property values*
- *Increased State tax revenues originating in Perth Amboy*

---

## Strategy #1: Increase business access to incentives.

---

### Action

Use property tax incentives strategically to catalyze development that supports local job growth.

### CASE STUDY

#### Augmenting Tax Incentives with In-Kind Contributions to Infrastructure Development

*In addition to providing tax incentives, smaller cities and towns across the country have been providing infrastructure on private land to attract and support development. Many cities have available labor and materials that enables them to provide in-kind contributions – such as new roadways on private sites – with relative ease. For developers who may have up-front capital constraints, in-kind contributions can make development substantially more attractive.*



Source: Area Development, 2011



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## Strategy #2: Develop industry clusters to support new economic activity.

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### Overview

Industry clusters are an important driver of economic activity. Area Development, a site and facility planning magazine, reported that 60% of the 150+ manufacturing, logistics, and similar executives who responded to its 2010 Corporate Survey indicated that proximity to similar businesses was an important factor in selecting business location.

To this extent, Perth Amboy should focus business attraction efforts in industries already located in the City (e.g., food services and distribution) as well as attract new industries that are aligned with the State's key priorities (e.g., green technology).

The following pages provide more specific information on different tactics supporting this strategy, the City investment required, and likely outcomes.

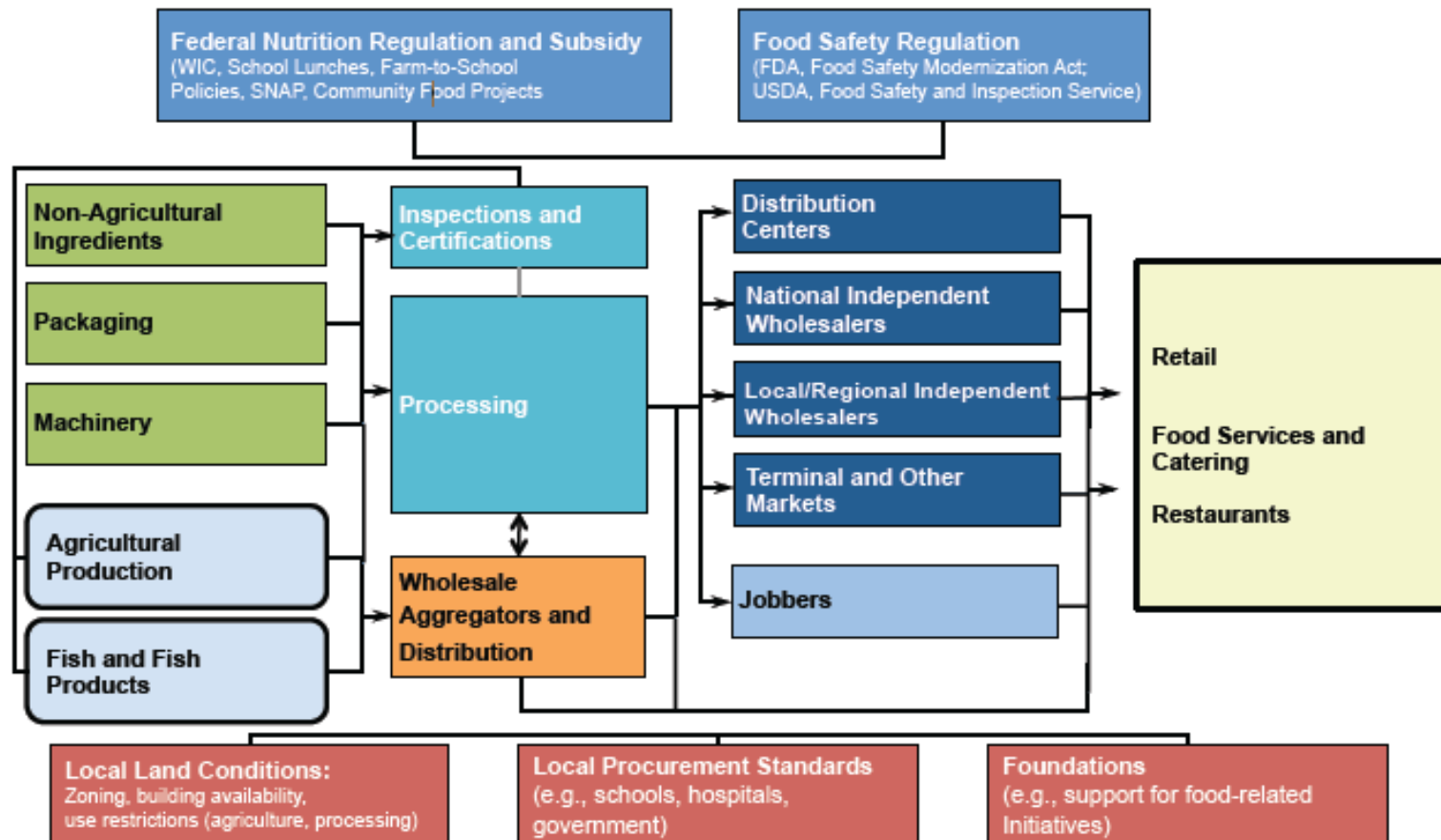
#### Goals Supported

- Grow Perth Amboy's job base.
- Attract new businesses that are complementary to the existing business base.
- Grow property tax base.

## Strategy #2: Develop industry clusters to support new economic activity.

### Overview

Industry clusters are groupings of inter-related business activity. The diagram below illustrates a food cluster and all of the organizations involved in a complete value chain.



Source: ICIC/Karp Next Street Food Cluster Project, 2011

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## Strategy #2: Develop industry clusters to support new economic activity.

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### Overview of Actions

Action	Required Resources	Impacts
Market to businesses that are similar to existing businesses.	Low	Low-Moderate
Market to businesses that provide complementary services.	Low	Moderate-High
Introduce flexible zoning for medical and research uses surrounding Raritan Bay Medical Center.	Low-Moderate	Low-Moderate
Leverage City assets to attract green industries.	Moderate	Moderate-High
Attract new niche retail markets.	Moderate	Moderate

---

## Strategy #2: Develop industry clusters to support new economic activity.

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### Action

Tailor business marketing efforts to businesses in industries similar to ones currently located in Perth Amboy.

#### Specific Action Items

1. Develop marketing materials that detail Perth Amboy's assets for target businesses (for example, highway, rail and port access; UEZ; regulatory streamlining).
2. Identify businesses that are similar to existing businesses and market to them.
3. Ask existing companies for introductions to suppliers.

#### Resources Required:

- *Staff time*
- *Marketing campaign funding*

#### Impacts:

- *Increased jobs*
- *Increased State tax revenues originating in Perth Amboy*

---

## Strategy #2: Develop industry clusters to support new economic activity.

---

### Action

Tailor business marketing efforts to businesses in industries complementary to ones currently located in Perth Amboy.

#### Specific Action Items

1. Focus on improving downtown entertainment options for Perth Amboy workers.
2. Develop marketing materials that detail Perth Amboy's assets for target businesses (for example, proximity to waterfront and highway, UEZ).
3. Identify businesses that are similar to existing downtown mix and market to them.

#### Resources Required:

- *Staff time*

#### Impacts:

- *Increased jobs*
- *Increased property values*
- *Increased State tax revenues originating in Perth Amboy*

---

## Strategy #2: Develop industry clusters to support new economic activity.

---

### Action

Market to businesses that provide complementary services. Targeted business marketing is a tool to attract key industries.

#### CASE STUDY

##### “Think Santa Clarita” Marketing Campaign

##### Santa Clarita, CA

*As part of its 16-point economic growth plan, the City of Santa Clarita, California, developed a **targeted marketing strategy** to attract both jobs and residents. The core of this strategy was the development of a business brand identity to attract new businesses, a \$200,000 marketing campaign which emphasized the City’s business assets (shopping, low taxes, and a business-friendly administration). The marketing strategy employed new media, such as a one minute online marketing video, as well as traditional media, including direct mail, cable TV ads, banners, and bus ads. The City also conducted outreach through its existing business community. Substantial press coverage contributed to the campaign’s success; Santa Clarita was featured in the Los Angeles Times, Los Angeles Business Journal, and San Fernando Valley Business Journal. In addition, a 16 page feature of Santa Clarita in Southwest Airlines’ in-flight magazine reached 8.5 million or more travelers.*



Source: International Economic Development Council, 2011

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## Strategy #2: Develop industry clusters to support new economic activity.

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### Action

Introduce flexible zoning district for doctors' offices and research uses surrounding Raritan Bay Medical Center (RBMC). RBMC is currently zoned for "hospital" use, while the adjacent areas are zoned for low-density residential and neighborhood commercial uses

#### Specific Action Items

1. Designate area surrounding RBMC for a Special Use Zoning District that allows for a mix of uses, such as medical research and medical offices, in addition to existing residential and commercial uses.
2. Consider density bonus program for medical users to attract new tenants.
3. Conduct outreach to potential medical tenants through the RBMC.
4. Pursue housing development for medical staff, potentially using UTHC if it becomes available.

#### Resources Required:

- *Staff time*

#### Impacts:

- *Increased jobs*
- *Increased property values near Raritan Bay Medical Center*
- *Increased State tax revenues originating in Perth Amboy*



---

## Strategy #2: Develop industry clusters to support new economic activity.

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### Action

Leverage City assets, such as transportation infrastructure and developable land, to attract green industries, such as alternative energy, energy efficiency, and environmental remediation.

#### Specific Action Items

1. Develop marketing materials which identify key assets to green industries (incentives, water and road access, shovel-ready industrial parcels).
2. Target outreach to green manufacturing companies
3. Partner with representatives from Choose New Jersey and NJEDA to identify target companies.
4. Continue to support private sector in full build-out of ePort site.
5. Reach out to key industry associations, such as Cleantech NJ, the Green Building Council, and NAIOP.

#### Resources Required:

- *Staff time*

#### Impacts:

- *Increased jobs*
- *Increased property values*
- *Increased State tax revenues originating in Perth Amboy*

---

## Strategy #2: Develop industry clusters to support new economic activity.

---

### Action

Attract new niche retail markets to broaden offerings and attract new consumers.

#### Specific Action Items

1. Conduct retail market study to identify gaps and opportunities, particularly in tapping the Hispanic market.
2. Identify potential tenants.
3. Develop marketing collateral that demonstrates the value of Perth Amboy as a retail destination.
4. Work with BID to reach out to potential retailers.
5. BID should expand on First Fridays to develop a year-round downtown programming calendar to draw people downtown.

#### Resources Required:

- *Staff time*

#### Impacts:

- *Increased jobs*
- *Higher Retail rents*
- *Higher Property values*
- *Higher State tax revenues originating in Perth Amboy*

---

## Strategy #2: Develop industry clusters to support new economic activity.

---

### Action

Attract new niche retail markets to broaden offerings and attract new consumers.

### CASE STUDY

#### Tapping into the regional Hispanic market

*Perth Amboy contains the second most concentrated urban population of Hispanic residents in New Jersey, with 78% of residents self-identifying as Hispanic in the 2010 Census. (Union City has the highest concentration, with 85% of residents self-identifying as Hispanic.) Nationwide, the Hispanic population grew by 43% between 2000 and 2010, and it is projected to grow substantially in both size and income over the coming decades. Perth Amboy could capitalize on these trends by becoming a shopping destination for the Hispanic market.*

*Hispanic shoppers typically spend proportionally more than other consumers in a number of retail sectors including shoes, electronics, and movies, creating unique opportunities for targeted retail development in Hispanic areas. However, national retailers are often discouraged from opening stores in Hispanic neighborhoods due to low incomes. Supporting minority-owned businesses can help to fill this gap, as can marketing to targeted retailers in high-demand niches.*

Source: HR&A Advisors

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## Strategy #2: Develop industry clusters to support new economic activity.

---

### Action

Attract new niche retail markets to broaden offerings and attract new consumers.

### CASE STUDY

#### Myrtle Avenue Brooklyn Partnership Brooklyn, NY

*The Myrtle Avenue corridor in Brooklyn was transformed from an underperforming shopping district to a thriving retail community with a mix of local and national tenants despite being surrounded by lower income neighborhoods. Local business owners in the ethnically-diverse area formed a BID and teamed with a Local Development Corporation to form the Myrtle Avenue Brooklyn Partnership, which oversaw the successful revitalization. The Partnership sponsors marketing campaigns and promotions, sanitation and graffiti removal, façade and storefront improvements, historic preservation, and public art and public space enhancements. These efforts have succeeded in attracting and retaining national tenants, including Blockbuster, H&R Block, Metro PCS, Walgreens and supporting high sales volumes for local business owners.*



Source: HR&A Advisors

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## Strategy #3: Strengthen the skill base of the local workforce.

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### Overview

Perth Amboy is challenged with high unemployment, but local stakeholders often cite the size and determination of the City's workforce as a major asset. Targeted training could help to close the gap between the requirement of local employers and skills of local residents. Forming new programs is often prohibitively resource-intensive, but enhancing dialogue between businesses and educators could maximize the effectiveness of existing programs.

The following pages provide more specific information on different tactics supporting this strategy, the City investment required, and likely outcomes.

#### Goals Supported

- Establish City-based workforce that meets business needs.

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## Strategy #3: Strengthen the skill base of the local workforce.

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### Overview of Actions

Actions	Required Resources	Impacts
Develop business and educational partnerships for workforce development.	Low-Moderate	Low-Moderate

---

## Strategy #3: Strengthen the skill base of the local workforce.

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### Action

Develop business and educational partnerships for workforce development.

#### Specific Action Items

1. Create a business advisory board that meets regularly as an extended outreach program in conjunction with the BID.
2. Facilitate meetings between businesses and educational organizations.
3. Work with businesses and educators to align training programs with workforce skill requirements.
4. Analyze potential workforce development programs.

#### Resources Required:

- *Low-Moderate*

#### Impacts:

- Improving the local labor pool's work preparedness*
- *Increased jobs*



---

**Strategy #4:** Market downtown and waterfront an increase accessibility to improve perceptions of Perth Amboy.

---

## Overview

Attracting visitor spending from outside of Perth Amboy is a critical component of boosting the local economy. Improving downtown's perception and accessibility will attract more visitors to the City.

The following pages provide more specific information on different tactics supporting this strategy, the City investment required, and likely outcomes.

### Goals Supported

- Achieve recognition of Perth Amboy as an attractive historic, cultural, and recreational regional destination.

---

## Strategy #4: Market downtown and waterfront an increase accessibility to improve perceptions of Perth Amboy.

---

### Overview of Actions

Action	Required Resources	Impacts
Strengthen design guidelines and façade standards downtown to enhance its destination appeal.	Moderate	High
Expand arts programming downtown.	Moderate-High	Moderate-High
Promote recreational waterfront opportunities.	Moderate-High.	Moderate-High
Promote historic tourism within the City.	Low	Moderate
Target marketing to 1)Hispanic communities in the Mid-Atlantic and 2)New Jersey tourists.	Low-Moderate	Low-Moderate
Improve wayfinding to downtown commercial district.	Moderate	Moderate
Improve access and utilization of downtown parking.	Low-Moderate	Low-Moderate

---

## Strategy #4: Market downtown and waterfront an increase accessibility to improve perceptions of Perth Amboy.

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### Action

Strengthen design guidelines and façade standards downtown to enhance its destination appeal.

#### Specific Action Items

1. Pursue a form-based design code for downtown.
2. Create a zoning overlay district for downtown that sets minimum design standards but allows business owners flexibility.
3. Continue to offer and increase marketing of competitive matching grants to BID members.
4. Help businesses participate in interior and/or exterior design classes.

#### Resources Required:

- *Staff time*
- *Low funding*

#### Impacts:

Increasing destination appeal can increase visitation:

- *Number of downtown jobs*
- *Number of tourists*
- *Retail rents*
- *Property values*
- *State tax revenues originating in Perth Amboy*

---

## Strategy #4: Market downtown and waterfront an increase accessibility to improve perceptions of Perth Amboy.

---

### Action

Strengthen design guidelines and façade standards downtown to enhance its destination appeal.

#### CASE STUDY

##### Façade Improvement Program

##### Baton Rouge, Louisiana

*In Old South Baton Rouge, a low-income historic neighborhood, residents and business owners formed a grassroots organization and sought private funding and expertise to encourage local economic development. In 2008, the partnership launched a commercial façade improvement matching grant program that offers matching grants of up to \$5,000 to local business owners for design improvements. It also partners grant recipients with experts at LSU for façade design and business planning technical expertise. The program has helped 12 neighborhood businesses to significantly enhance their street presence over 4 rounds of funding.*



Source: Center for Planning Excellence, 2011

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## Strategy #4: Market downtown and waterfront an increase accessibility to improve perceptions of Perth Amboy.

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### Action

Expand arts programming downtown.

#### Specific Action Items

1. Strengthen arts community downtown through enhanced programming:
  - a. Coordinate with the BID and private partners to increase program offerings.
  - b. Focus on cultural/ethnic arts programs that support Perth Amboy's destination brand.
2. Explore foundation and charitable opportunities to establish an arts/multicultural center downtown.

#### Resources Required:

- *Staff times*
- *Funding for programs*
- *For a new arts center, significant financial resources, with opportunities to leverage philanthropy*

#### Impacts:

- *Number of downtown jobs*
- *Number of tourists*
- *Retail rents*
- *Property values*
- *State tax revenues originating in Perth Amboy*

---

## Strategy #4: Market downtown and waterfront an increase accessibility to improve perceptions of Perth Amboy.

---

### Action

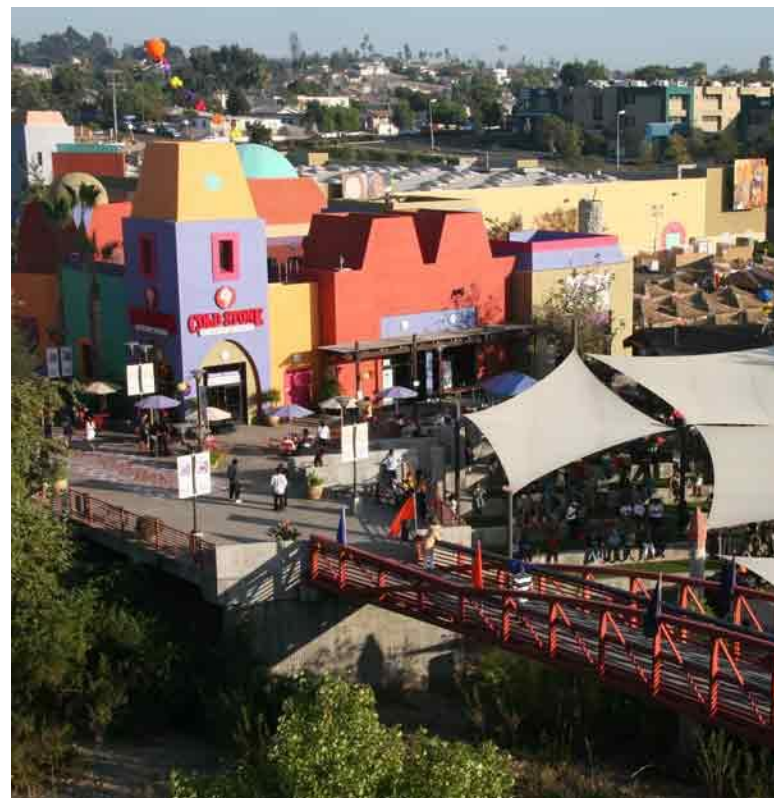
Expand arts programming downtown.

### CASE STUDY

#### Market Creek Plaza

#### San Diego, California

*In East San Diego, eight neighborhood groups came together to redevelop a 20-acre abandoned factory site into Market Creek Plaza, a neighborhood shopping center anchored by a much-needed grocery store and a multicultural center. To fill in for a limited market for new development, the communities partnered with Jones Family Foundation, a local community development foundation, which served as the master developer for the \$23.5 million arts/retail center. The community has made a substantial effort to integrate local arts into the new development, with local art installations and a 500 seat amphitheater that regularly hosts community performances.*



Source: International Economic Development Council, 2011

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## Strategy #4: Market downtown and waterfront an increase accessibility to improve perceptions of Perth Amboy.

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### Action

Promote recreational waterfront opportunities.

#### Specific Action Items

1. In the short-term, continue to expand waterfront recreational programming in coordination with the BID.
2. In the long-term, continue to pursue opportunities for recreational development on the waterfront, including potential amphitheater, park, and marina uses. The City has made an initial proposition to the County to develop approximately six acres along the waterfront as a City/County park with an adjacent marina.
3. Pursue County open space funds and PANYNJ funds to support waterfront redevelopment initiatives.

#### Resources Required:

- *Low-moderate funding and staff time in the short term.*
- *High funding needs for recreational development.*

#### Impacts:

- *Number of tourists*
- *Retail rents*
- *Property values*
- *State tax revenues originating in Perth Amboy*



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**Strategy #4:** Market downtown and waterfront an increase accessibility to improve perceptions of Perth Amboy.

---

## Action

Promote historic tourism within the City.

### Specific Action Items

1. Complete coordination of open hours at historic tourism sites and continue to help sites collaborate.
2. Partner with State Division of Tourism to promote historic tourism in Perth Amboy.
3. Integrate historic site visitor information into Statewide tourist marketing materials.

### Resources Required:

- *Low-moderate staff time.*

### Impacts:

- *Number of tourists*
- *Retail rents*
- *Property values*
- *State tax revenues originating in Perth Amboy*

---

**Strategy #4:** Market downtown and waterfront an increase accessibility to improve perceptions of Perth Amboy.

---

## Action

Target marketing to 1)Hispanic communities in the Mid-Atlantic and 2)New Jersey tourists.

### Specific Action Items

1. Develop and distribute local marketing materials.
2. Target marketing to Hispanic communities in the Mid-Atlantic:
  - a. Pursue niche retail opportunities to tap the Hispanic market (p. 43-45).
  - b. Use cultural organizations to distribute marketing materials.
3. Target marketing to local, New Jersey tourists:
  - a. Pursue a “Buy Local” campaign.
  - b. Develop a relationship with State Division of Tourism and Travel.

### Resources Required:

- *Staff time*
- *Funding to develop a marketing campaign*

### Impacts:

*Higher capture of area spending, leading to:*

- *Increased downtown jobs*
- *Increased tourism*
- *Higher retail rents*
- *Higher property values*
- *Higher State tax revenues originating in Perth Amboy*

---

**Strategy #4:** Market downtown and waterfront an increase accessibility to improve perceptions of Perth Amboy.

---

## Action

Target marketing to 1)Hispanic communities in the Mid-Atlantic and 2)New Jersey tourists.

### CASE STUDY

#### Portland Buy Local Portland, Maine

*The highly successful “Portland Buy Local” campaign in Portland, Maine is a consortium of over 250 businesses whose mission is to support locally-owned, independent businesses, maintain community character, provide opportunities for entrepreneurs, build economic strength, and prevent the displacement of community-based businesses by chains. The campaign focuses on:*

- Informing citizens of the values provided by community-based businesses and their importance to the local economy;*
- Group branding, promotion and advertising to elevate the profile of community-based businesses; and*
- Creating strong relationships with local government and the media to inform local decision-making and give a voice to the locally-owned independent business community.*



Source: HR&A Advisors, Long Island 2035

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## Strategy #4: Market downtown and waterfront an increase accessibility to improve perceptions of Perth Amboy.

---

### Action

Improve wayfinding to downtown commercial district.

#### Specific Action Items

1. Coordinate with NJDOT to clarify signs outside the City.
2. Designate priority access corridors within the City.
3. Dedicate funding to improve signage on priority corridors.

#### Resources Required:

- *Staff time*
- *Capital investment*

#### Impacts:

Increased accessibility,  
leading to:

- *Increased tourism*
- *Higher retail rents*
- *Higher property values*
- *Higher State tax revenues originating in Perth Amboy*

---

## Strategy #4: Market downtown and waterfront an increase accessibility to improve perceptions of Perth Amboy.

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### Action

Improve parking access and utilization in downtown commercial district.

#### Specific Action Items

1. Coordinate with BID to provide parking reimbursement program to downtown shoppers.
2. Improve parking signage.
3. Create pedestrian enhancements to improve downtown walkability.
4. Conduct a parking study to identify additional opportunities for improvement.

#### Resources Required:

- *Staff time*
- *Capital investment*

#### Impacts:

Increased accessibility, leading to:

- *Increased tourism*
- *Higher retail rents*
- *Higher property values*
- *Higher State tax revenues originating in Perth Amboy*



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# IMPLEMENTATION PLAN

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## Action Plan Overview

### Implementation

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The following section lays out recommended next steps for the City to implement this Strategic Plan. The actions are organized as follows:

**SHORT-TERM**  
1-3 YEARS

**SHORT-TERM PRIORITY ACTIONS** are those actions that most help advance Perth Amboy's economic development strategy with the fewest required resources. These actions could be implemented with existing staff capacity or only minimal additional resources.

**SHORT-TERM SECONDARY ACTIONS** are other low-resource actions that should be implemented in the next one to three years if capacity remains.

**MID-TERM**  
3-8 YEARS

**MID-TERM PRIORITY ACTIONS** are actions that require additional funding resources for the City to complete. Based on HR&A's assessment, however, they would likely generate the moderate to high economic benefits and should be pursued.

**MID-TERM SECONDARY ACTIONS** also require moderate levels of additional resources and would generate moderate economic benefits. They should be implemented if capacity remains in the next three to eight years.

**LONG-TERM**  
8+ YEARS

**LONG-TERM ACTIONS** are those actions that would require significant additional resources but could yield some of the most transformative economic growth impacts. In the long term (beyond eight years) the City should seek out and dedicate resources to pursue these actions.

## Short-Term Priority Action Plan

### Implementation

In the short-term (**1-3 years**), the City should prioritize actions that can be completed with existing capacity or with limited additional resources. Of these, it should focus on actions with maximum expected benefits.

Priority Action	Strategy Supported	Goals Supported
1. Continue to work with the private sector to redevelop the ePort site to anchor renewable energy and other industrial uses.	<ul style="list-style-type: none"><li>Strategy #1: Increase business access to State, Port Authority, and local incentives.</li><li>Strategy #2: Develop industry clusters to support new economic activity.</li></ul>	<ul style="list-style-type: none"><li>Grow Perth Amboy's job base.</li><li>Attract new businesses that are complementary to the existing business base.</li><li>Grow property tax base.</li></ul>
2. Enhance downtown's brand with targeted marketing and year-round programming.	<ul style="list-style-type: none"><li>Strategy #4: Market downtown and waterfront and increase accessibility to improve perceptions of Perth Amboy.</li></ul>	<ul style="list-style-type: none"><li>Grow Perth Amboy's existing businesses.</li><li>Grow Perth Amboy's job base.</li><li>Attract new, complementary businesses.</li><li>Grow the property tax base.</li><li>Achieve recognition of Perth Amboy as regional destination.</li></ul>

## Short-Term Priority Action Plan

### Implementation

In the short-term (**1-3 years**), the City should prioritize actions that can be completed with existing capacity or with limited additional resources. Of these, it should focus on actions with maximum expected benefits.

Priority Action	Strategy Supported	Goals Supported
3. Implement new wayfinding to and within the City using existing NJDOT funding.	<ul style="list-style-type: none"><li>Strategy #4: Market downtown and waterfront and increase accessibility to improve perceptions of Perth Amboy.</li></ul>	<ul style="list-style-type: none"><li>Grow Perth Amboy's existing businesses.</li><li>Grow Perth Amboy's job base.</li><li>Attract new, complementary businesses.</li><li>Grow the property tax base.</li><li>Achieve recognition of Perth Amboy as regional destination.</li></ul>
4. Implement recreational programming to promote the waterfront.	<ul style="list-style-type: none"><li>Strategy #4: Market downtown and increase downtown accessibility to improve perceptions of Perth Amboy.</li></ul>	<ul style="list-style-type: none"><li>Achieve recognition of Perth Amboy as regional destination.</li></ul>

## Short-Term Priority Action Plan

### Implementation

In the short-term (**1-3 years**), the City should prioritize actions that can be completed with existing capacity or with limited additional resources. Of these, it should focus on actions with maximum expected benefits.

Priority Action	Strategy Supported	Goals Supported
5. Pursue Urban Transit Hub Tax Credit (UTHTC) designation to attract job-creating development.	<ul style="list-style-type: none"><li>▪ Strategy #1: Increase business access to State, Port Authority, and local incentives.</li><li>▪ Strategy #2: Develop industry clusters to support new economic activity.</li></ul>	<ul style="list-style-type: none"><li>▪ Grow Perth Amboy's job base.</li><li>▪ Attract new, complementary businesses.</li><li>▪ Grow the property tax base.</li></ul>
6. Work closely with State and regional economic development organizations.	<ul style="list-style-type: none"><li>▪ All strategies.</li></ul>	<ul style="list-style-type: none"><li>▪ All goals.</li></ul>

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## Short-Term Priority Action Plan

### Implementation

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In the short-term (**1-3 years**), the City should prioritize actions that can be completed with existing capacity or with limited additional resources. Of these, it should focus on actions with maximum expected benefits.

Priority Action	Strategy Supported	Goals Supported
7. Facilitate business and educational partnerships for workforce development.	<ul style="list-style-type: none"><li>Strategy #3: Strengthen the skill base of the local workforce.</li></ul>	<ul style="list-style-type: none"><li>Develop a City-based workforce that meets business skill needs.</li></ul>
8. Evaluate options to enhance capacity of City's development agencies.	<ul style="list-style-type: none"><li>All strategies.</li></ul>	<ul style="list-style-type: none"><li>All goals.</li></ul>

## Short-Term Secondary Action Plan

### Implementation

If capacity remains, the City should also implement low-resource actions with low-moderate or unknown economic benefits in the short-term.

Action	Strategy Supported	Goals Supported
Market to businesses that are similar to existing businesses.	<ul style="list-style-type: none"><li>Strategy #2: Develop industry clusters to support new economic activity.</li></ul>	<ul style="list-style-type: none"><li>Grow Perth Amboy's job base.</li><li>Attract new businesses that are complementary to the existing business base.</li><li>Grow property tax base.</li></ul>
Market to businesses that provide complementary services.	<ul style="list-style-type: none"><li>Strategy #2: Develop industry clusters to support new economic activity.</li></ul>	<ul style="list-style-type: none"><li>Grow Perth Amboy's job base.</li><li>Attract new businesses that are complementary to the existing business base.</li><li>Grow property tax base.</li></ul>
Strengthen design guidelines and façade standards downtown to enhance its destination appeal.	<ul style="list-style-type: none"><li>Strategy #4: Market downtown and waterfront and increase accessibility to improve perceptions of Perth Amboy.</li></ul>	<ul style="list-style-type: none"><li>Achieve recognition of Perth Amboy as regional destination.</li></ul>

## Mid-Term Priority Action Plan

### Implementation

In the mid-term (**3-8 years**), the City can plan for actions that require additional resources, pursuing funding needed for those strategies. It should focus first on those tactics which generate the highest expected impacts.

Action	Strategy Supported	Goals Supported
Increase staffing for industry outreach and support.	<ul style="list-style-type: none"><li>Strategy #1: Increase business access to State, Port Authority, and local incentives.</li><li>Strategy #2: Develop industry clusters to support new economic activity.</li></ul>	<ul style="list-style-type: none"><li>Grow Perth Amboy's existing businesses.</li><li>Grow Perth Amboy's job base.</li><li>Attract new businesses that are complementary to the existing business base.</li><li>Grow property tax base.</li></ul>
Leverage City assets to attract green industries.	<ul style="list-style-type: none"><li>Strategy #1: Increase business access to State, Port Authority, and local incentives.</li><li>Strategy #2: Develop industry clusters to support new economic activity.</li></ul>	<ul style="list-style-type: none"><li>Grow Perth Amboy's job base.</li><li>Attract new businesses that are complementary to the existing business base.</li><li>Grow property tax base.</li></ul>



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## Mid-Term Secondary Action Plan

### Implementation

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If capacity remains, the City should also implement low to moderate resource tactics with moderate economic benefits in the mid-term.

Action	Strategy Supported	Goals Supported
Attract new niche retail markets.	<ul style="list-style-type: none"><li>Strategy #2: Develop industry clusters to support new economic activity.</li><li>Strategy #4: Market downtown and waterfront and increase accessibility to improve perceptions of Perth Amboy.</li></ul>	<ul style="list-style-type: none"><li>Grow Perth Amboy's job base.</li><li>Attract new businesses that are complementary to the existing business base.</li><li>Grow property tax base.</li></ul>
Introduce flexible zoning for medical and research uses surrounding Raritan Bay Medical Center.	<ul style="list-style-type: none"><li>Strategy #2: Develop industry clusters to support new economic activity.</li></ul>	<ul style="list-style-type: none"><li>Grow Perth Amboy's job base.</li><li>Attract new businesses that are complementary to the existing business base.</li><li>Grow property tax base.</li></ul>

---

## Long-Term Action Plan

### Implementation

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In the long term (**8+ years**), the City should dedicate resources to pursue resource-intensive tactics that can generate additional benefits.

Action	Strategy Supported	Goals Supported
Develop arts/multicultural center.	<ul style="list-style-type: none"><li>Strategy #4: Market downtown and waterfront and increase accessibility to improve perceptions of Perth Amboy.</li></ul>	<ul style="list-style-type: none"><li>Achieve recognition of Perth Amboy as regional destination.</li></ul>
Pursue opportunities for recreational waterfront redevelopment.	<ul style="list-style-type: none"><li>Strategy #4: Market downtown and waterfront and increase accessibility to improve perceptions of Perth Amboy.</li></ul>	<ul style="list-style-type: none"><li>Achieve recognition of Perth Amboy as regional destination.</li></ul>

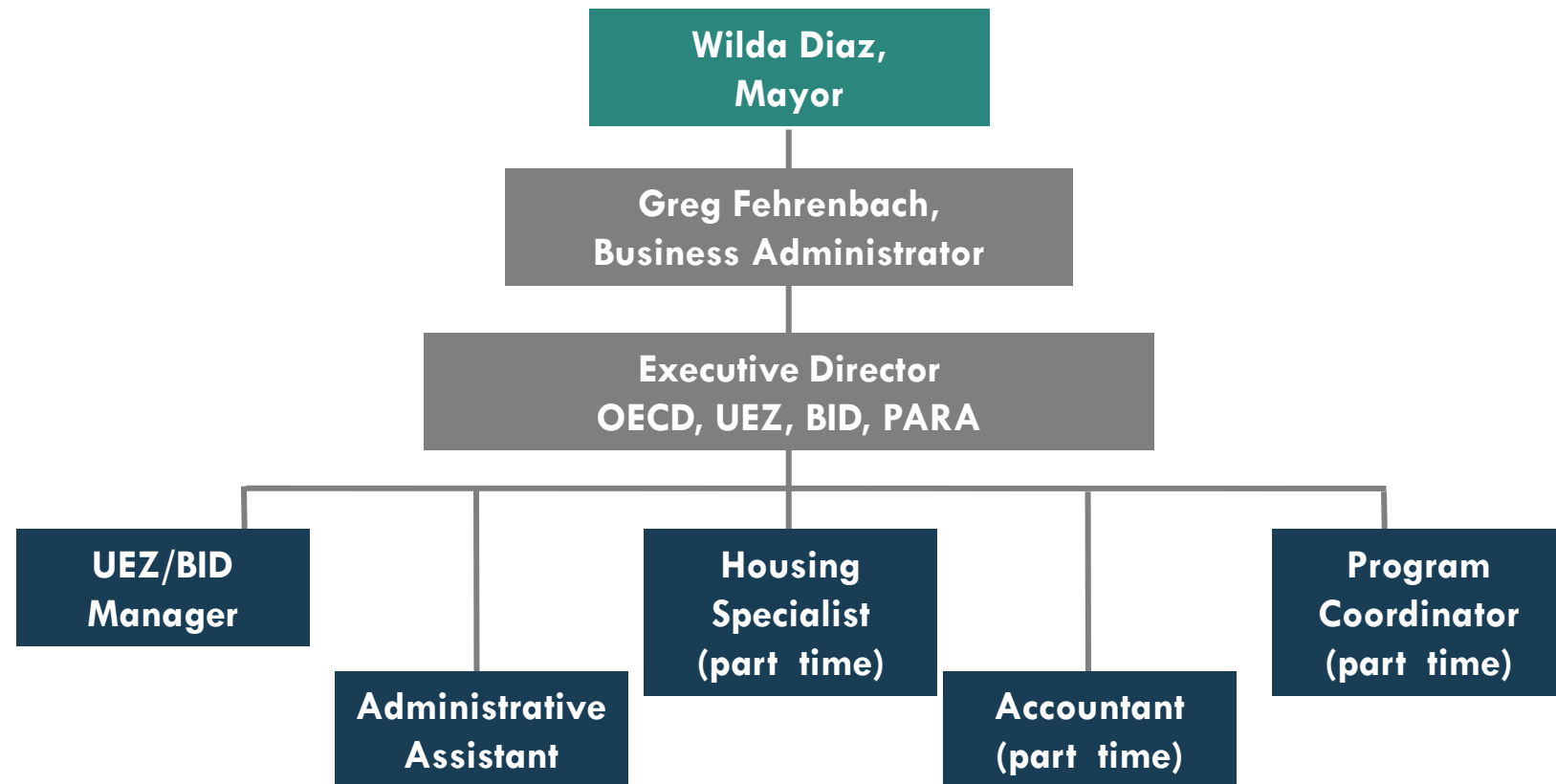
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## Required Resources

### Implementation

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Perth Amboy's economic and community development functions are carried out by the Office of Economic and Community Development; Urban Enterprise Zone; Business Improvement District; and Perth Amboy Redevelopment Authority, which together employ the equivalent of 4.5 FTEs.



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## Required Resources

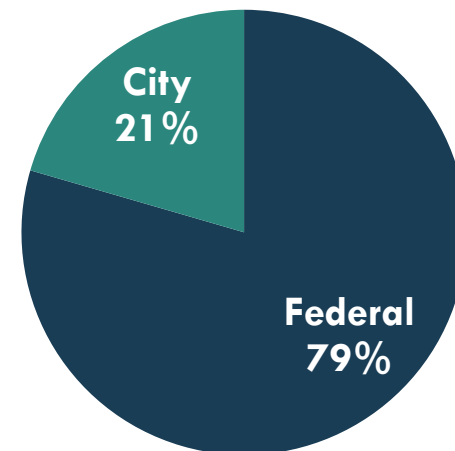
### Implementation

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The City already leverages external resources to support its economic development efforts, with the City's general fund accounting for only 21% of its economic development operating budget. However, it may not be able to maintain this level of funding with external resources in the future due to Federal and State cutbacks. The City's allocation of HOME and CDBG funding is 30% lower than in the previous fiscal year.

#### Operating Budget, 2011/2012

Source	Funding
<b>Federal</b>	<b>\$764,135</b>
CDBG	\$509,314
Home	\$254,821
<b>City</b>	<b>\$197,155</b>
UEZ	\$135,000
General Fund	\$62,155
<b>Total</b>	<b>\$961,290</b>



Source: City of Perth Amboy

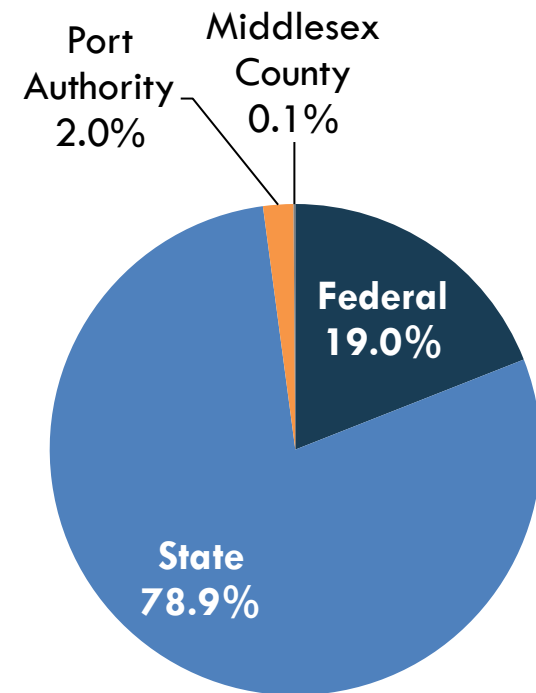
## Required Resources

### Implementation

The City secures diverse resources for capital projects that include multiple levels of government.

### Capital Budget, 2011/2012

Source	Funding
<b>Federal</b>	<b>\$746,000</b>
Federal Grant Reimbursement	\$550,000
EERE Solar Grant	\$196,000
<b>State</b>	<b>\$3,092,908</b>
NJDEP - Green Acres	\$1,000,000
NJDEP-HDSRF	\$829,686
DOT -Wayfinding	\$400,000
DOT - UEZ	\$365,000
DOT - Safe Streets to School	\$200,000
NJDEP - SHPO	\$162,000
DOT - Street/Sidewalk Improvements	\$136,222
<b>Port Authority</b>	<b>\$78,000</b>
<b>Middlesex County</b>	<b>\$4,700</b>
<b>Total</b>	<b>\$3,921,608</b>

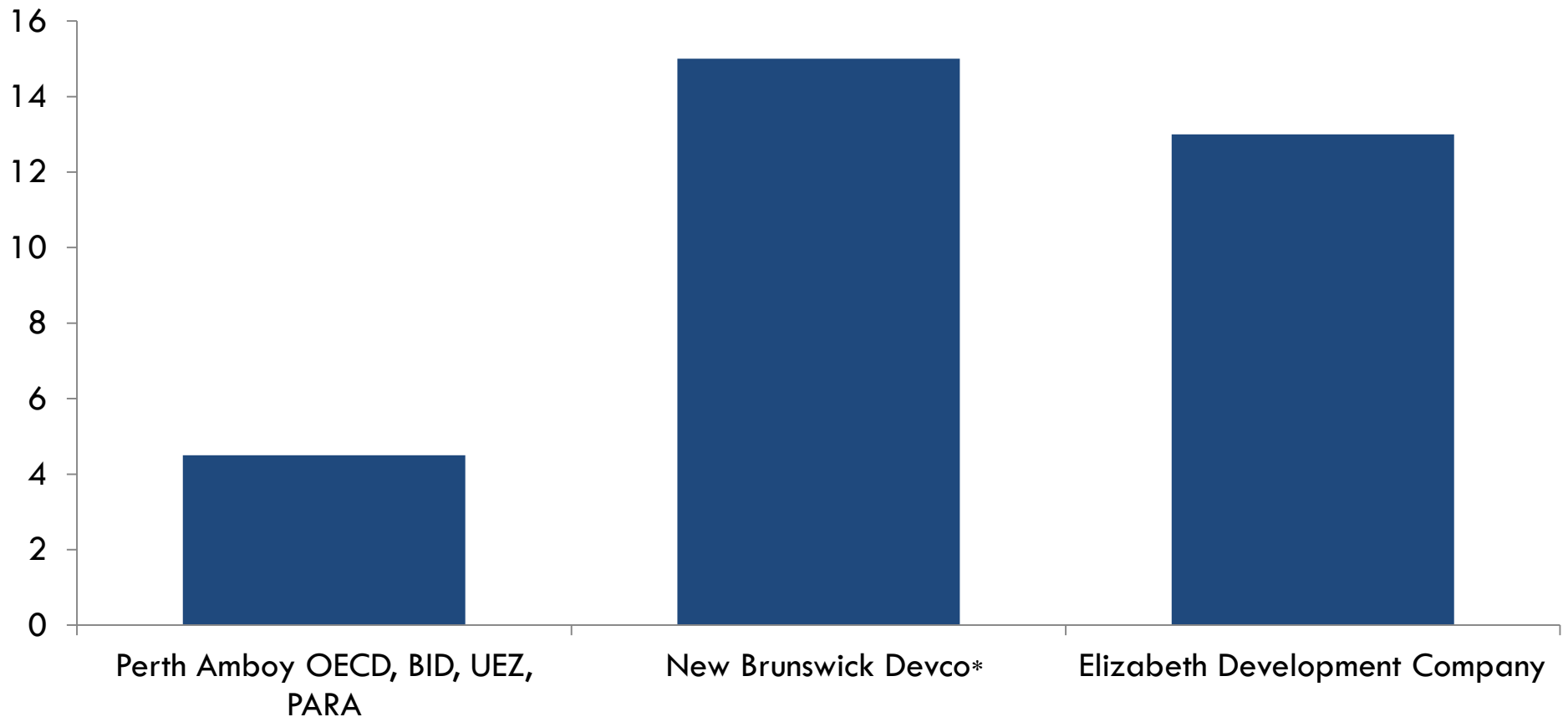


Source: City of Perth Amboy

## Required Resources Implementation

Currently, Perth Amboy has only a fraction of the staff resources devoted to economic development and redevelopment compared to peer cities.

### Full Time Employees



\*In addition to Devco, New Brunswick also has City staff devoted to economic development. Elizabeth Development Company serves as the City economic development agency.

Source: HR&A Advisors

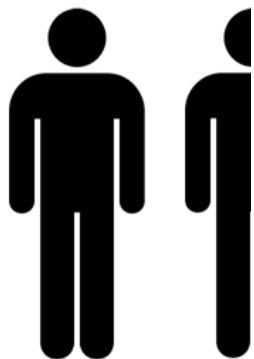
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## Required Resources

### Implementation

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To maximize the impacts of this plan, the City should invest in one and a half additional full-time employees for economic development by converting three part-time employees to full-time starting in 2012.



**Program Coordinator (Full time)** to coordinate the full range of the BID, UEZ, OECD, and PARA's efforts, including downtown and waterfront programming, developer and business outreach, and relationship building with State, Port, and private partners.

**Accountant (Full time)** to support the management and distribution of grant funding.

**Housing Specialist (Full time)** to coordinate the OECD's community housing initiatives.

In the mid- to long term, the city should consider hiring a Business Advisor and a Development Advisor to conduct outreach and support to existing and potential new businesses and developers. These advisors would be up-to-date on incentive opportunities. The advisors will also develop relationships with applicable regional, State, and Federal agencies to encourage investment in Perth Amboy.

---

## Required Resources

### Implementation

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There are opportunities for Perth Amboy to expand its range of funding sources. This strategy is closely-aligned with recent State and Federal economic development initiatives, strengthening its ability to tap these resources.



#### Partnership for Action, founded April 2010

A public-private partnership for Statewide business attraction and support across three organizations:

- **Choose NJ:** A privately-funded nonprofit provides marketing and promotion.
- **The Business Action Center:** NJ's one-stop shop , reporting to the Lieutenant Governor, provides a complete customer service experience for new and existing businesses.
- **New Jersey Economic Development Authority (NJEDA):** NJ's "bank for business" oversees many of the core programs supporting New Jersey's businesses and development.



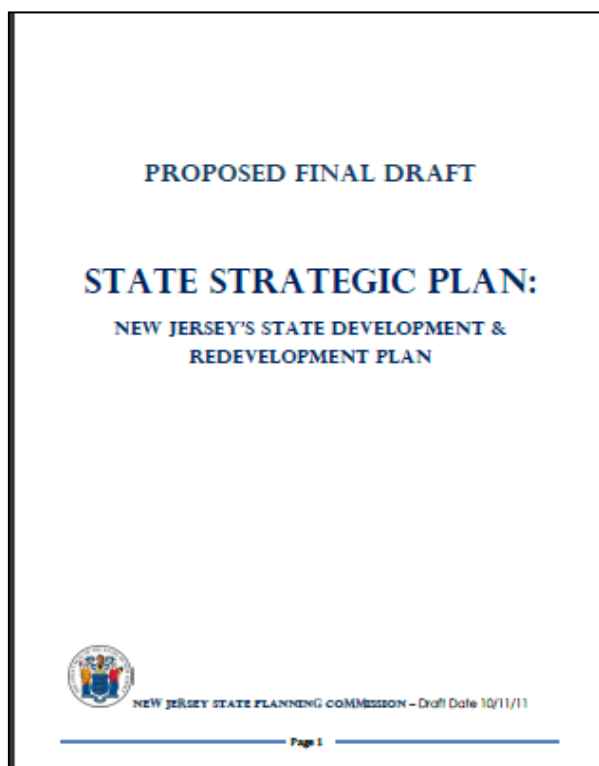
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## Required Resources

### Implementation

---

There are opportunities for Perth Amboy to expand its range of funding sources. This strategy is closely-aligned with recent State and Federal economic development initiatives, strengthening its ability to tap these resources



### New State Strategic Plan, draft released October 2011

The new State Strategic Plan prioritizes the following goals for Statewide growth:

- **Targeted Economic Growth:** strengthen & promote industry clusters.
- **Effective Planning for Vibrant Regions:** devote State resources to create community amenities in existing urban areas.
- **Preservation and Enhancement of Critical State Resources:** foster smart growth strategies and benefits-driven conservation initiatives.
- **Tactical Alignment of Government:** enhance vertical coordination between the State, regional planning authorities, county governments, and municipalities.

## Relationship to State Priorities

### Implementation

Perth Amboy's proposed economic growth strategies are fully aligned with the State Strategic Plan.

State Strategic Plan Goal	State Strategic Plan Recommendations	Perth Amboy Plan Alignment
<b>Targeted Economic Growth</b>	<ul style="list-style-type: none"><li>▪ Develop industry clusters.</li><li>▪ Strengthen existing industries:<ul style="list-style-type: none"><li>– Biomedical sector.</li><li>– Manufacturing.</li></ul></li><li>▪ Attract growth industries such as green technology and food processing/manufacturing.</li></ul>	<ul style="list-style-type: none"><li>▪ Develop industry clusters.</li><li>▪ Support existing industries:<ul style="list-style-type: none"><li>– Biomedical sector: improve access to incentives and create flexible medical zoning.</li><li>– Manufacturing: improve access to incentives.</li></ul></li><li>▪ Attract growth industries such as green technology and food processing/manufacturing.<ul style="list-style-type: none"><li>– Targeted marketing.</li><li>– Expanded access to incentives.</li></ul></li></ul>

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## Relationship to State Priorities

### Implementation

---

Perth Amboy's proposed economic growth strategies are fully aligned with the State Strategic Plan.

State Strategic Plan Goal	State Strategic Plan Recommendations	Perth Amboy Plan Alignment
<b>Effective Planning for Vibrant Regions</b>	<ul style="list-style-type: none"><li>▪ Increase readiness and availability of priority development sites.</li><li>▪ Incentivize Transit-Oriented Development.</li><li>▪ Improve quality of life with enhanced community amenities.</li></ul>	<ul style="list-style-type: none"><li>▪ Incentivize development of priority waterfront sites with selective use of PILOTs and increased access to incentives.</li><li>▪ Incentivize Transit-Oriented Development by Pursuing Urban Transit Hub Tax Credit designation.</li><li>▪ Improve quality of life with enhanced community amenities :<ul style="list-style-type: none"><li>– Strengthen education with partnerships.</li><li>– Enhance arts programming downtown.</li></ul></li></ul>

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## Relationship to State Priorities

### Implementation

---

Perth Amboy's proposed economic growth strategies are fully aligned with the State Strategic Plan.

State Strategic Plan Goal	State Strategic Plan Recommendations	Perth Amboy Plan Alignment
<b>Preservation and Enhancement of Critical State Resources</b>	<ul style="list-style-type: none"><li>▪ Foster smart growth strategies and benefits-driven conservation initiatives.</li></ul>	<ul style="list-style-type: none"><li>▪ Promote Perth Amboy's historic waterfront and downtown.</li></ul>
<b>Tactical Alignment of Government</b>	<ul style="list-style-type: none"><li>▪ Enhance vertical coordination between the State, regional planning authorities, county governments, and municipalities.</li></ul>	<ul style="list-style-type: none"><li>▪ Develop relationships with State legislature and agencies to build awareness of relevant programs and enhance access to incentive programs.</li></ul>

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## Resources

### Implementation

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There are a range of additional State, Port, and Federal resources available to support economic growth in Perth Amboy.

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<b>Economic Redevelopment and Growth Grants (ERG)</b>	Partial tax reimbursement (75% of revenues up to 20% of total project costs) for developers.
<b>Business Retention and Relocation Assistance Grants (BRAGG)</b>	A State grant of up to \$1,500 per job for companies with 50+ employees that are considering relocation.
<b>Business Employment Incentive Program (BEIP)</b>	Reimbursement for eligible businesses of 10 – 80% of State payroll tax withholdings for new employees for up to 10 years.
<b>Urban Transit Hub Tax Credits (UTHTC)</b>	Provides tax relief for companies that make a \$75 million or greater capital investment near transit hubs. Available to nine municipalities in New Jersey, but not available to Perth Amboy.
<b>New Jersey Board of Public Utilities Clean Energy Program</b>	Offers grants for up to 20% of the cost of large scale renewable energy facility development and incentives for energy-efficient retrofits of existing buildings.
<b>Smart Growth Predevelopment Funding</b>	Short-term financing at below market rates for site preparation costs other than remediation, including land assemblage, demolition, removal of materials and debris, and engineering.
<b>Urban Enterprise Zones Sales Tax Exemption</b>	Provides sales tax exemption for businesses earning \$10 million per year or less and located in designated zones.

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## Resources

### Implementation

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There are a range of additional State, Port, and Federal resources available to support economic growth in Perth Amboy.

<b>Neighborhood Revitalization Tax Credits</b>	State tax credits to businesses that invest in neighborhood development initiatives.
<b>Statewide Loan Pool Program</b>	NJEDA participation in up to 50% of a loan for working capital for businesses in target municipalities.
<b>New Jersey Board of Public Utilities Clean Energy Program</b>	Offers grants for up to 20% of the cost of large scale renewable energy facility development and incentives for energy-efficient retrofits of existing buildings.
<b>Port Authority Local Assistance Program</b>	PANYNJ program to support economic development in Port area communities could contribute resources for marketing the City or wayfinding.
<b>Port Authority Portfields Initiative</b>	PANYNJ program helps communities transform brownfield sites into warehouse and distribution centers.
<b>Startup America Partnership</b>	Private sector initiative leverages \$1 billion in US Small Business Administration funding to provide matching grants to small business investors and entrepreneurs, especially in health care, clean energy, and education.

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## Resources

### Implementation

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The City should consider alternative organizational structures that could help raise economic development funding and increase implementation capacity. The Team recommends that the City assess the feasibility, benefits, and costs of the following alternatives in 2012.

- **Business Improvement District (BID):** The City should consider erecting a 501(c)(3) subsidiary of its BID, which is organized as a 501(c)(6).
  - **Opportunity:** The subsidiary would enable the BID to receive tax deductible donations from individuals and businesses.
  - **Challenge:** Funding opportunities are still scarce. Area businesses may have low interest or ability in contributing to the BID voluntarily, especially in the early stages of the Plan.
- **Perth Amboy Redevelopment Authority (PARA):** The City should consider creating a 501(c)(3) development entity within PARA which could be structured like Devco in New Brunswick or the Elizabeth Development Company.
  - **Opportunity:** This would enable PARA to qualify for NRTC funds not available to City government.
  - **Challenge:** Restructuring PARA would require additional staff and overhead, potentially negating increased funding sources.
- **Leverage City Assets:** The City should assess enterprise opportunities to generate revenues from City assets, such as the Waste Transfer Station.

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## Conclusion

### Implementation

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Executing this strategy will help the City execute its vision for economic growth. This action plan is a tool to empower Perth Amboy's leadership to achieve its vision for the future, resulting in measurable economic and fiscal growth, including:

- A **thriving economy**, with a focus on advanced industrial uses, that provides jobs for local residents and increases the commercial property tax base in the City.
- A **vibrant downtown** that attracts visitors from around the region and promotes Perth Amboy as an exciting place to work, shop, and live.
- A **competitive local workforce** that has the skills necessary to meet business needs in the City and region, maintains a low unemployment rate, and increases average local household incomes.

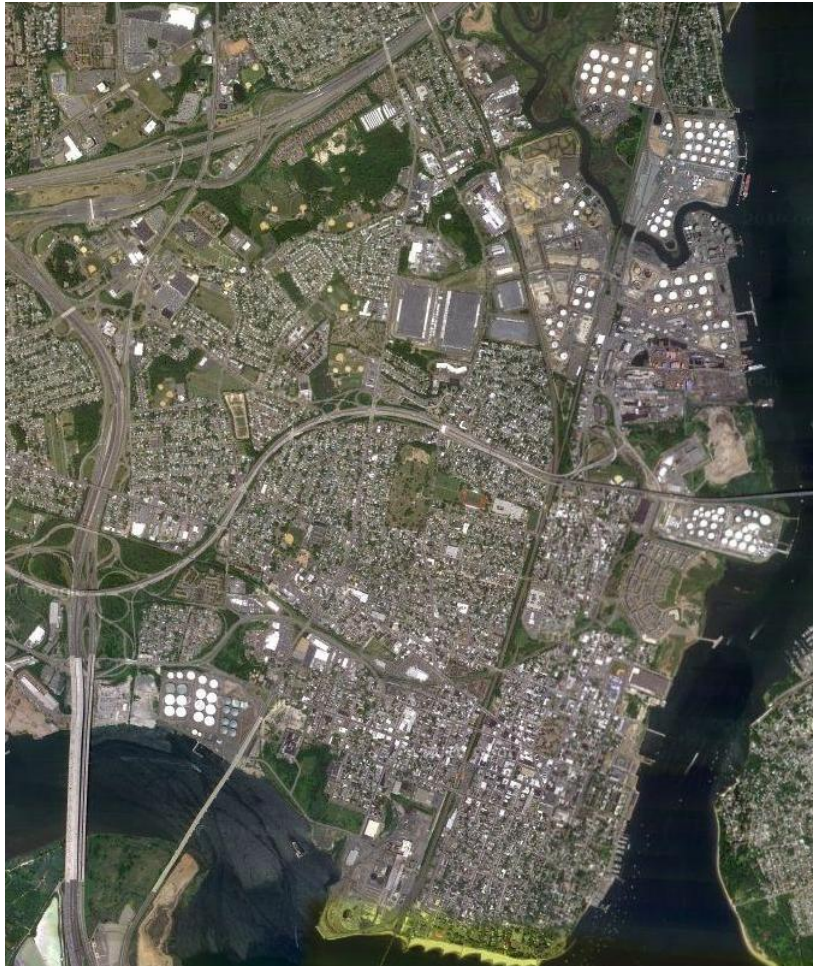


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## APPENDIX A: EXISTING CONDITIONS ANALYSIS

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**THE PORT AUTHORITY  
OF NY & NJ**

# Perth Amboy Economic Growth Strategy

Appendix A: Existing Conditions Analysis



Analyze. Advise. Act.

***GJC Associates – Development Advisory Services***

Revised December 2011

October 7, 2011

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Project Purpose

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# Economic Growth Goals

## Project Purpose

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In 1998, Perth Amboy adopted a series of economic growth goals under an initiative entitled *Focus 2000*. These goals were reiterated in the 2003 update of the Comprehensive Master Plan.

### Focus 2000 Goals



Eliminate blight



Attract industry



Attract development

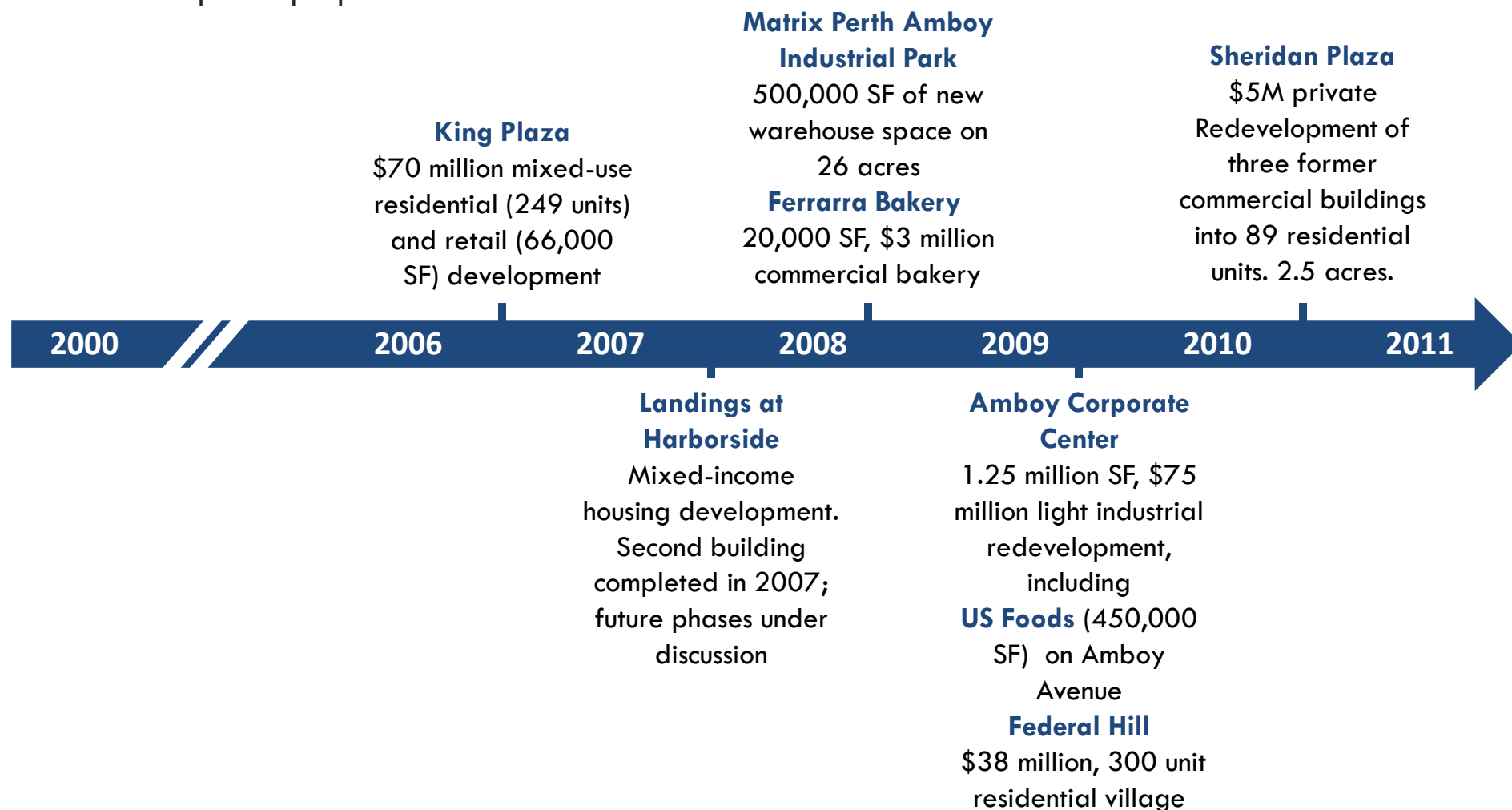


Create jobs for residents

# Progress on Focus 2000

## Project Purpose

The City made significant progress in implementing Focus 2000 by overseeing the execution of several large-scale redevelopment projects.



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# New Strategy for a New Era

## Project Purpose

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Given the stagnant economy and changing market conditions, however, the City is rethinking its goals and economic development strategy.

### Local Economy in 2000

In 2000, New Jersey's economy was booming and Perth Amboy's economy was underperforming. Local growth depended on tapping into broader regional growth.

- 6.4% unemployment
- 11,521 jobs\*
- Regional economic growth, but limited development in Perth Amboy



Focus on ratables and brownfield redevelopment

### Local Economy in 2010

Local and statewide economic stagnation requires innovation and strategies which capitalize on Perth Amboy's unique assets.

- 17.4% unemployment
- 11,528 jobs\*
- Completion of a few key local development projects
- Regional economic stagnation



Focus on retaining and building key industries

\* Closest available employment figures: 2002 and 2009.

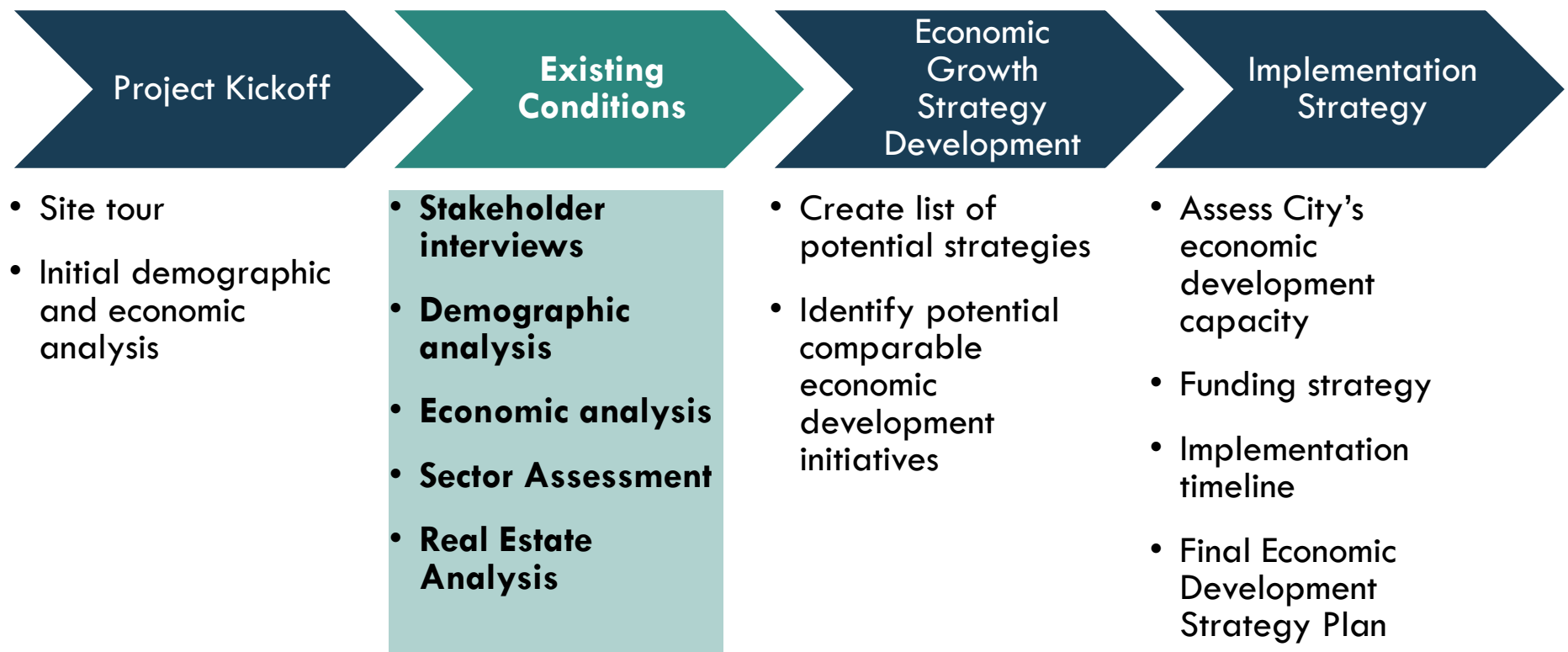
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# Methodology

## Project Purpose

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The Port Authority of New York and New Jersey engaged HR&A Advisors to develop an Economic Growth Strategy for the City of Perth Amboy. The goal of the strategy is to help the City re-focus its efforts following the late-2000s recession. This report focuses on the City's existing conditions.





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## Table of Contents

- Regional Economy
  - Demographic Analysis
  - Economic Analysis
  - Real Estate Analysis
  - Preliminary Findings
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## Regional Economy

Opportunities for economic growth in Perth Amboy are influenced by regional economic conditions.

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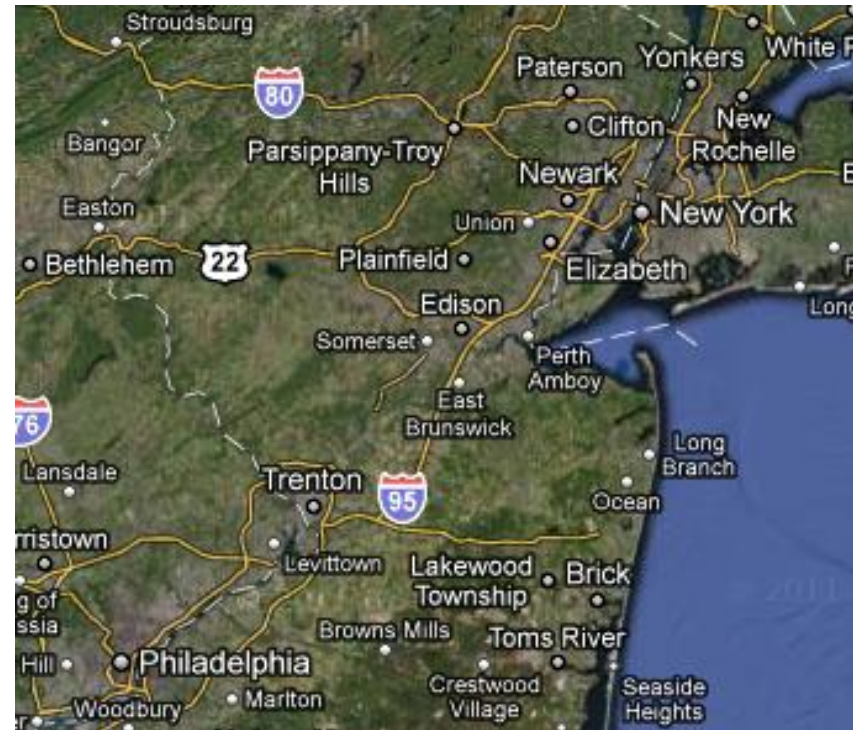
# Overview

## Regional Economy

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*This section provides context on regional economic trends, highlighting Perth Amboy's role within the region and the assets that can support its future growth.*

- **Regional Economic Strengths:** Statewide opportunities and trends.
- **Regional Employment Trends:** Recent job losses and future projections
- **Perth Amboy Strategic Assets:** The City's strategic asset advantages compared to local communities



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# Baseline New Jersey Conditions

## Regional Economy

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### Capture of Innovation

CNBC ranked New Jersey **9<sup>th</sup>** in the nation for **technology & innovation**.

*Site Selection Magazine* ranked New Jersey **4<sup>th</sup>** in the nation for its **efforts to succeed in the innovation economy**.

New Jersey produced **9.7 patents** per 10,000 employees in 2009 compared to the U.S. average of **7.3 patents** per 10,000 employees.

### Availability of Private Capital

CNBC ranked New Jersey **4<sup>th</sup>** for **access to capital**.

The 2010 New State Economy Index ranked New Jersey **5<sup>th</sup>** for **direct foreign investment**.

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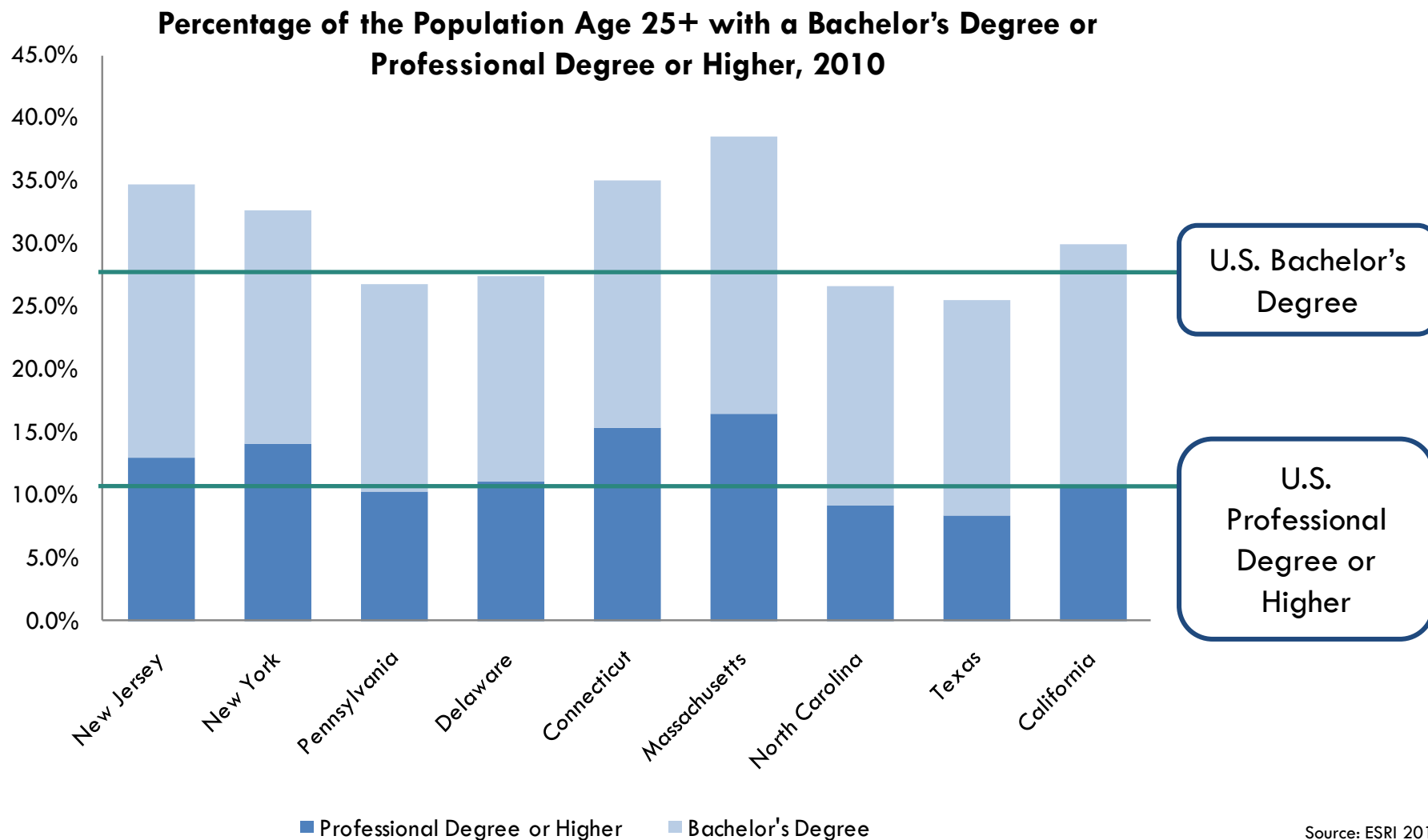
Source: "America's Top States for Business," *CNBC*, 2010; 2010 State New Economy Index  
*Site Selection Magazine*, "State of the States," 2011

Source: "America's Top States for Business," *CNBC*, 2010; 2010 State New Economy Index

# Baseline New Jersey Conditions

## Regional Economy

The statewide workforce is highly educated and skilled.

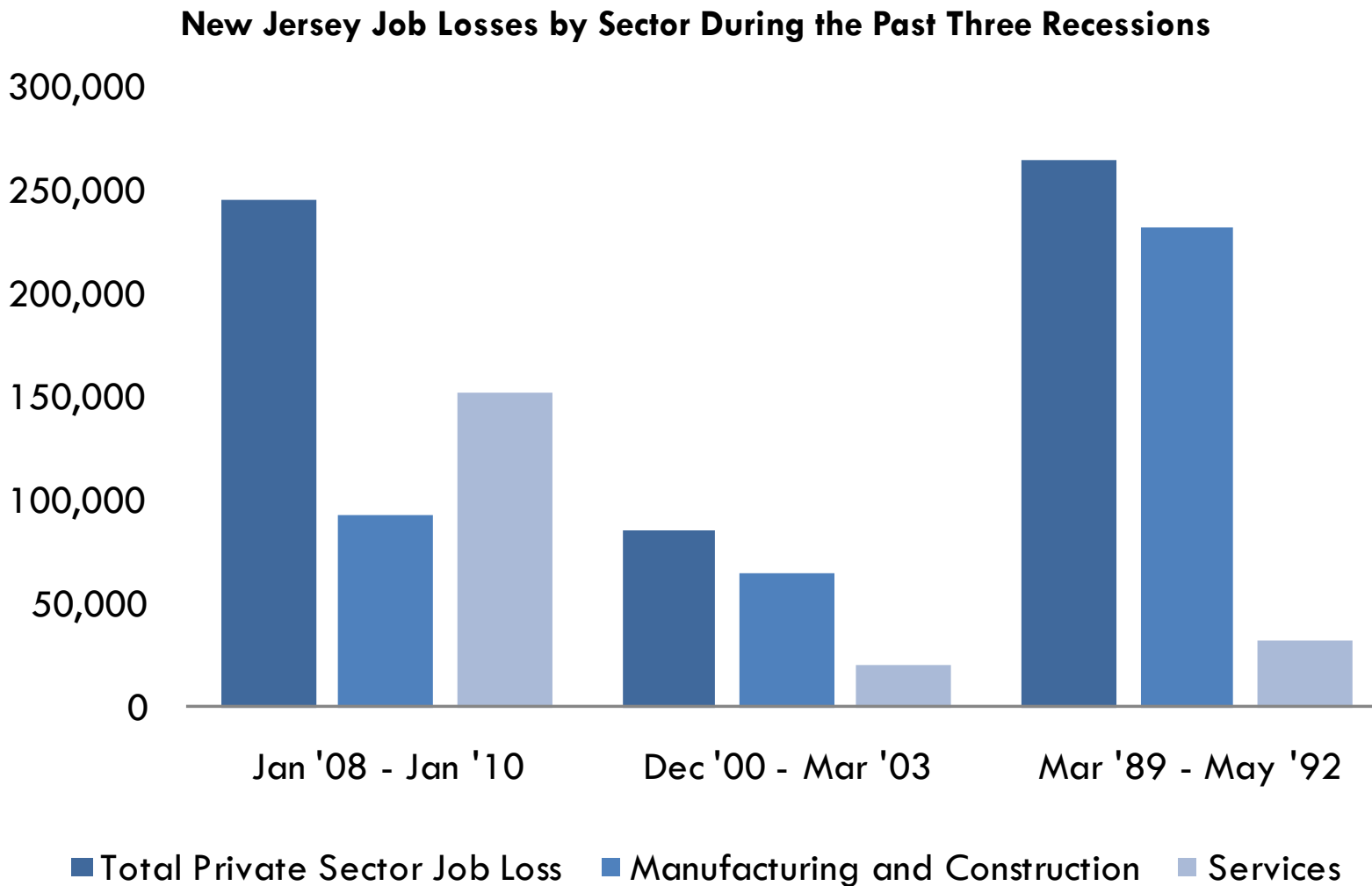


Source: ESRI 2010

# Baseline New Jersey Conditions

## Regional Economy

Despite these strengths, the recession has had significant impacts.



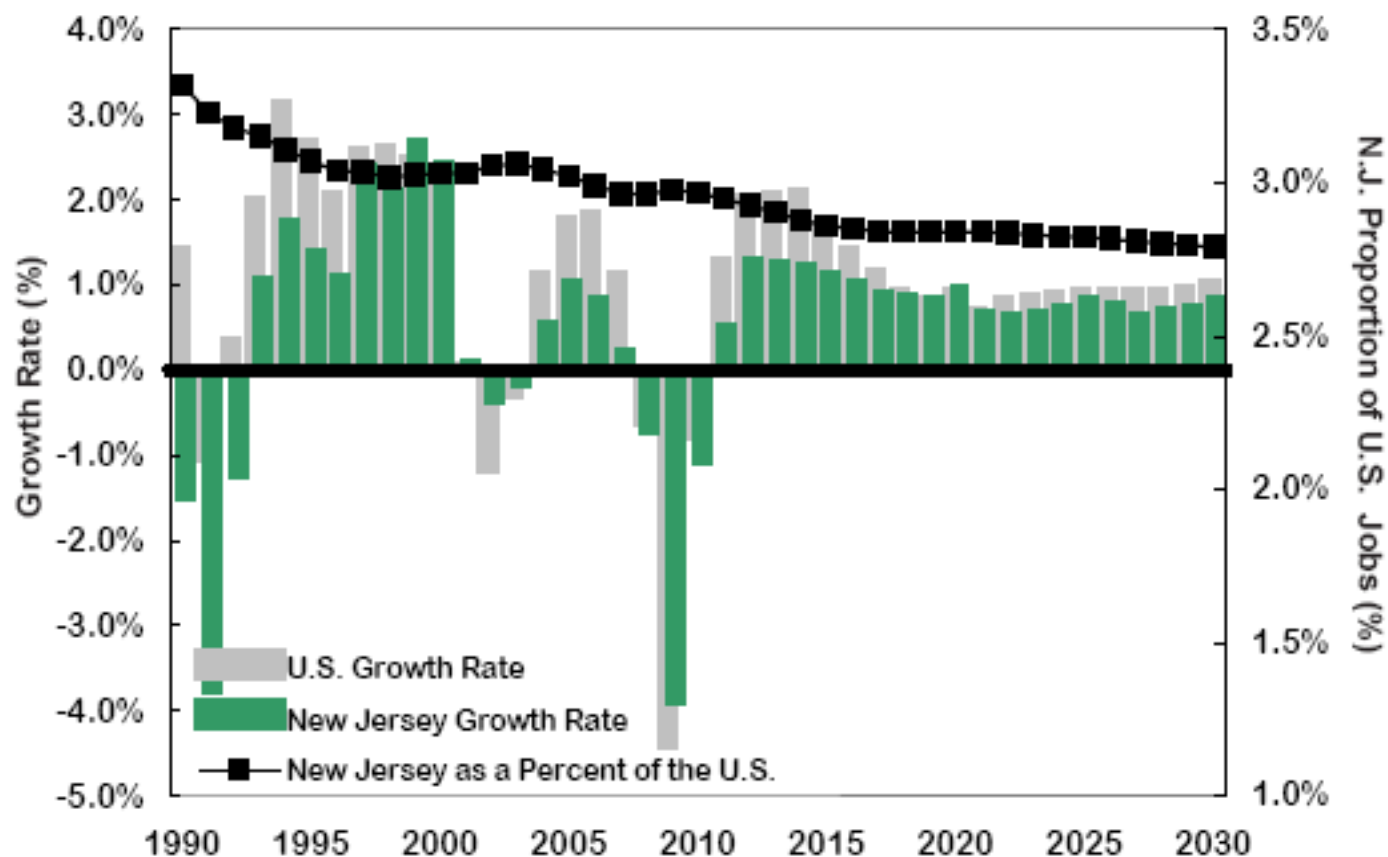
Source: NJDOLWD

# Baseline New Jersey Conditions

## Regional Economy

Job growth statewide is projected to lag the rest of the nation and state is projected to add only 34,500 jobs per year through 2030.

**Projected Employment Growth: New Jersey and U.S, 1990-2030**



Source: R/ECON: Rutgers Real Estate Advisory Service, April 2011; Global Insight U.S. Forecast February 2011

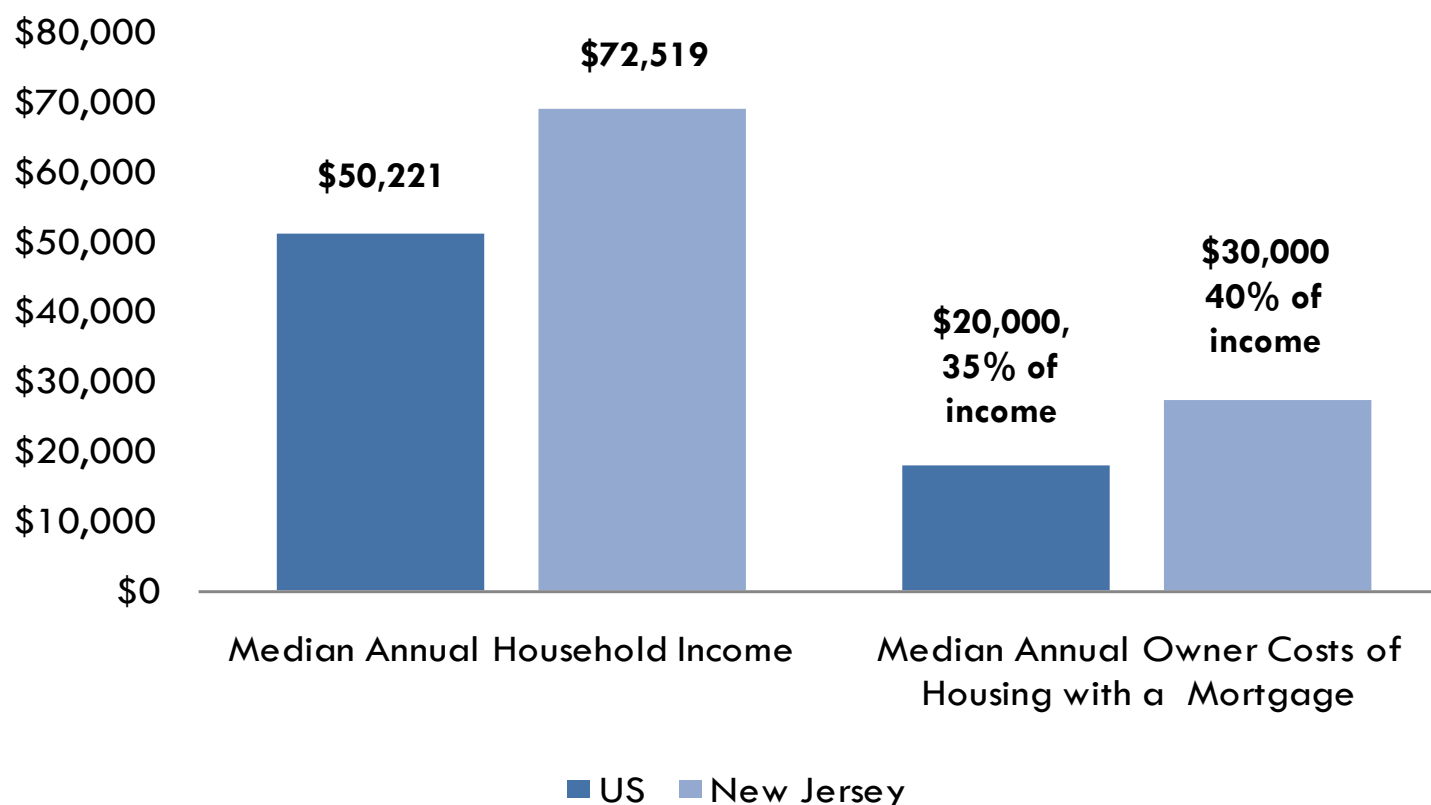


# Baseline New Jersey Conditions

## Regional Economy

Despite above average statewide household incomes, the high cost of living is a challenge for many households.

### Income and Home Ownership Costs, 2009



Source: ESRI; CFED 2009-2010 Assets & Opportunity Scorecard

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# Baseline New Jersey Conditions

## Regional Economy

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The State, however, is focused on streamlining regulatory and fiscal barriers to business growth. The New Jersey Economic Development Authority (NJEDA) provides a number of programs to incentivize economic development.

<b>Economic Redevelopment and Growth Grants (ERG)</b>	Partial tax reimbursement (75% of revenues up to 20% of total project costs) for developers.
<b>Business Retention and Relocation Assistance Grants (BRAGG)</b>	A State grant of up to \$1,500 per job for companies with 50+ employees that are considering relocation.
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<b>New Jersey Board of Public Utilities Clean Energy Program</b>	Offers grants for up to 20% of the cost of large scale renewable energy facility development and incentives for energy-efficient retrofits of existing buildings.

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# Perth Amboy Assets

## Regional Economy

Perth Amboy has access to major consumer markets.

**Less than 30 miles** from Midtown  
Manhattan, the center of:

- The largest city in the US
- **\$1.5 trillion economy** in the Metropolitan Statistical Area
- **3.5 million jobs** in New York City; **7.5 million jobs** in the MSA

Access to substantial regional population:

- **18.5 million people** within **50 miles** (6% of the US population)
- **92 million people** (US) within **500 miles** (30% of the US population)





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## Perth Amboy Assets: Transportation Infrastructure

### Regional Economy

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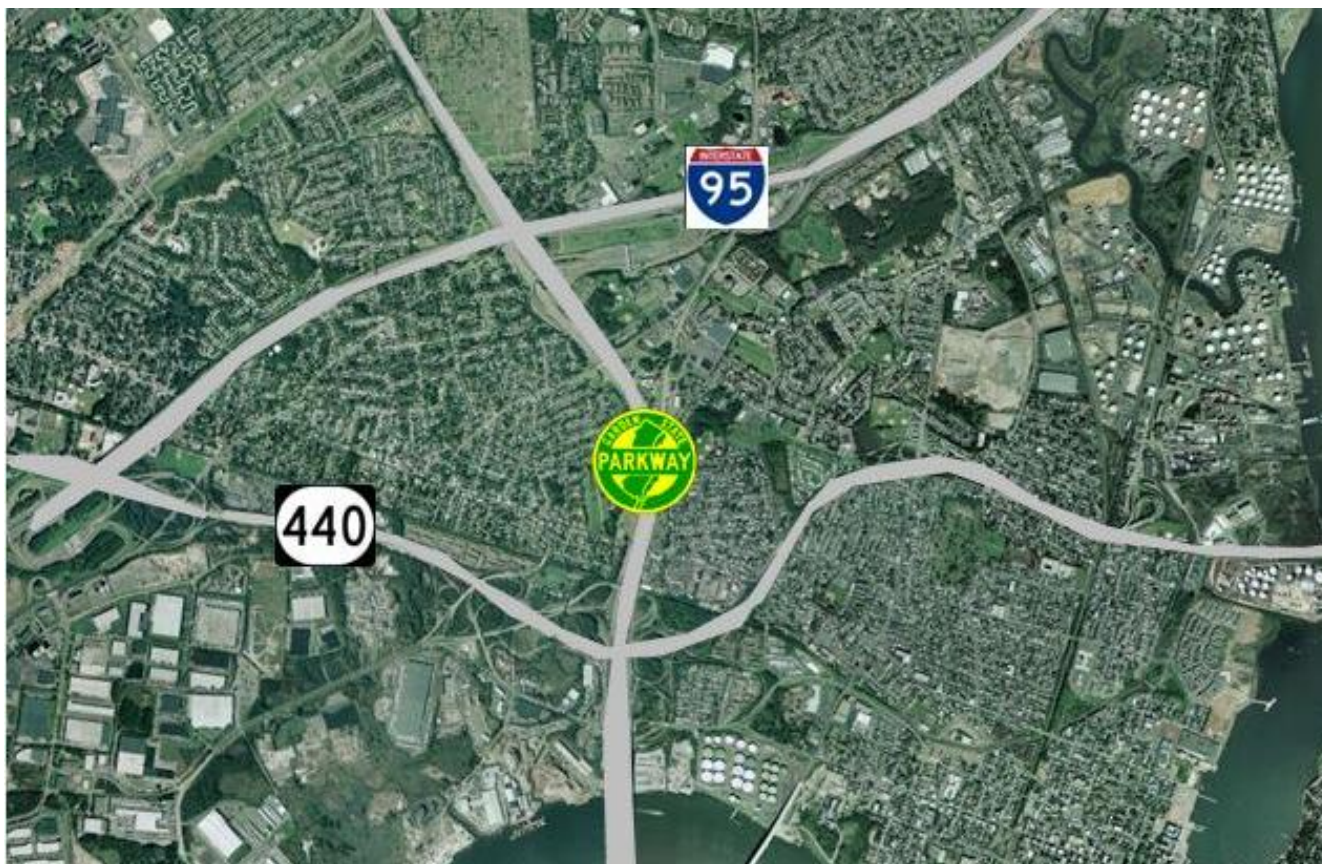
The City is adjacent to one of the State's most significant highway interchanges and connection to Staten Island.

- **Convergence of:**

- I-95/NJ Turnpike
- Garden State Parkway
- Route 440/I-287
- Route 1-9
- Route 35

- **Bridge connections to:**

- Outerbridge Crossing to Staten Island
- Route 35 Bridge to South Amboy



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# Perth Amboy Assets: Transportation Infrastructure

## Regional Economy

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The City contains rail infrastructure with capacity to move large numbers of goods and people.

- **Commuter rail:** One-seat commuter rail to north Newark and New York Penn Station ; south to Shore Points (Bay Head)
  - 31 trains per day each way
  - 30 minutes between trains at peak hours
- **Freight rail** access to the key ePort industrial site.



Source: NJ Transit

Source: NJ Transit

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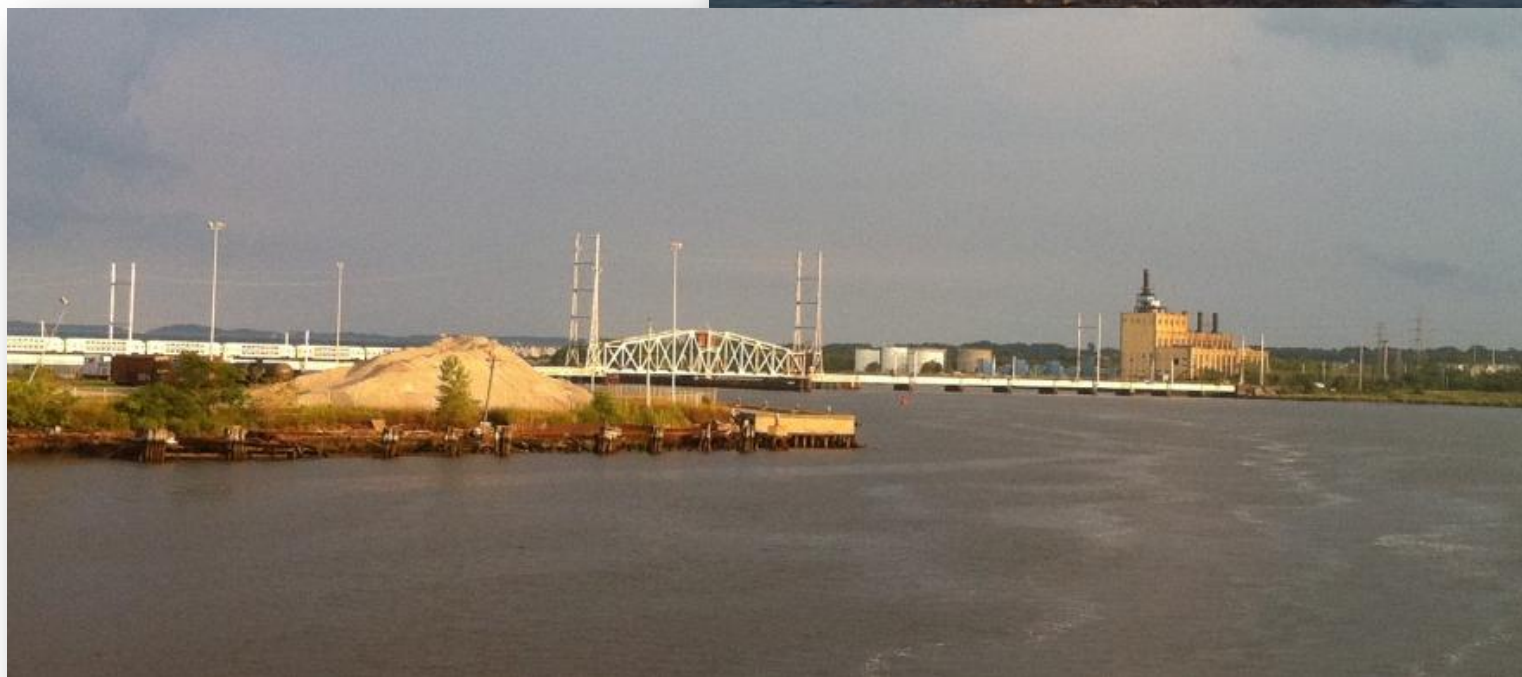
## Perth Amboy Assets: Waterfront

### Regional Economy

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The City's five miles of frontage on Arthur Kill and Raritan Bay creates opportunities for water-dependent commerce, recreation, and transportation.

- Recreational marina and ferry terminal
- Yacht Club
- Deepwater access to Port of New York and New Jersey's five seaports





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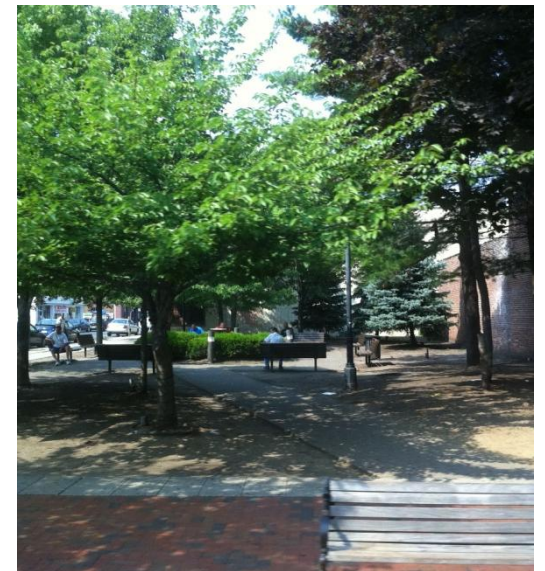
# Perth Amboy Assets: History and Culture

## Regional Economy

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Perth Amboy has a strong sense of place with historic, cultural, and recreational destinations.

- Several major historic landmarks:
  - City Hall is the oldest public building in continuous operation in the Country
  - Proprietary House
  - Kearney Cottage
  - Ferry Slip Museum
  - The Surveyor's General Building
  
- Network of parks and waterfront amenities.



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## Key Findings

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### ■ Opportunities

- The New Jersey economy remains highly ranked for its level of innovation and access to capital.
- New Jersey has one of the most highly skilled and educated workforces in the country.
- Perth Amboy is located close to the nation's largest city in the most densely populated consumer market in the country.
- Perth Amboy has substantial transportation infrastructure with highway access, commuter rail, freight, and a port.

### ■ Challenges

- New Jersey's economic growth rate lagged the national average even before the late-2000s recession.
- New Jersey has higher costs of living than the majority of other states.
- Aging infrastructure.



---

# Demographic Analysis

Comparing Perth Amboy to the region and a competitive set of NJ cities

---

# Overview

## Demographic Analysis

This section analyzes how Perth Amboy compares to the region on key demographic indicators. It highlights the community's assets and challenges based on the following metrics:

**Population:** Total population and growth trends

**Age:** Generational trends, which impact housing, employment, and education

**Income:** Indicates the amenities and types of development the community can support

**Education:** Implications for workforce development

**Race/Ethnicity:** Influences community culture

### *The regional comparison illustrates how Perth Amboy's population compares to:*

- Middlesex County
- State of New Jersey
- Staten Island

Staten Island was included to understand the inter-state relationship and a potential opportunity to capture spending from that market.

### *The competitive set illustrates how Perth Amboy compares to key cities:*

- Elizabeth
- New Brunswick
- Newark
- Long Branch
- Rahway
- Woodbridge
- Sayreville

### *These cities were selected based on:*

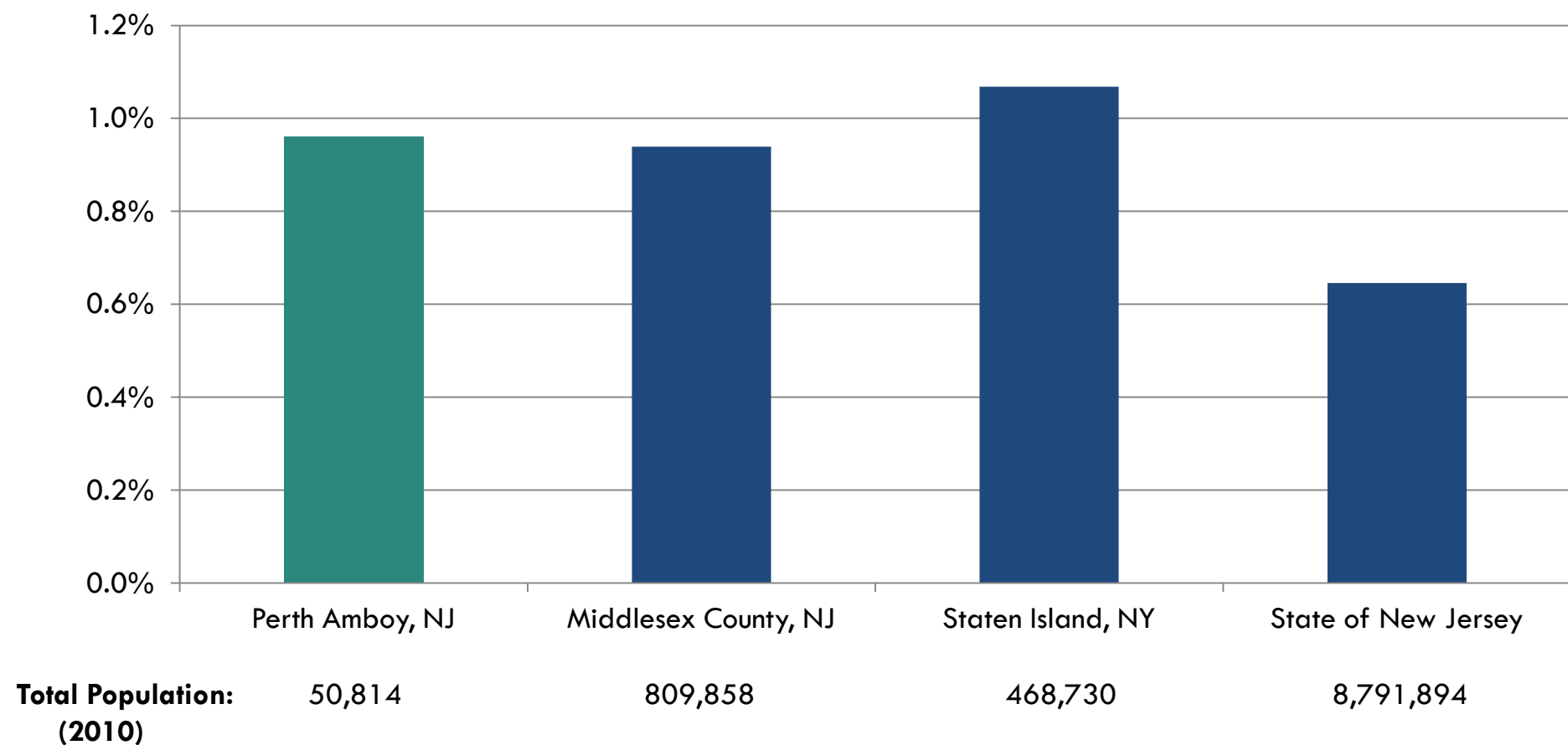
- Location
- Size
- Waterfront Access

# Population

## Demographic Analysis

Perth Amboy's population grew faster than the State's over the past two decades.

**Annualized Population Growth, 1990-2010**



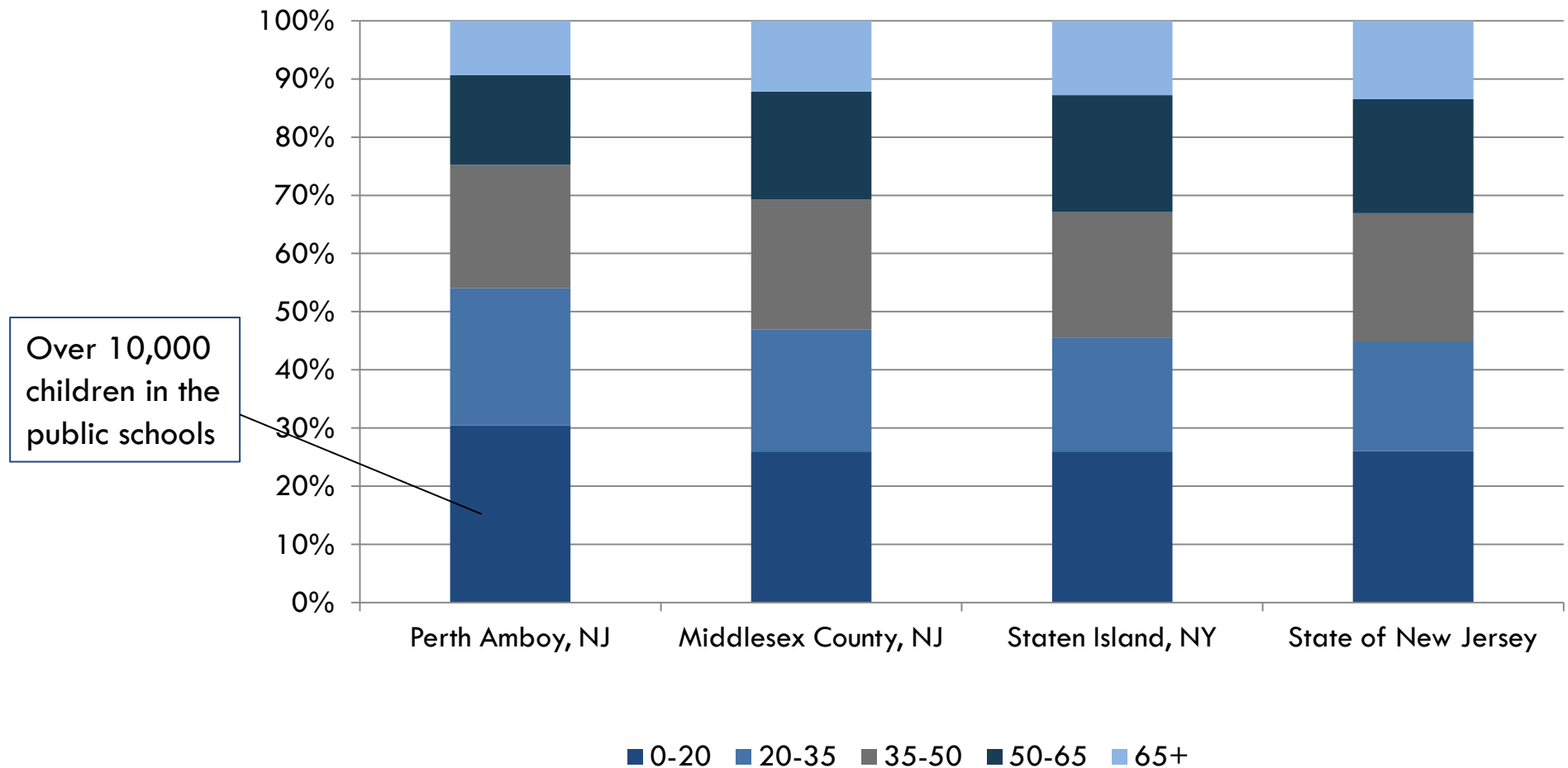
Source: ESRI

# Age

## Demographic Analysis

Perth Amboy has a high concentration of children and young adults relative to the region and the State.

**Population by Age Cohorts, 2010**



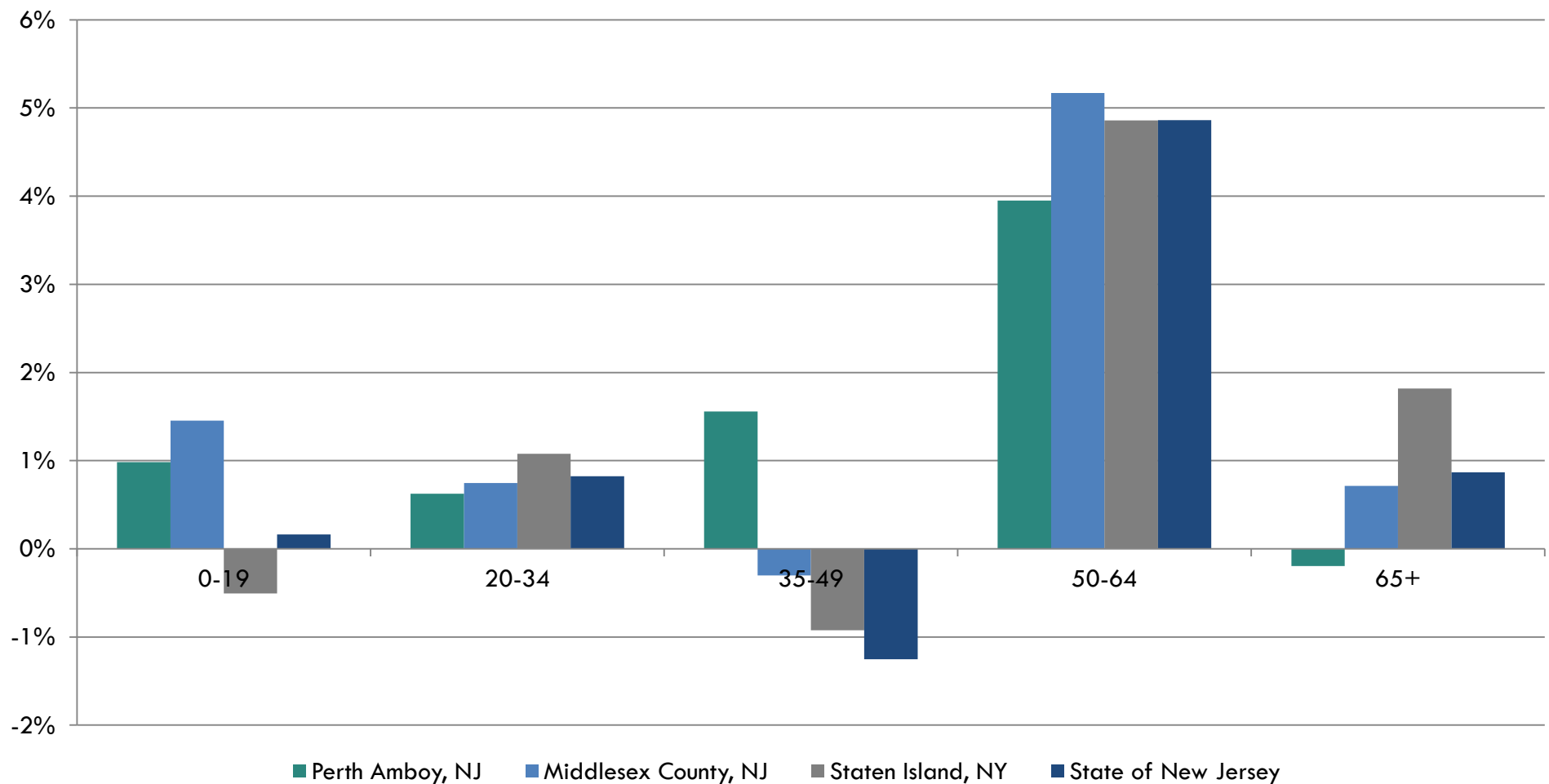
Source: ESRI

# Age

## Demographic Analysis

Perth Amboy's population of 35-50 year olds grew, despite overall Statewide and regional declines.

**Percentage Change in Population by Age Cohort, 2000-2010**



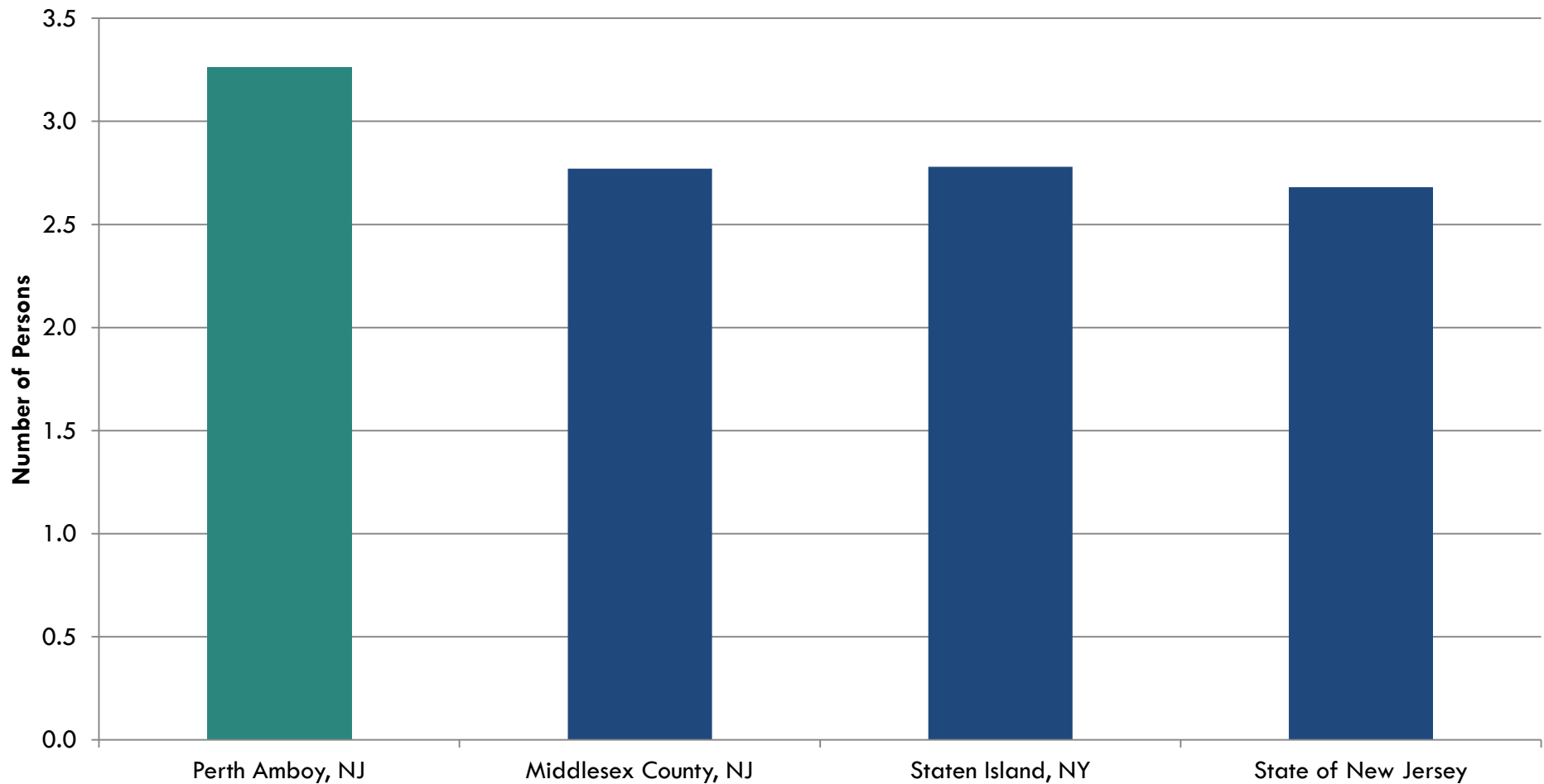
Source: ESRI

# Household Size

## Demographic Analysis

The average household size of 3.3 is higher than regional and statewide averages of less than 3.0.

**Average Household Size, 2010**



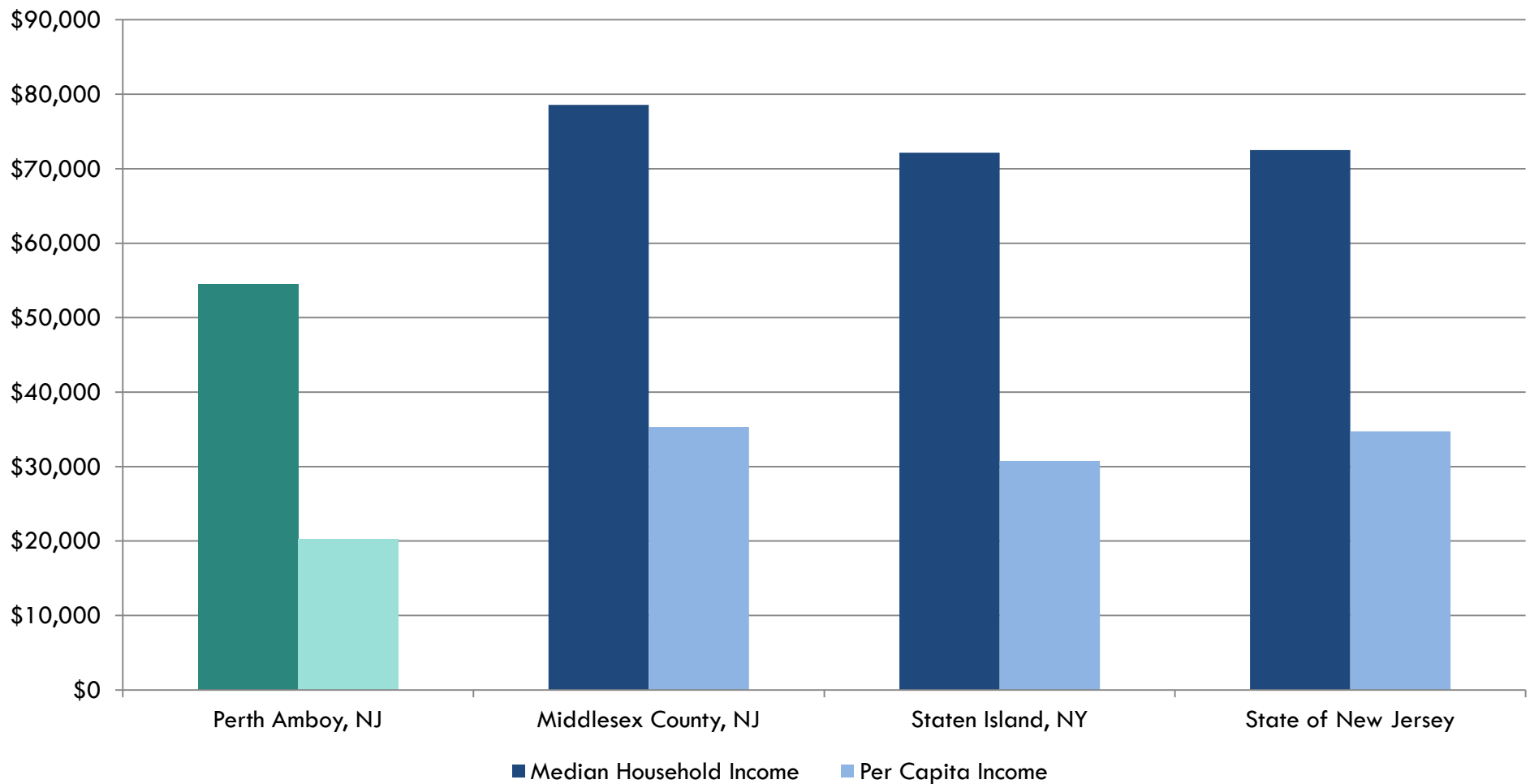
Source: ESRI

# Income

## Demographic Analysis

Perth Amboy's median household income is 25% below the State average, while per capita income is 42% below the State average.

**Comparison of Income, 2010**



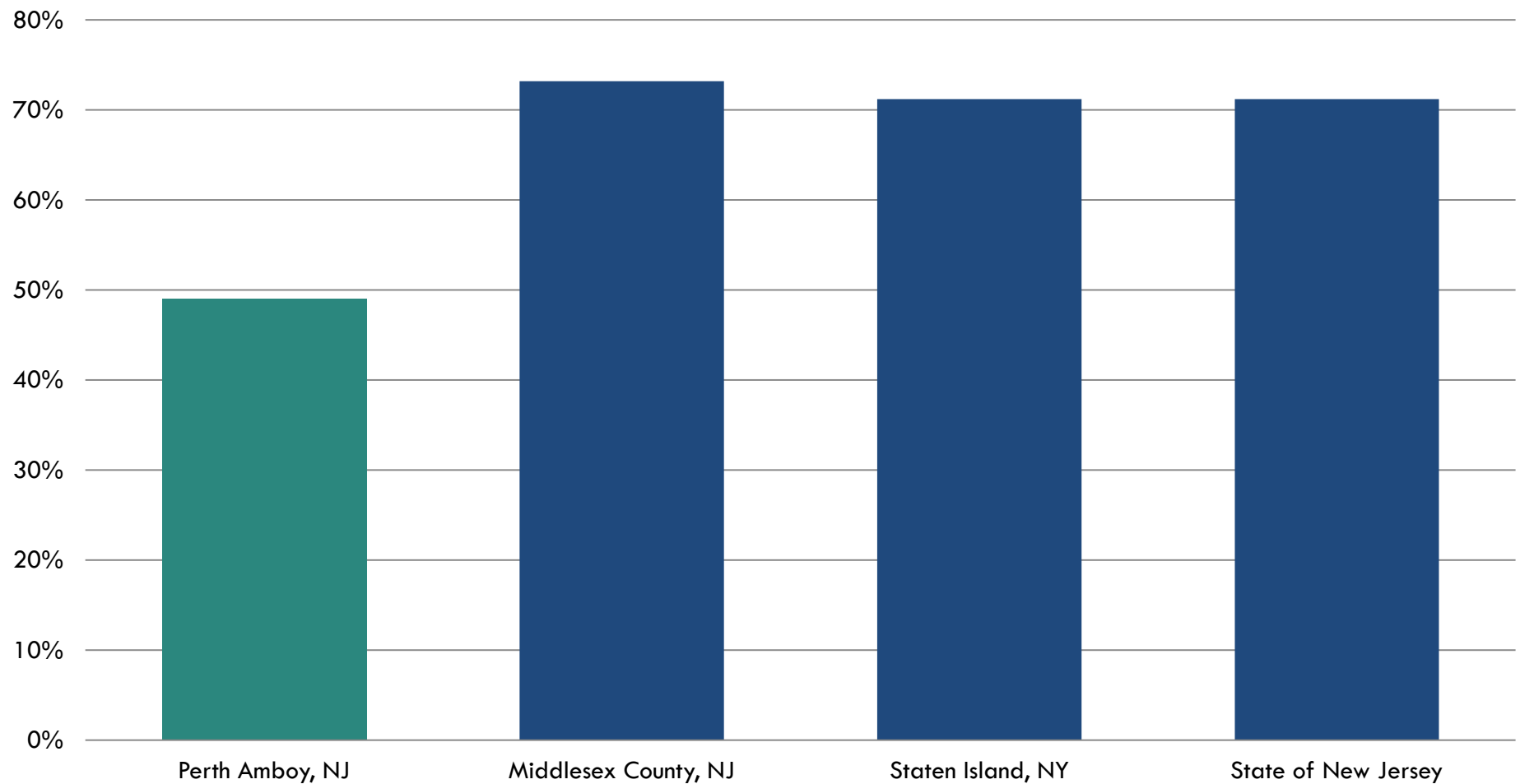
Source: ESRI

# Education

## Demographic Analysis

Less than half of Perth Amboy residents have a high school diploma, compared to over 70% in the overall region.

**Percentage of Population 25+ with a High School Diploma or Higher, 2010**



Source: ESRI

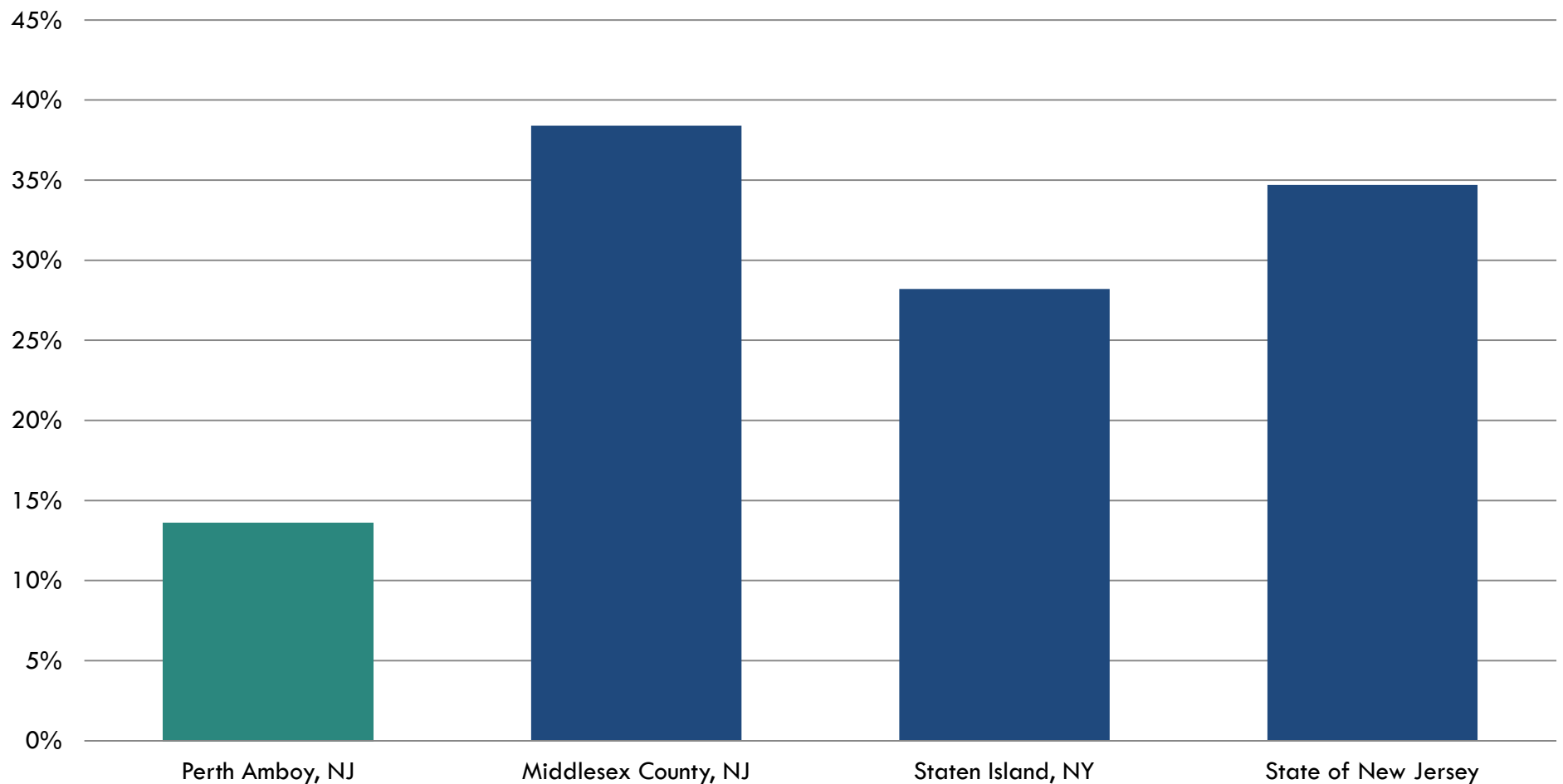


# Education

## Demographic Analysis

The gap in educational attainment is even greater when considering the percentage of the population with bachelor's degrees.

**Percentage of Population 25+ with a Bachelor's Degree or Higher, 2010**



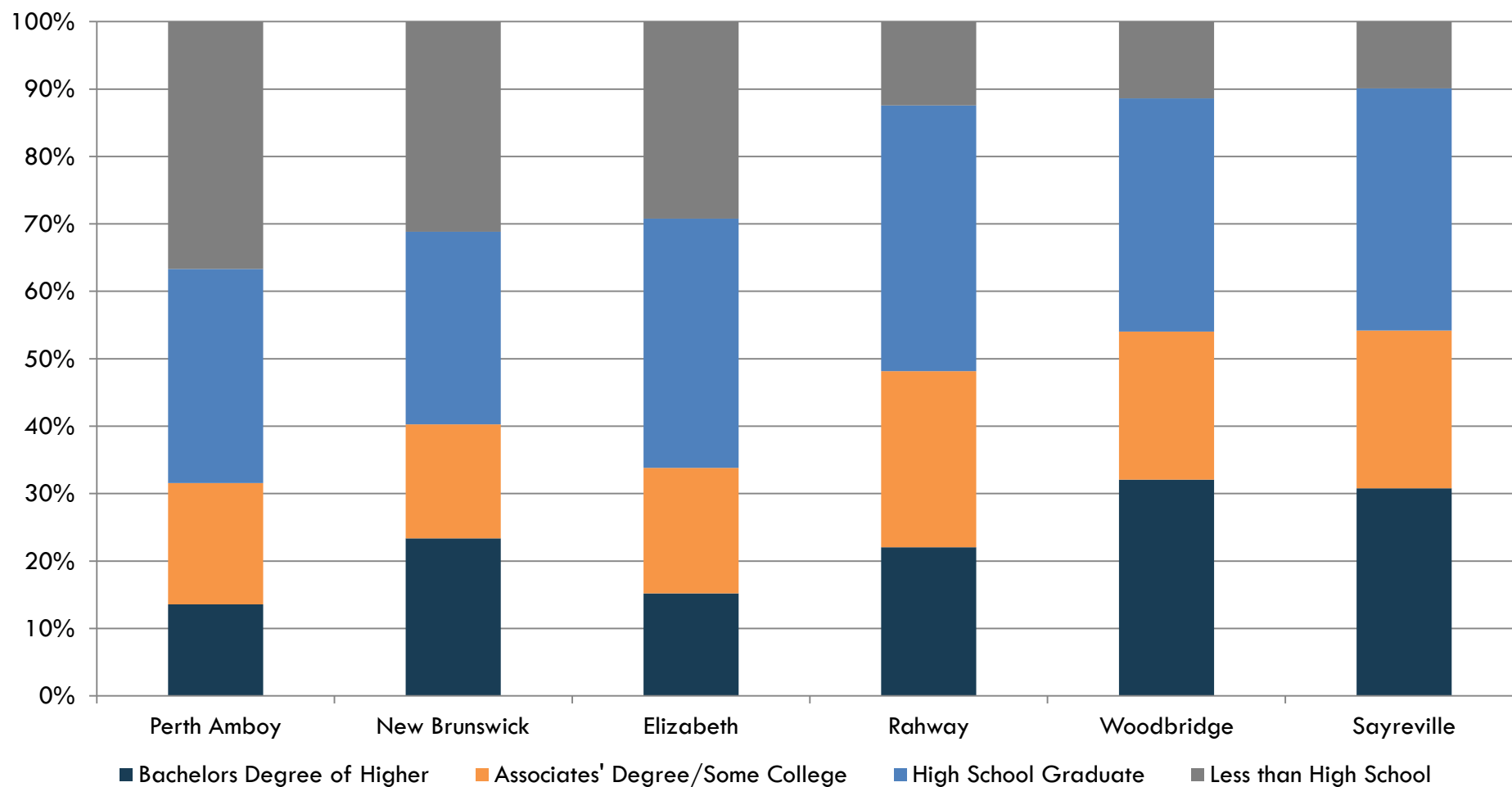
Source: ESRI

# Workforce

## Demographic Analysis

Perth Amboy's labor market has lower educational outcomes than competing towns.

**Educational Attainment, Population 25+, 2010**

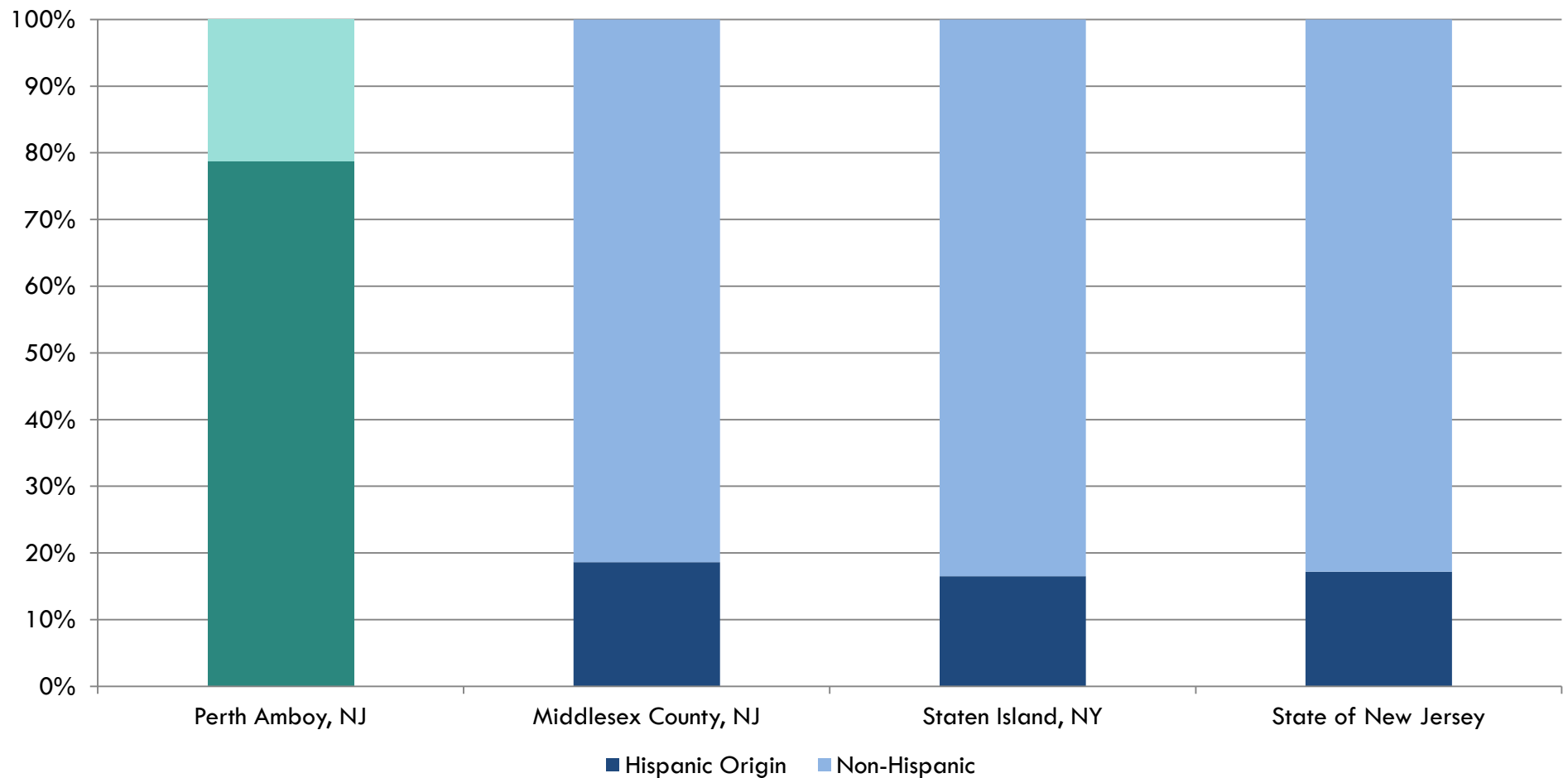


# Ethnicity

## Demographic Analysis

Perth Amboy's residents are overwhelmingly Hispanic – nearly 80% compared to less than 20% across the region and State.

**Population by Background, 2010**



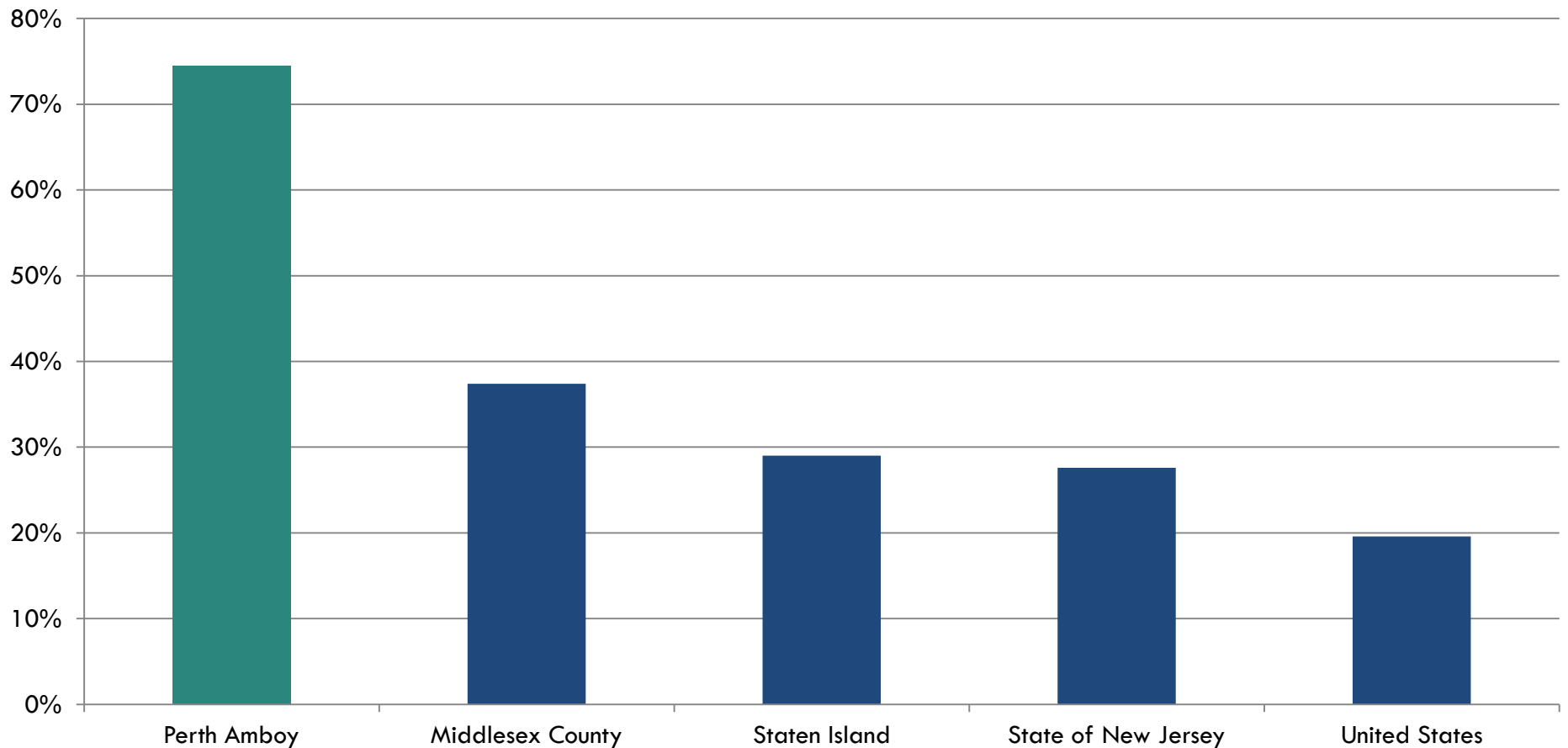
Source: ESRI

# Language

## Demographic Analysis

Similarly, nearly three quarters of Perth Amboy residents speak a language other than English at home compared to less than 40% across the region.

**Percentage of Population Speaking a Language  
Other than English at Home, 2009**

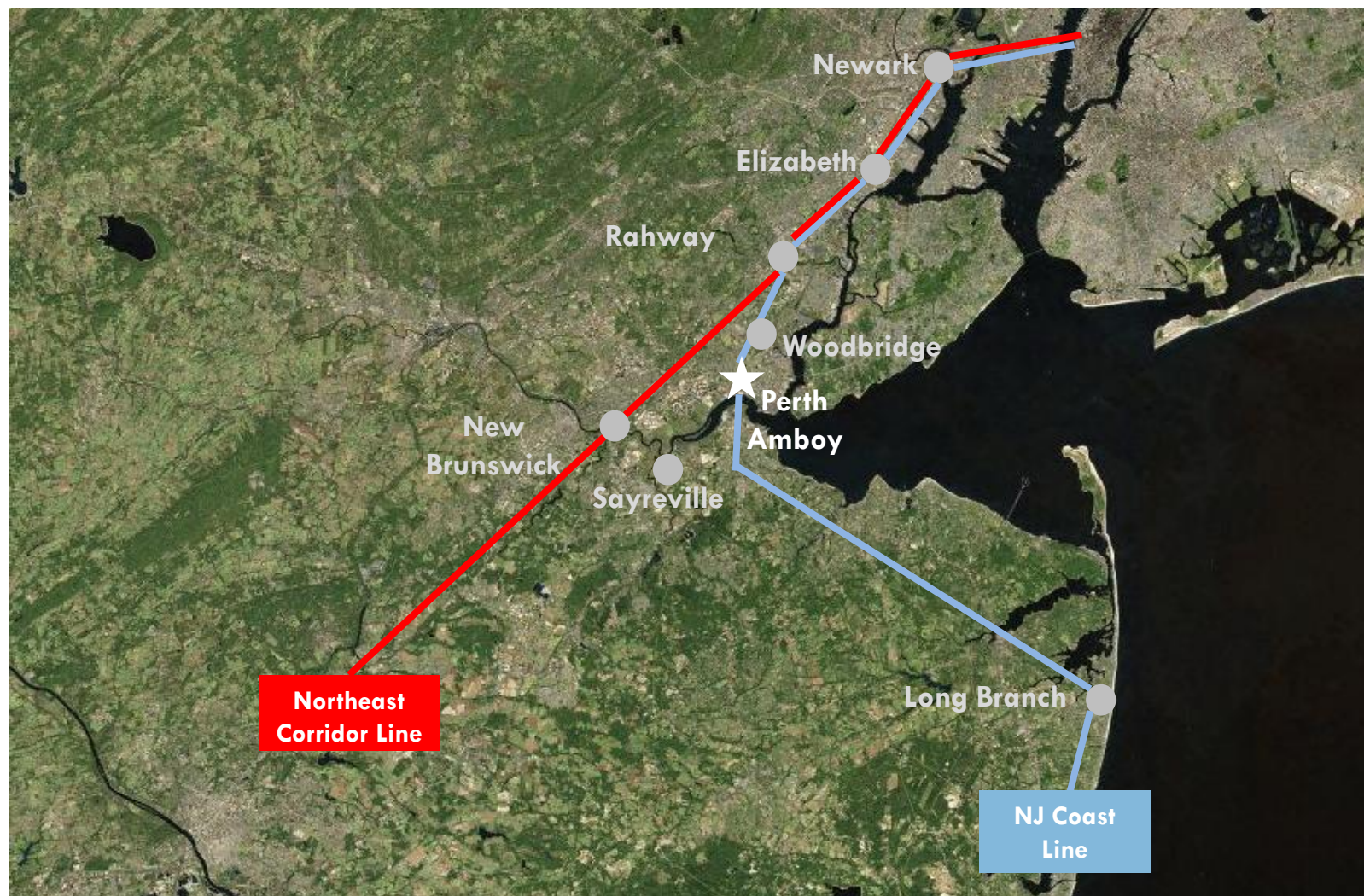


Source: American Community Survey

## Comparative Set

### Demographic Analysis

This section compares Perth Amboy to peer communities in Northern New Jersey identified below.



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## Comparative Set

### Demographic Analysis

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Perth Amboy is significantly smaller than the other major port cities of Newark and Elizabeth in both population and land area. It is most similar to New Brunswick in terms of overall population and area, but has a slightly lower population density. In contrast, it is significantly more dense than its immediate neighbor Woodbridge.

City	Population	Sq. Mi	Population Density (per square mile)
Newark	277,140	26.1	10,612
New Brunswick	55,181	5.8	9,527
Elizabeth	124,969	13.5	9,276
<b>Perth Amboy</b>	<b>50,814</b>	<b>6.0</b>	<b>8,526</b>
Rahway	27,346	4.0	6,786
Long Branch	30,719	6.3	4,887
Woodbridge	99,585	24.5	4,065
Sayreville	42,624	18.7	2,278

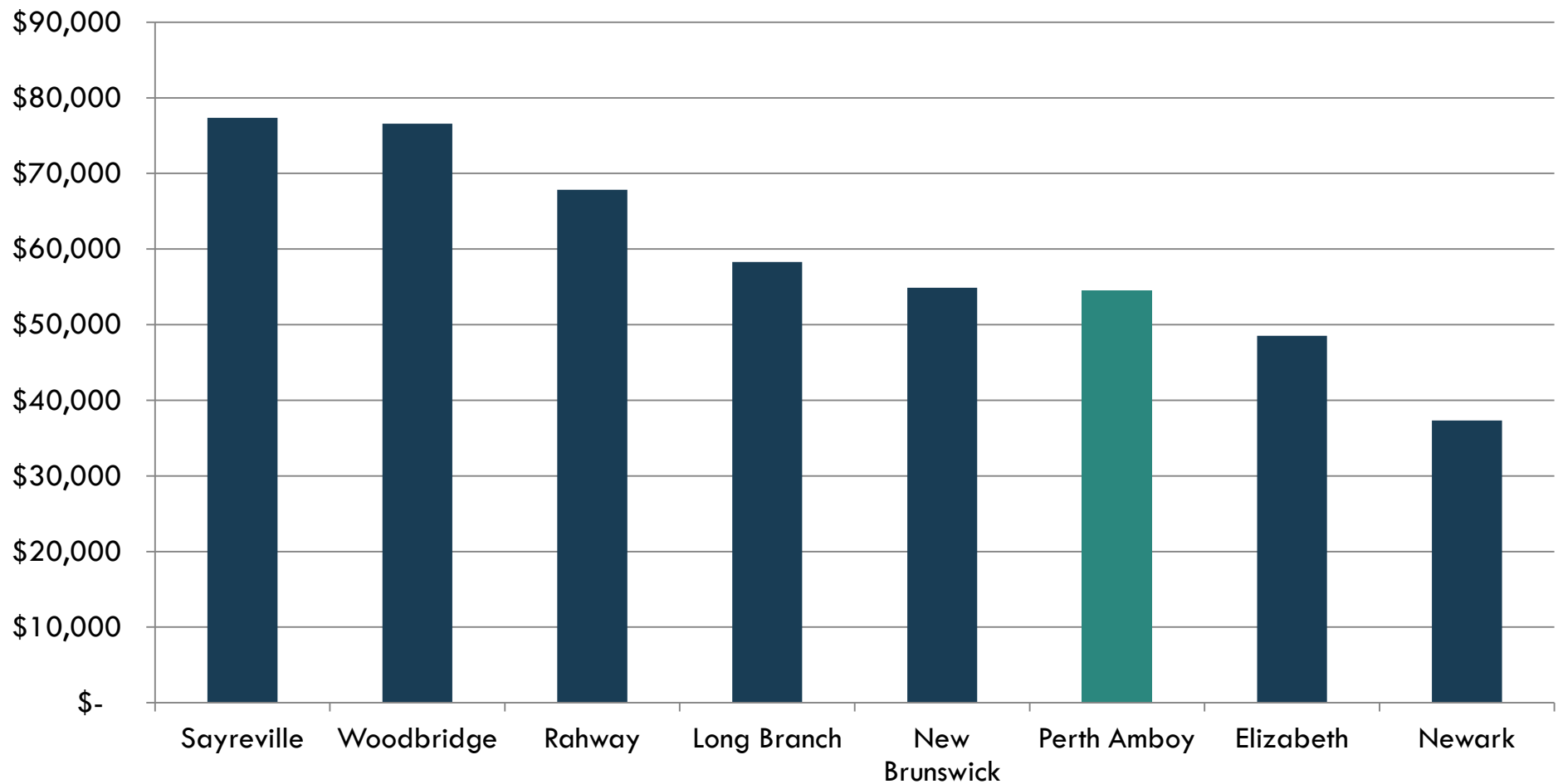
Source: US Census, Longitudinal Employment-Household Dynamics

# Comparison Set

## Demographic Analysis

Perth Amboy's median household income is 30% lower than in neighboring Woodbridge and slightly lower than New Brunswick.

**Median Household Income, 2010**



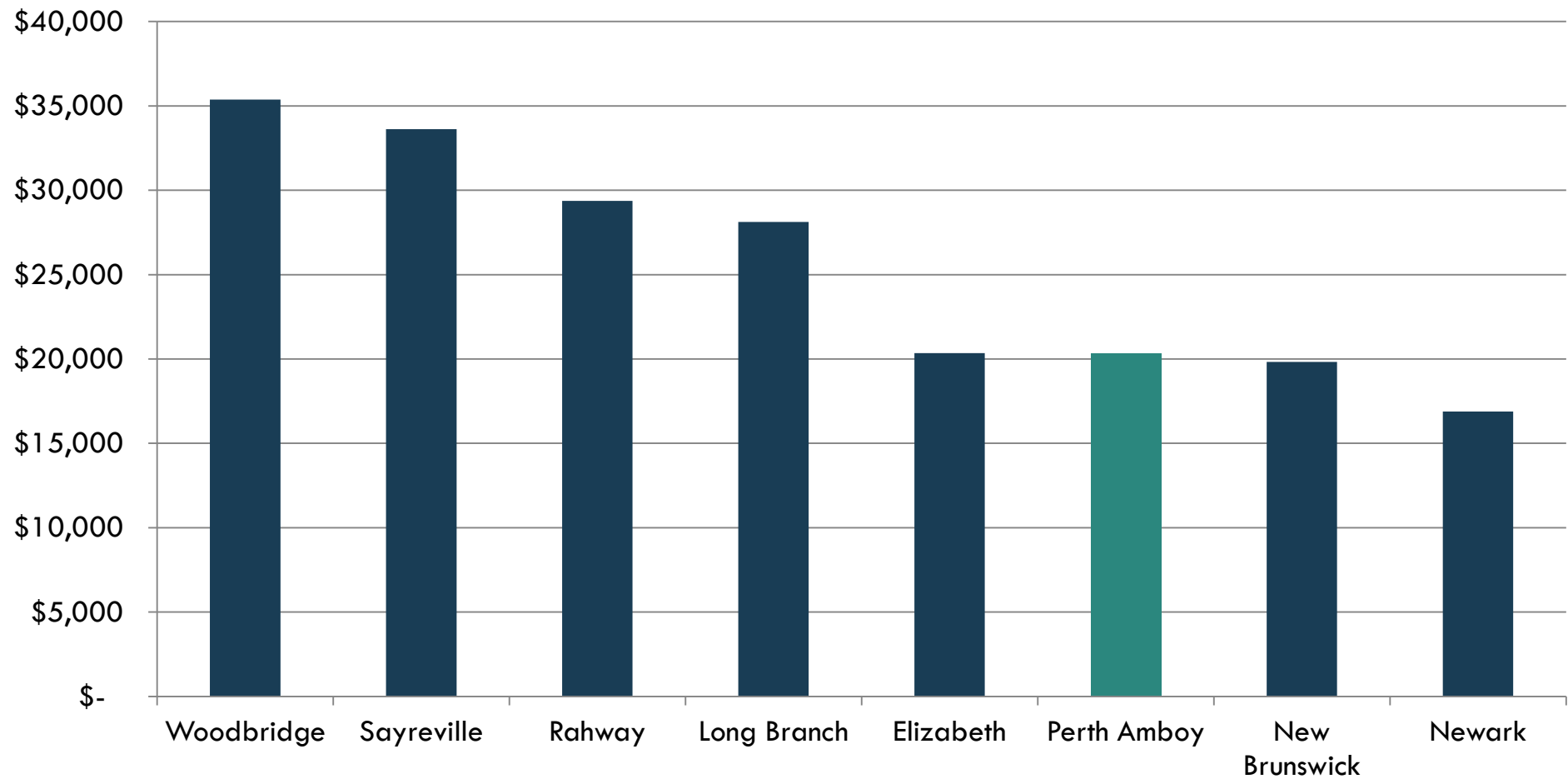
Source: ESRI

## Comparison cities

### Demographic Analysis

On a per capita basis, however, income is slightly higher than in New Brunswick.

**Per Capita Income, 2010**



Source: ESRI

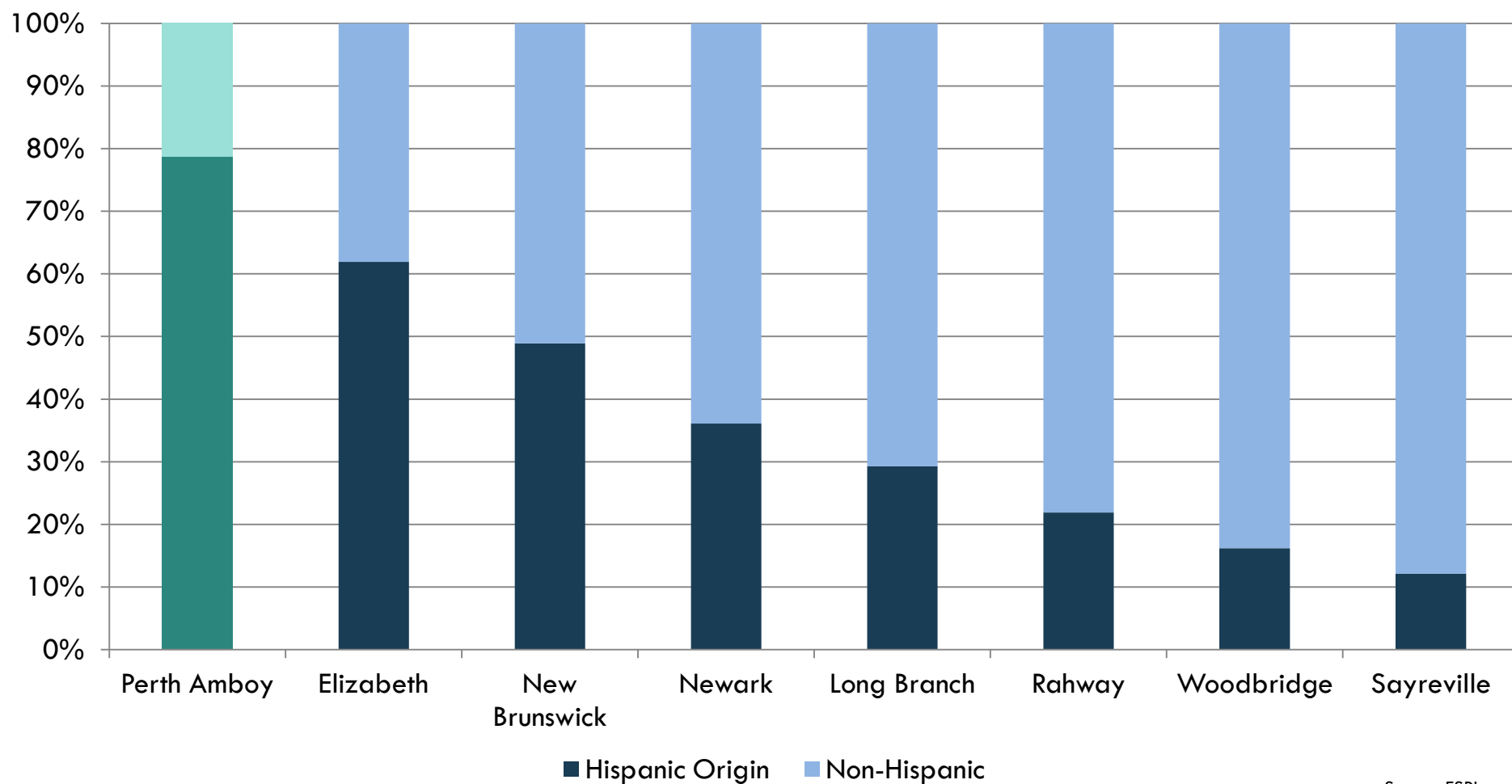


## Peer Cities

### Demographic Analysis

Perth Amboy has the highest concentration of Hispanic residents among comparable cities.

**Hispanic Population, 2010**



Source: ESRI

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## Key Findings

### Demographic Analysis

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#### ■ Opportunities

- Population growth supports demand for new residential development at the right price point and household configuration.
- The City has an enormous Hispanic base. As this demographic continues to grow nationally, the City could be uniquely positioned as a center of Hispanic culture and commerce.
- The City’s relatively small size enables it to maintain a strong sense of community and “small town feel.”

#### ■ Challenges

- Regional perception of the City as having high crime and lack of knowledge about City’s assets deter visitors.
- Low household and per capita incomes combined with low education levels dissuade national retail and commercial businesses.

---

# Economic Analysis

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# Overview

## Economic Analysis

This section compares Perth Amboy's performance on key economic indicators to the regional economy and competitive cities by analyzing several aspects of the local economy:

**Employment:** Number of jobs and growth opportunities

**Commuting trends:** Compares workers and residents

**Major industries:** Identifies the City's strong industries and opportunities for future growth

**Institutions:** Evaluates leadership for economic growth

**Retail sales:** Measures retail market performance

*The regional comparison illustrates how Perth Amboy's population compares to:*

- State of New Jersey
- United States

New Jersey was included to identify local strengths and weaknesses, while national trends provide broader comparison.

*For the economic analysis, the competitive set illustrates how Perth Amboy compares to area communities:*

- Woodbridge
- New Brunswick
- Elizabeth
- Rahway
- Sayreville

*These cities were selected based on:*

- Proximity to Perth Amboy
- Waterfront location
- Industry mix

# Largest Industries

## Economic Analysis

Three sectors – education, healthcare, and manufacturing – comprise nearly 40% of total employment.

Sector	Perth Amboy Jobs	Percentage
Educational Services	1,683	15%
Health Care and Social Assistance	1,613	14%
Manufacturing	1,119	10%
Retail Trade	993	9%
Administration & Support, Waste Management and Remediation	929	8%
Wholesale Trade	911	8%
Professional, Scientific, and Technical Services	735	6%
Accommodation and Food Services	612	5%
Transportation and Warehousing	576	5%
Public Administration	546	5%
Construction	373	3%
Finance and Insurance	370	3%
Information	232	2%
Real Estate and Rental and Leasing	169	2%
Other	667	6%
<b>Total</b>	<b>11,528</b>	<b>100%</b>

Source: Longitudinal Household Employment Dynamics

## Key Sectors

### Economic Analysis

The City had minimal job loss between 2002-2009, and several industries, including the generally well-paying professional services, demonstrated significant gains.

Sector	Job Change, 2002-2009	Percentage Change, 2002-2009
Professional, Scientific, and Technical Services	439	148%
Wholesale Trade	296	48%
Administration & Support, Waste Management and Remediation	239	35%
Transportation and Warehousing	230	66%
Accommodation and Food Services	188	44%
Educational Services	154	10%
Finance and Insurance	116	46%
Information	100	76%
Real Estate and Rental and Leasing	79	88%
Construction	-31	-8%
Public Administration	-68	-11%
Retail Trade	-200	-17%
Manufacturing	-481	-30%
Health Care and Social Assistance	-1,142	-41%
<b>Total</b>	<b>(80)</b>	<b>-0.6%</b>

Source: Longitudinal Household Employment Dynamics

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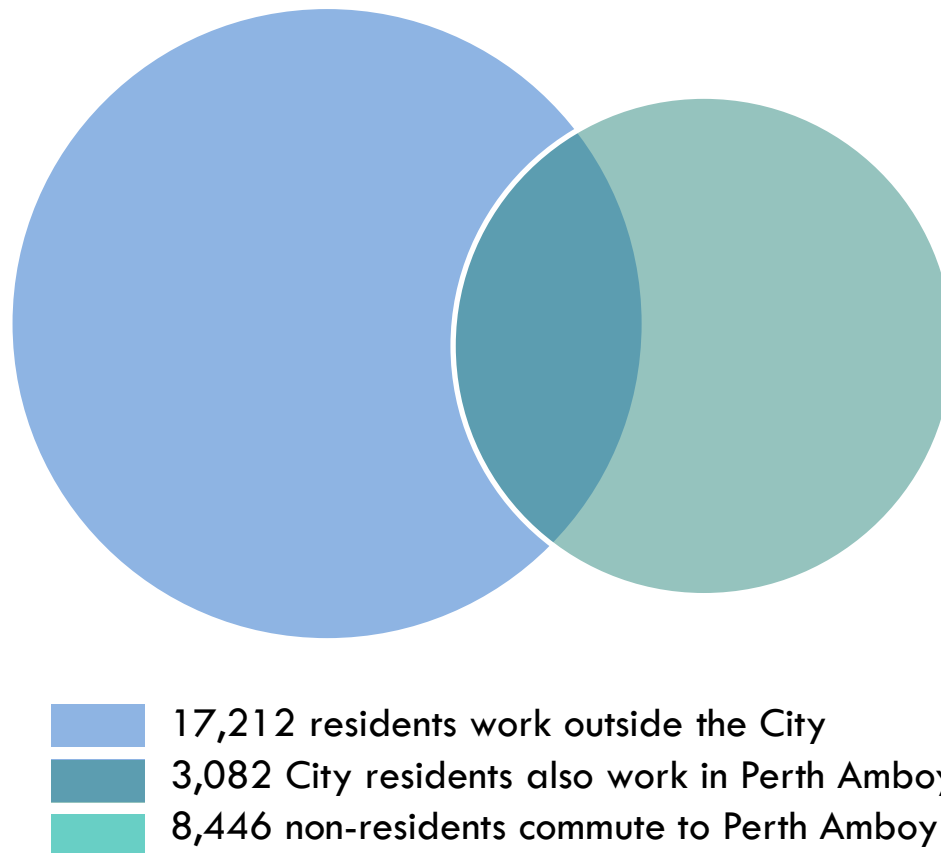
# Commuting Trends

## Economic Analysis

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Perth Amboy has a significant out-migration of residents to jobs. The number of residents who work outside the City is five times the number of residents who work in the City.

Place of Work by Residence, 2009



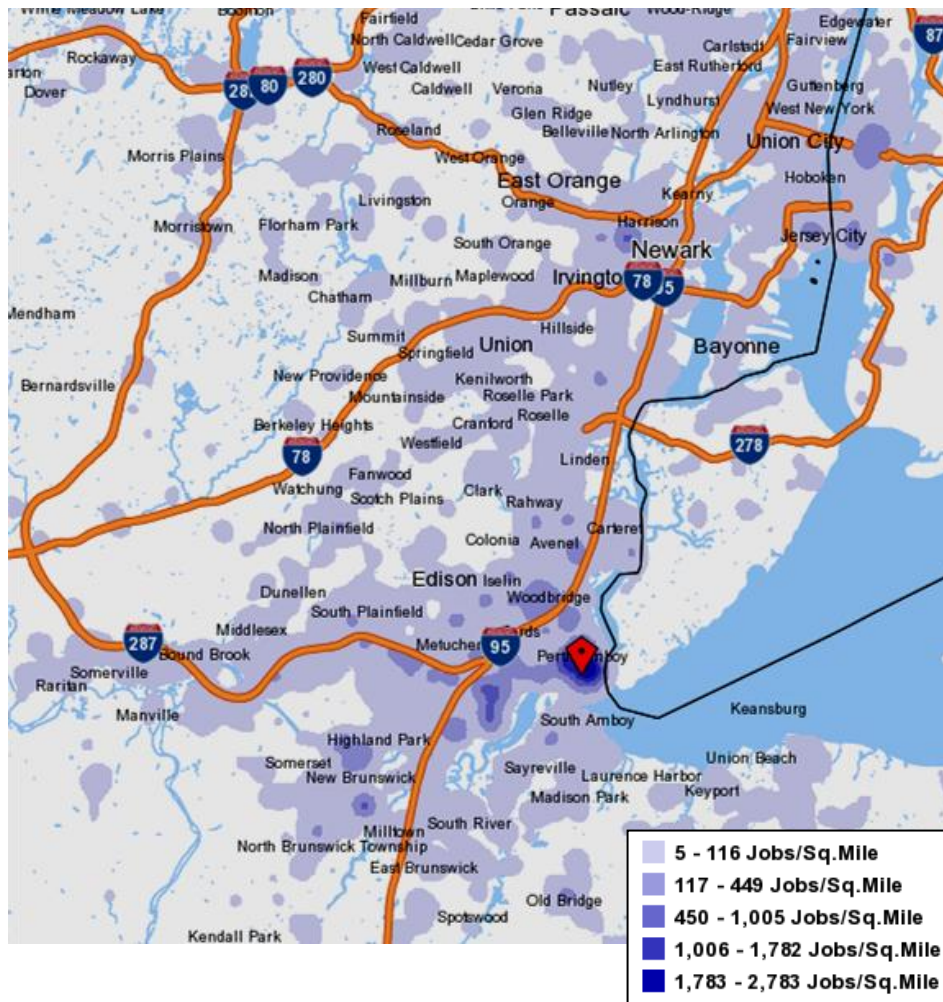
Source: Longitudinal Household Employment Dynamics

# Commuting Trends

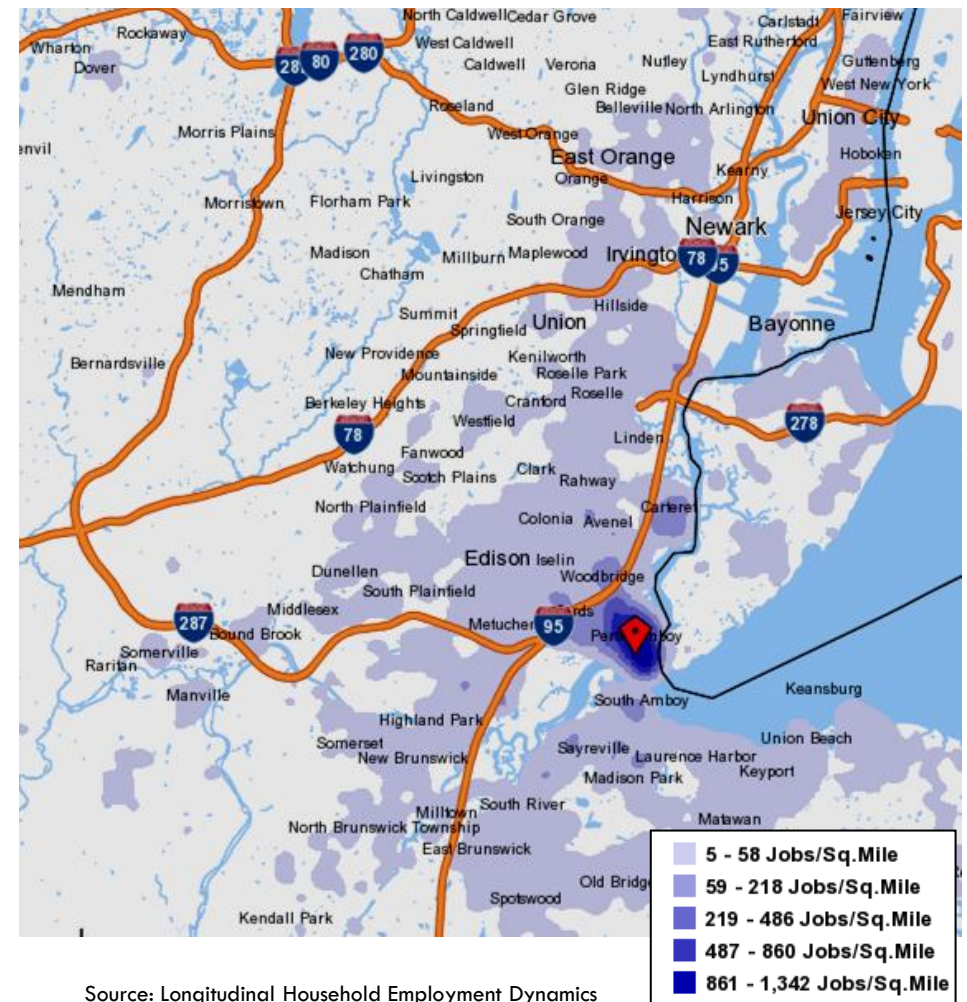
## Economic Analysis

The places of work for Perth Amboy residents outside of the City are more broadly distributed geographically than the places of residence of people who work in Perth Amboy.

**Place of Work, Perth Amboy Residents (2009)**



**Place of Residence, Perth Amboy Workers (2009)**



Source: Longitudinal Household Employment Dynamics

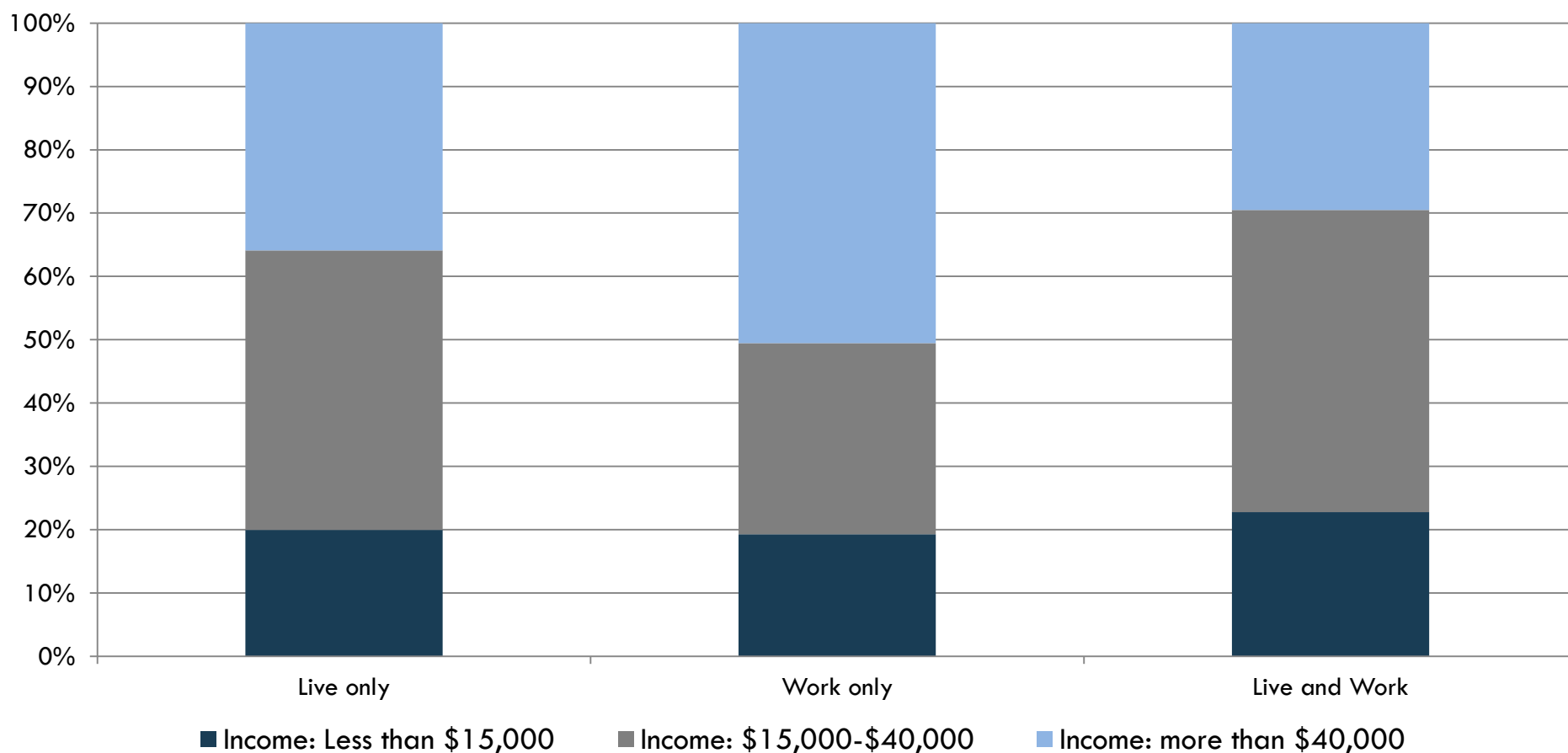


# Commuting Trends

## Economic Analysis

A higher percentage of people who work in Perth Amboy but live elsewhere make more than \$40,000 than people who live in Perth Amboy.

**Perth Amboy Residents and Workers by Income, 2009**



Source: Longitudinal Household Employment Dynamics

---

## Key Sectors

### Economic Analysis

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HR&A conducted a location quotient analysis to identify Perth Amboy's high-employment industries related to state and national trends.

- The location quotient (LQ) compares an industry's share of employment at the local level to the industry's share of employment at a state level.
- A  $LQ > 1$  means that the industry has a higher proportionate share of local employment and suggests that the industry is "exporting" services to other parts of the state.

# Key Sectors

## Economic Analysis

Compared to the State and country, the City's strongest industries are concentrated in Transportation, Manufacturing, and Support Services.

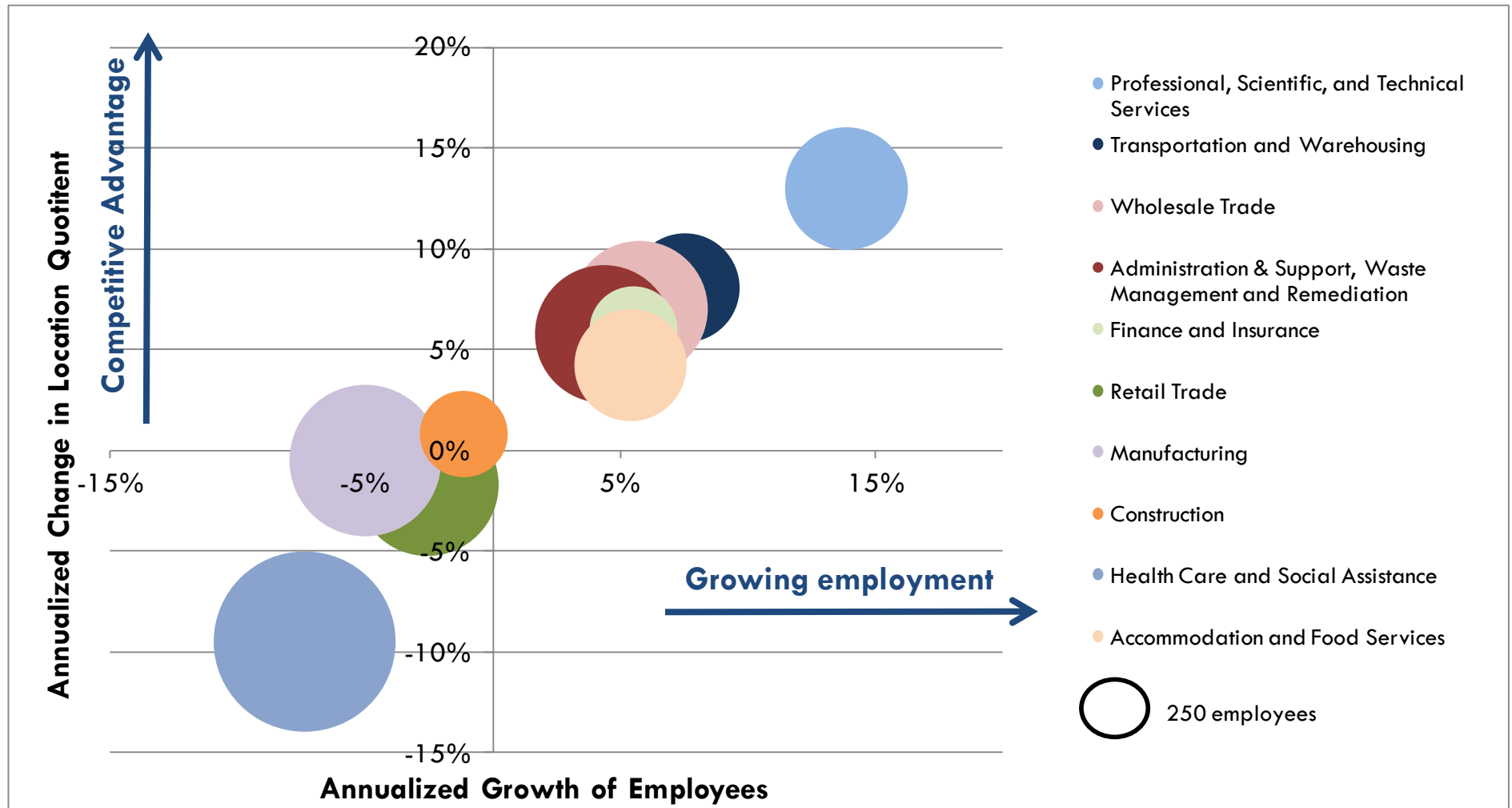
Sector	Location Quotient, New Jersey Base, 2009	Location Quotient, U.S. Base, 2009
<b>Transportation and Warehousing</b>	<b>1.1</b>	<b>5.9</b>
<b>Manufacturing</b>	<b>1.3</b>	<b>3.3</b>
Retail Trade	0.8	2.1
<b>Administration &amp; Support, Waste Management and Remediation</b>	<b>1.5</b>	<b>2.0</b>
<b>Educational Services</b>	<b>1.4</b>	<b>1.6</b>
Health Care and Social Assistance	1.0	1.1
Professional, Scientific, and Technical Services	0.8	1.0
Public Administration	1.0	1.0
Information	0.8	0.9
Real Estate and Rental and Leasing	0.9	0.8
Accommodation and Food Services	0.8	0.8
<b>Wholesale Trade</b>	<b>1.25</b>	<b>0.7</b>
Finance and Insurance	0.6	0.7
Construction	0.9	0.3

Source: Longitudinal Employment Household Dynamics

# Trends in Key Sectors, 2006-2009

## Economic Analysis

Compared to New Jersey, Perth Amboy gained comparative advantage in Wholesale Trade, Administrative Support, and Transportation and Accommodation/Food.



Source: Longitudinal Employment Household Dynamics

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## Largest Employers

### Economic Analysis

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Perth Amboy's major employers are concentrated in the medical and industrial sectors.



**1,478 jobs**



**546 jobs**



**250 jobs**



**154 jobs**



**147 jobs**



**129 jobs**

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Source: The City of Perth Amboy

# Comparative Set

## Economic Analysis

HR&A compared Perth Amboy's job market to peer cities based on population, location, and accessibility.

City	Size (Sq. Mi.)	Resident Population	Key Assets	
New Brunswick	5.8	55,181	<ul style="list-style-type: none"><li>• J&amp;J</li><li>• Rutgers</li><li>• UMDNJ and hospitals</li></ul>	<ul style="list-style-type: none"><li>• Northeast Corridor rail</li><li>• UEZ/UTHTC</li><li>• County seat</li></ul>
Elizabeth	13.5	124,969	<ul style="list-style-type: none"><li>• Port of NY&amp;NJ</li><li>• Turnpike access</li><li>• Jersey Gardens/IKEA</li></ul>	<ul style="list-style-type: none"><li>• Northeast Corridor rail</li><li>• UEZ/UTHTC</li></ul>
Woodbridge	3.9	99,585	<ul style="list-style-type: none"><li>• Access to multiple highways</li><li>• NJ Coast line rail</li></ul>	<ul style="list-style-type: none"><li>• Woodbridge Mall</li><li>• Destination retail</li></ul>
Rahway	4.0	27,346	<ul style="list-style-type: none"><li>• Merck facility</li><li>• Northeast Corridor Rail</li></ul>	<ul style="list-style-type: none"><li>• New Transit-oriented residential development</li></ul>
<b>Perth Amboy</b>	<b>6.0</b>	<b>50,814</b>	<ul style="list-style-type: none"><li>• <b>Medical Center</b></li><li>• <b>UEZ</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Redevelopment Areas</b></li></ul>
Sayreville	18.7	42,624	<ul style="list-style-type: none"><li>• Parkway access</li></ul>	<ul style="list-style-type: none"><li>• Large redevelopment sites</li></ul>

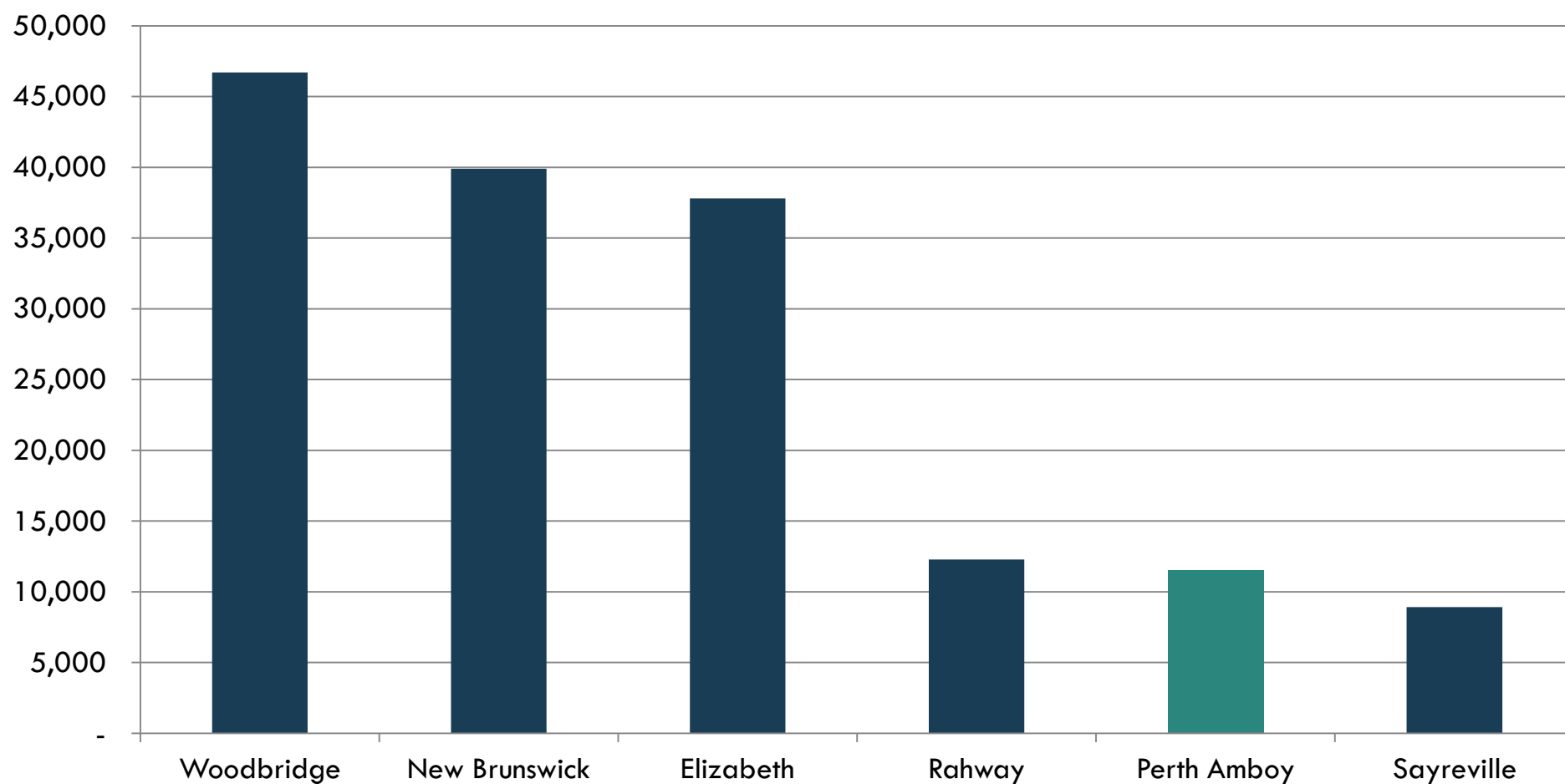
Source: Longitudinal Employment Household Dynamics, US Census

# Comparative Set

## Economic Analysis

The number of jobs in Perth Amboy is lower than in comparable municipalities.

**Total Employment by City, 2009**



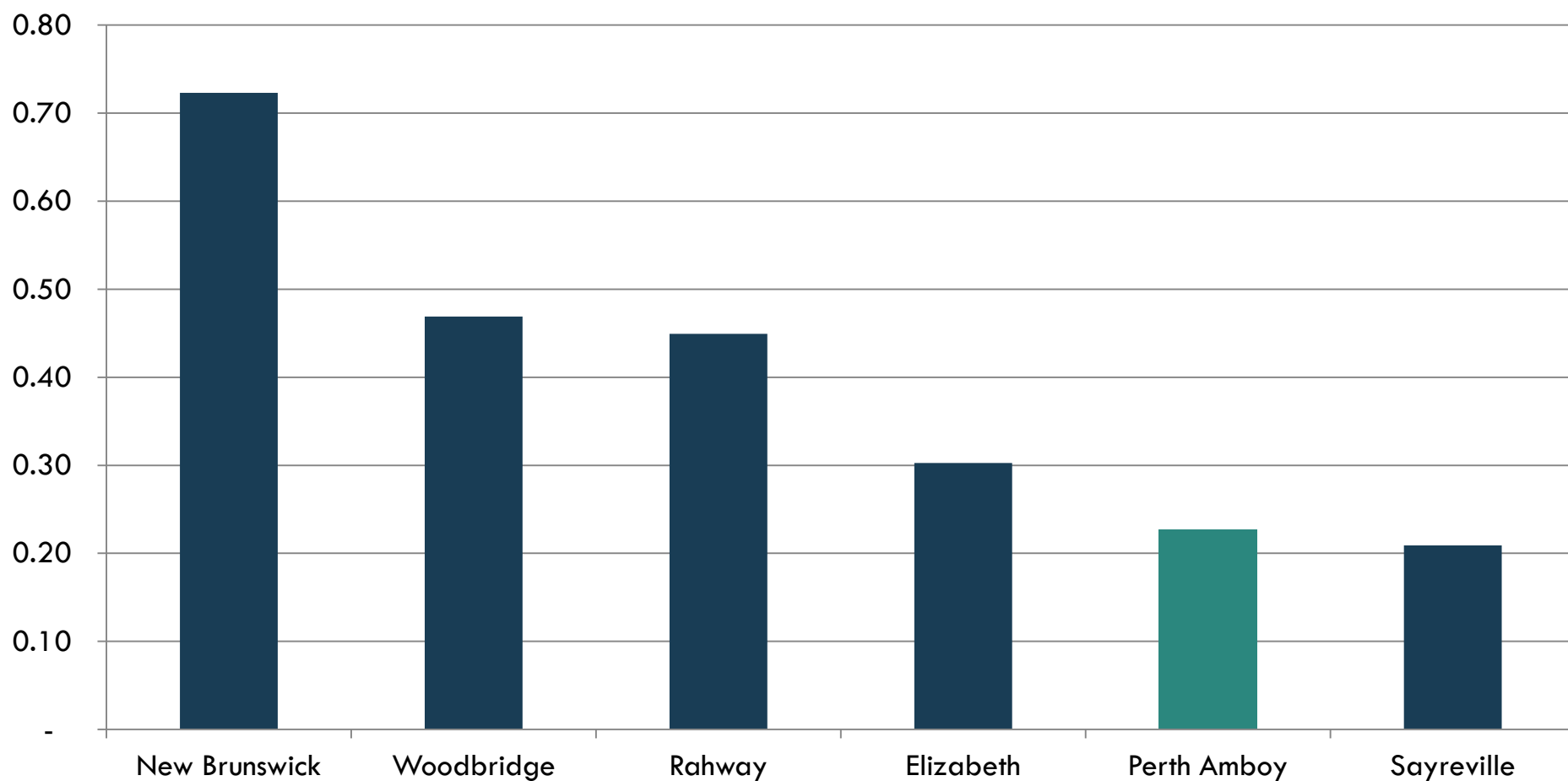
Source: Longitudinal Employment Household Dynamics

# Comparative Set

## Economic Analysis

Perth Amboy also has fewer jobs per resident than comparable communities.

**Jobs per Resident, 2009**



Source: Longitudinal Employment Household Dynamics, US Census

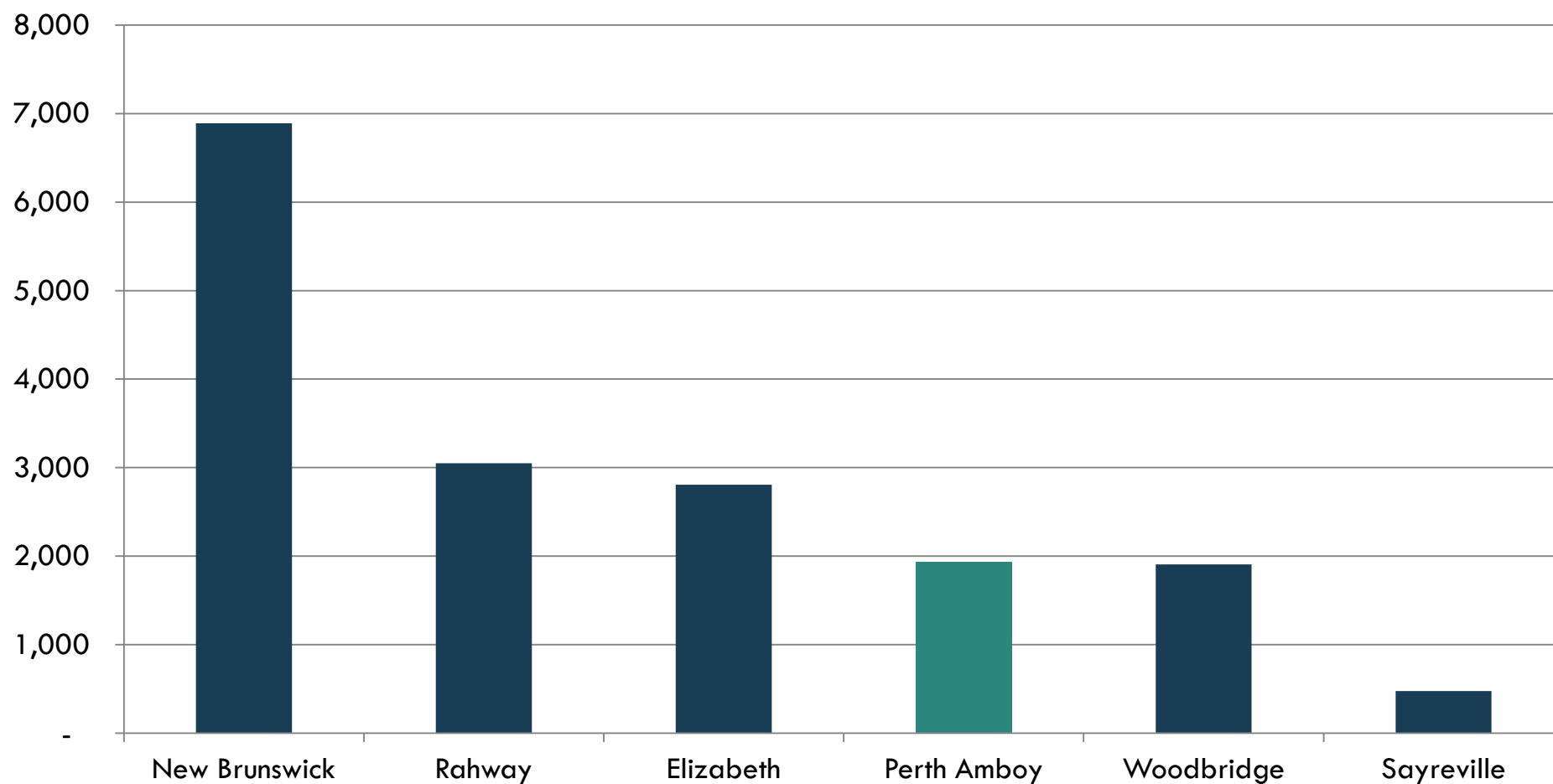


# Comparative Set

## Economic Analysis

Perth Amboy's employment density is closer to the residential Woodbridge than to nearby urban and employment hubs.

**Jobs per Square Mile, 2009**



Source: Longitudinal Employment Household Dynamics

# Institutions

## Economic Analysis

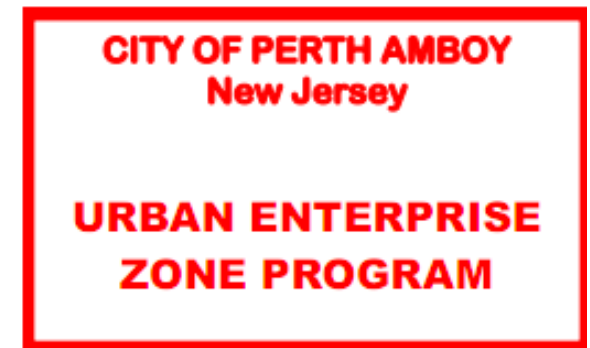
Perth Amboy's government provides a number of support services to businesses.

### ▪ Urban Enterprise Zone (UEZ):

- 3.5% retail sales tax compared with 7% statewide.
- 100% sales tax exemption for businesses.
- Tax credits for hiring and corporate business taxes.
- \$19 Million reinvestment in the public realm over the past 15 years.

### ▪ Business Improvement District (BID)

- Offers programming and public realm improvements to energize and market downtown Perth Amboy.
- Major events: Taste of Perth Amboy annual food festival, First Fridays summer art and cultural events, bi-weekly membership meetings.



2<sup>nd</sup> Annual  
Taste of  
Perth Amboy

Source: The City of Perth Amboy

---

## Institutions

### Economic Analysis

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Recognizing that coordinated outreach to current and future businesses would be more effective, the Mayor reorganized the community and economic development divisions under a single director.



# Institutions

## Economic Analysis

Perth Amboy and New Brunswick are the only communities with both City and Development Corporation functions. Perth Amboy, however, is the only community to have all functions report to a single executive.

City	Economic Development Agency	Consolidated City Departments for Economic Development	UEZ	City-Designated Nonprofit Development Corporation
Elizabeth	Department of Planning and Community Development		✓	Elizabeth Development Company (EDC)
New Brunswick	Department of Planning, Community, and Economic Development	✓	✓	New Brunswick Development Corporation (Devco)
Woodbridge		✓		Woodbridge Economic Development Corporation (WEDCO)
Perth Amboy	Office of Economic/Community Development	✓	✓	Perth Amboy Redevelopment Authority (PARA)
Rahway	Department of Building, Planning, and Economic Development	✓		
Sayreville	Economic Redevelopment Agency	✓		

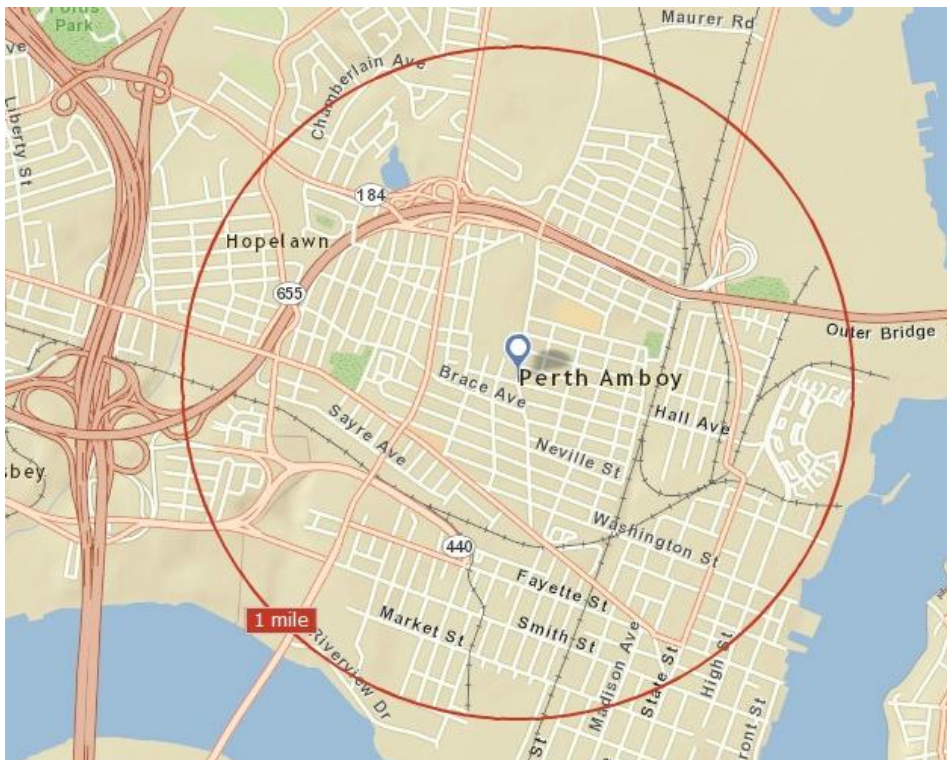


# Retail Market Potential

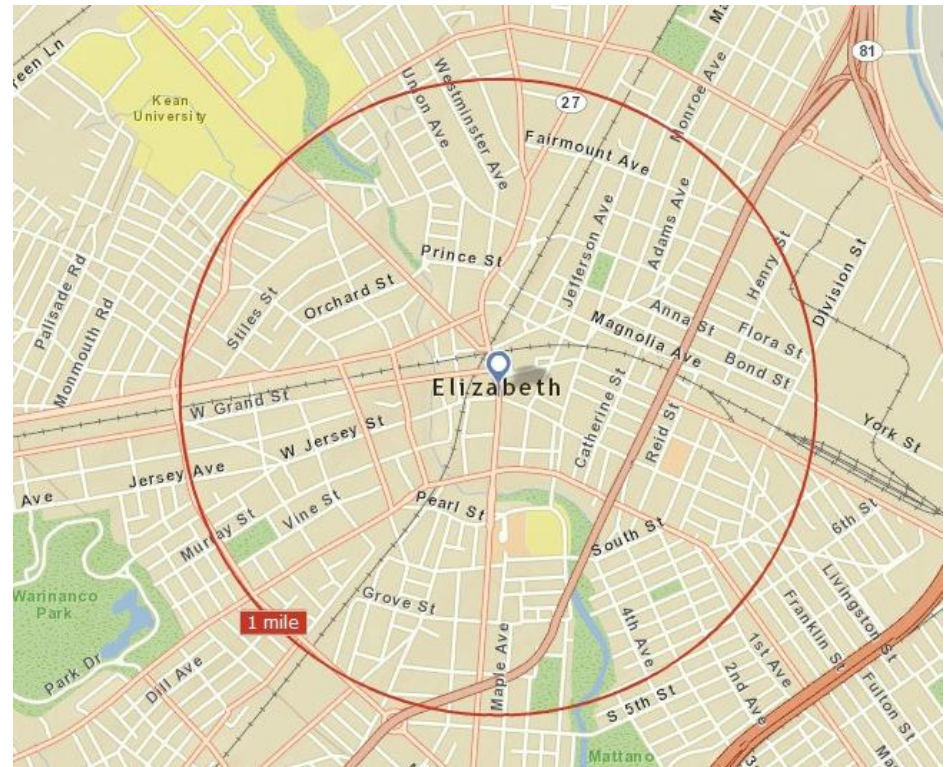
## Economic Analysis

HR&A compared retail sales in downtown Perth Amboy with downtown Elizabeth (excluding Jersey Gardens)...

**Perth Amboy, 1 mile radius**



**Elizabeth, 1 mile radius**



Source: ESRI

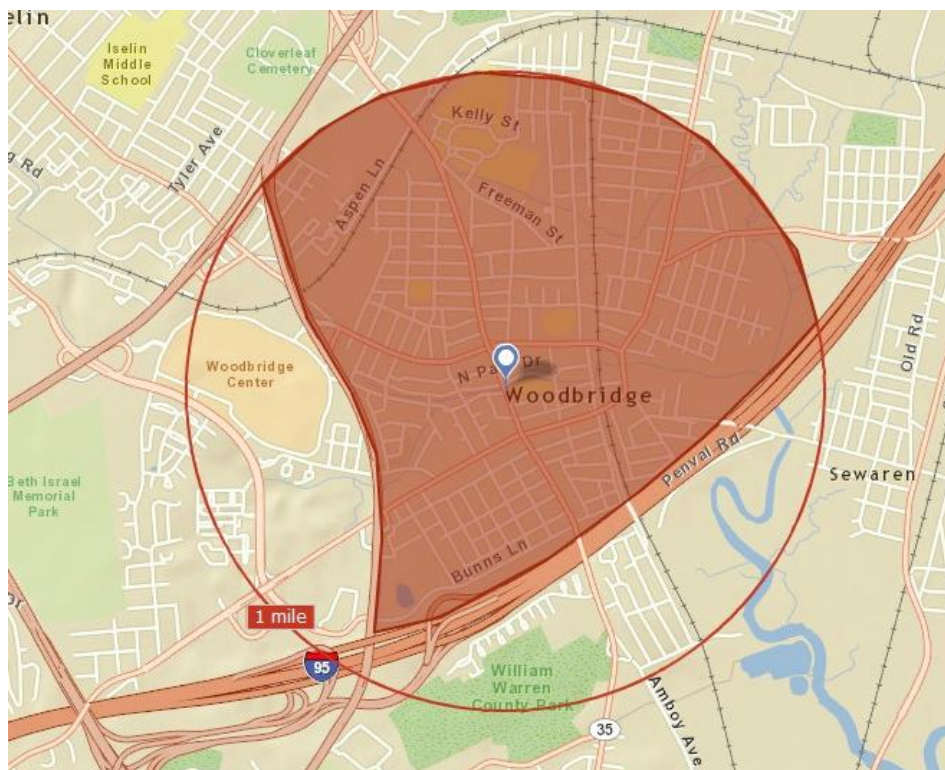


# Retail Market Potential

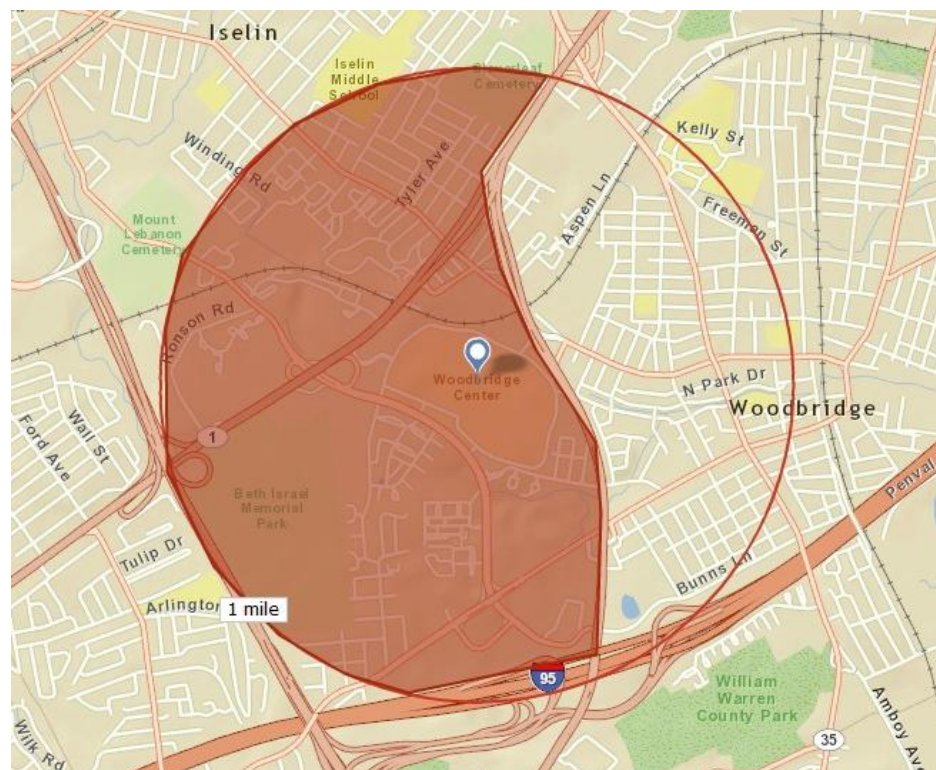
## Economic Analysis

... and neighboring Woodbridge.

**Woodbridge: Downtown**



**Woodbridge: Malls**



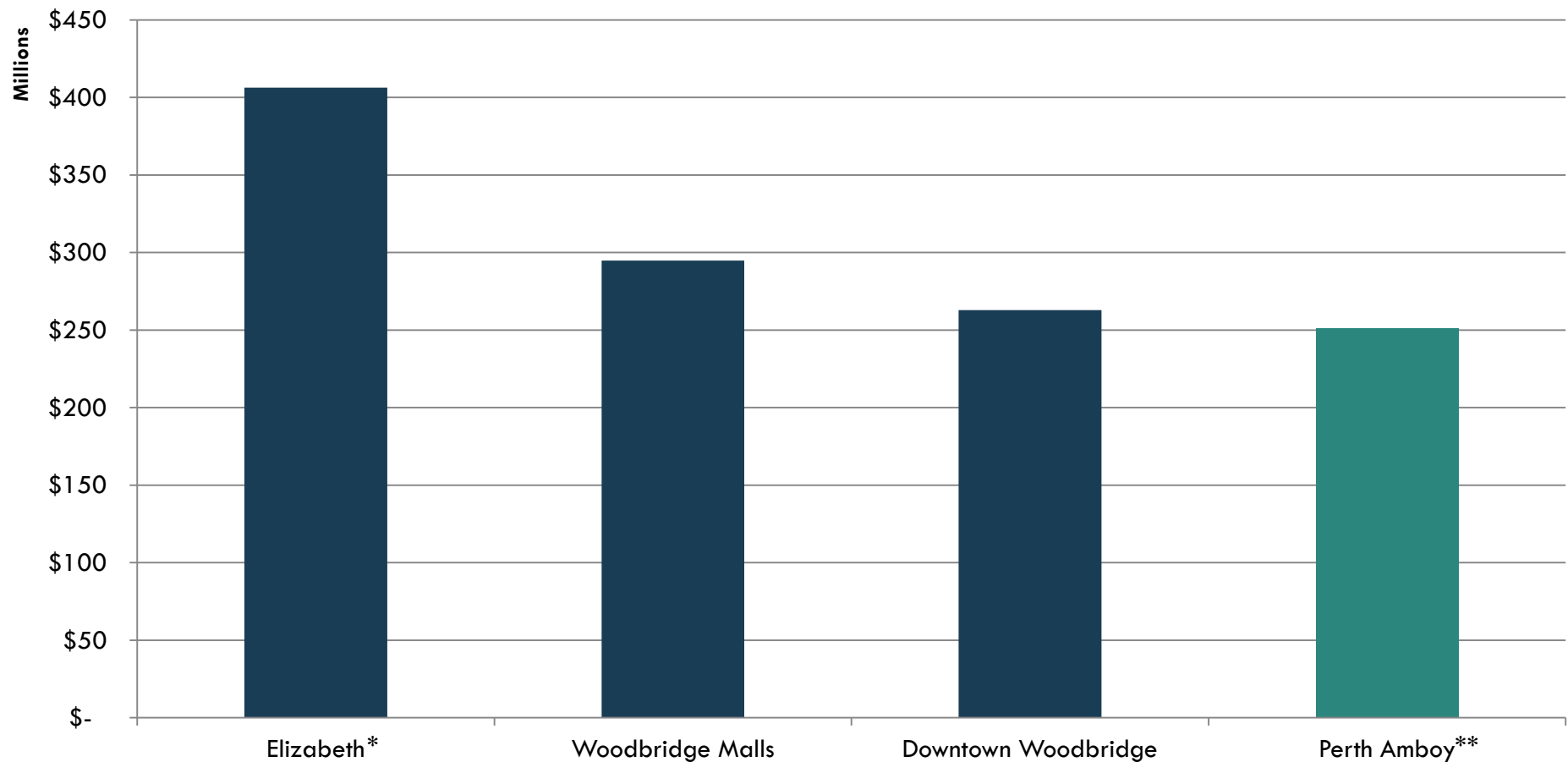
Source: ESRI

# Retail Market Potential

## Economic Analysis

Despite the lack of big box retail, Perth Amboy's overall retail sales are quite high compared to Woodbridge, but are significantly lower than in downtown Elizabeth.

**Retail Sales, 2010**



\*Does not include Jersey Gardens. \*\* 1 mile radius from downtown Perth Amboy. Sales totals are not population-adjusted.

Source: ESRI

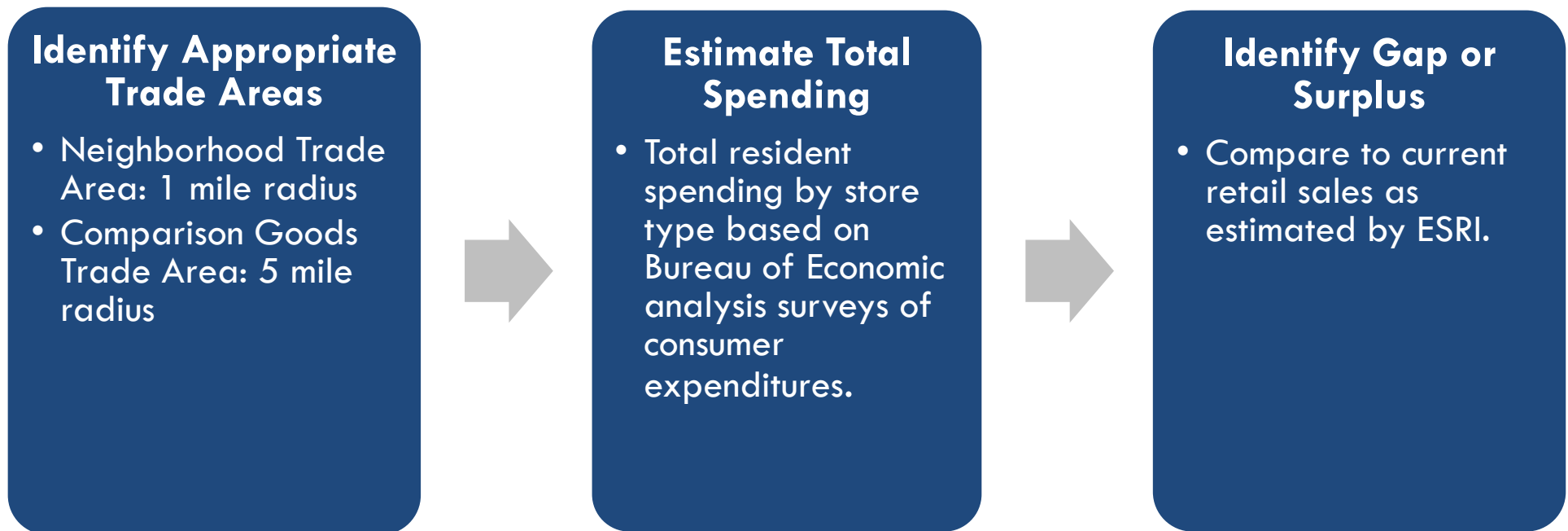
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# Retail Market Potential

## Economic Analysis

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Retail spending can be another important driver behind economic growth. To evaluate retail potential, HR&A compares merchant sales to resident demand within a likely catchment for local retail and restaurants.

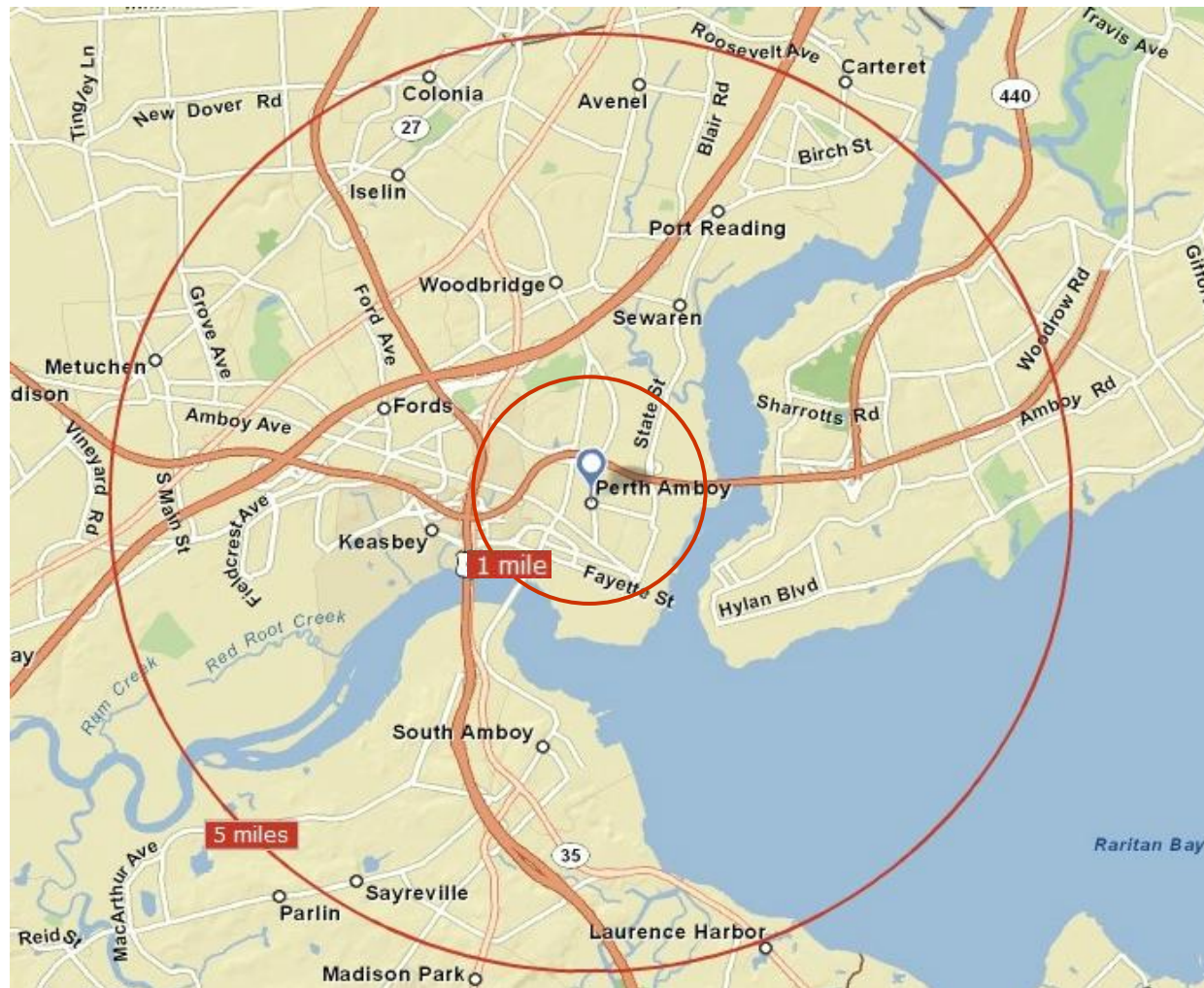




# Retail Market Potential

## Economic Analysis

### Perth Amboy, One and Five Mile Radii



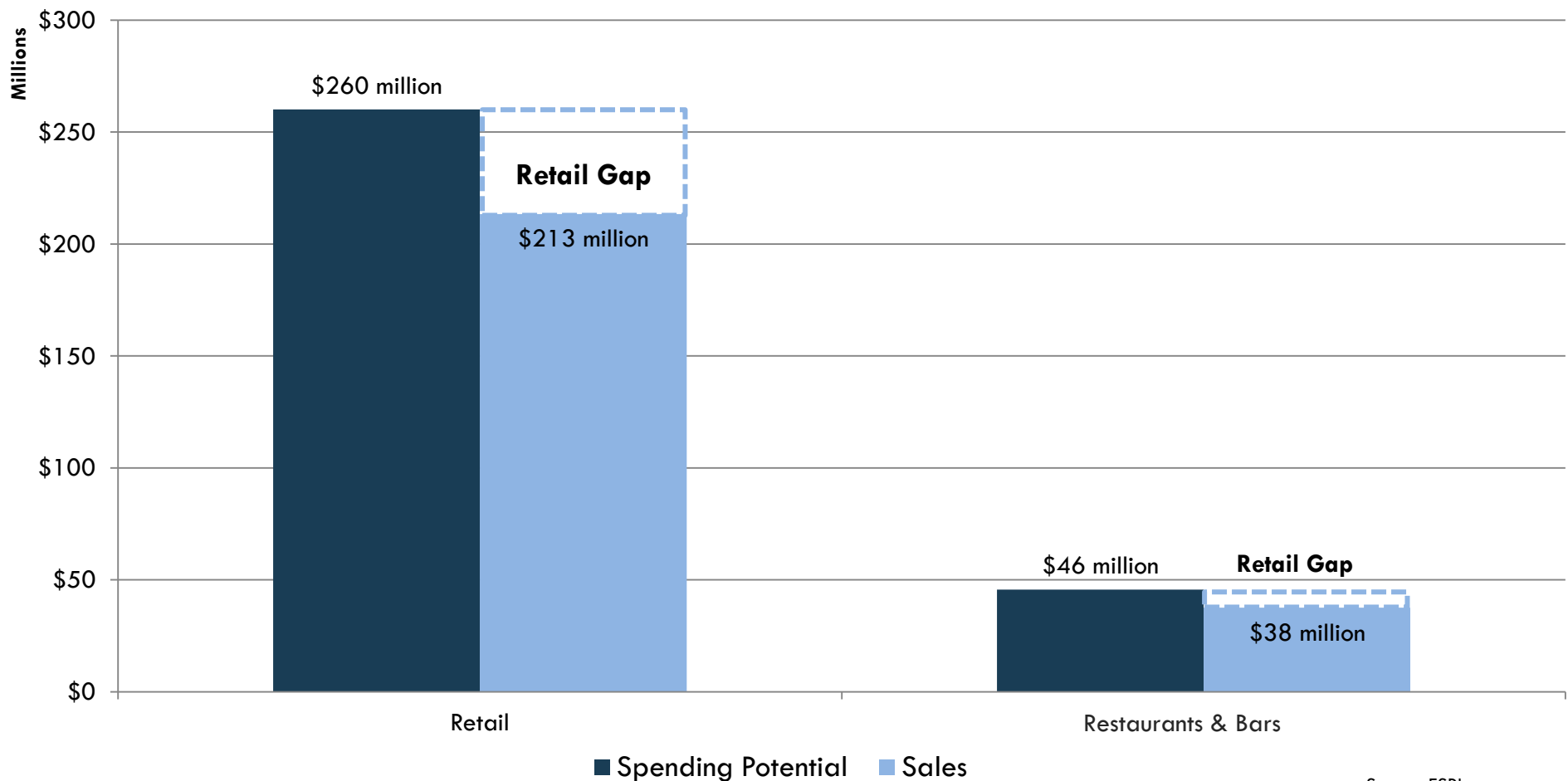
Source: ESRI

# Retail Market Potential

## Economic Analysis

Retail sales within 1 mile capture 82% of total residential spending potential.

**Perth Amboy Retail, One Mile Radius (2010)**

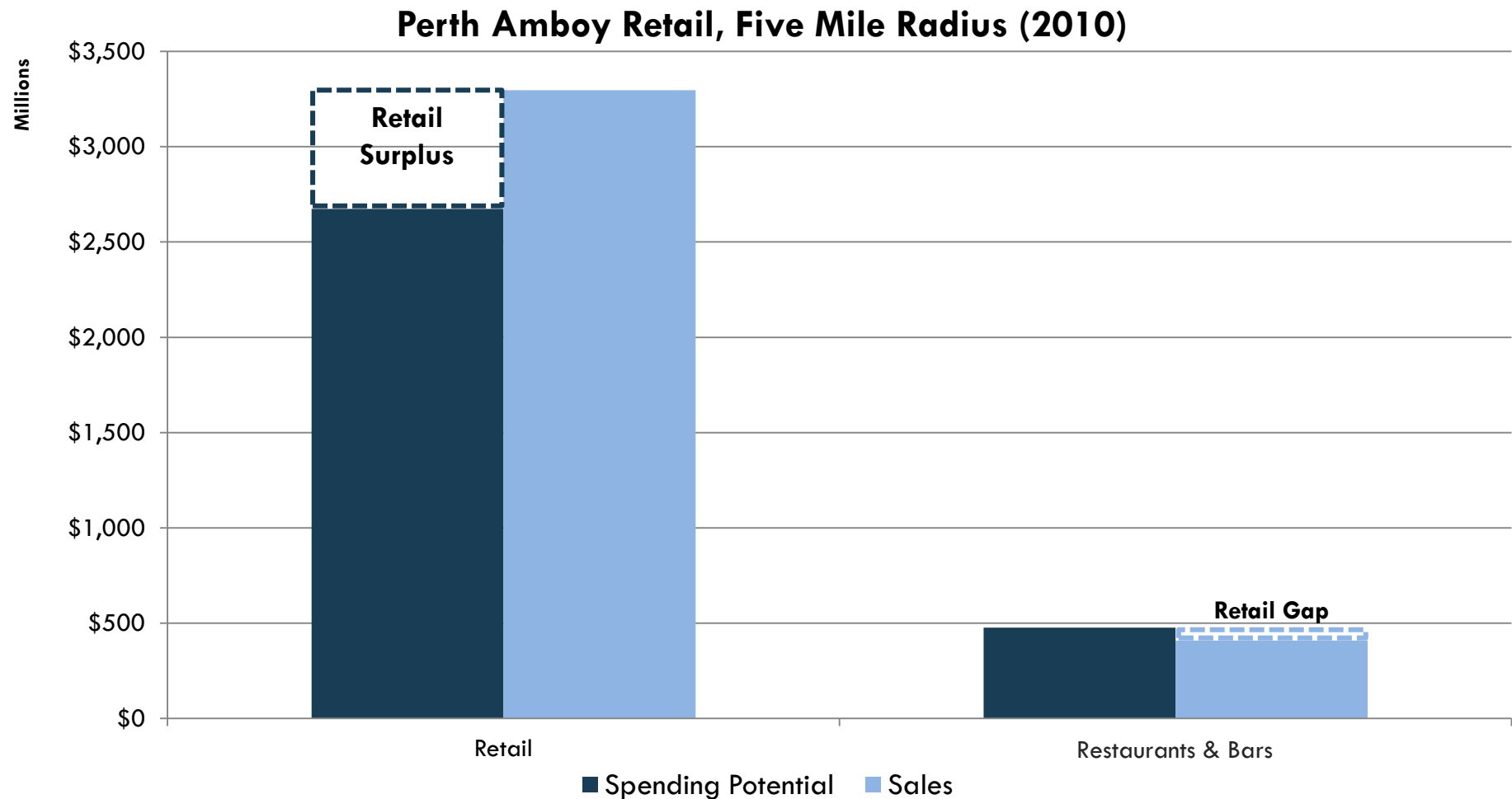


Source: ESRI

# Retail Market Potential

## Economic Analysis

Within a larger trade area, however, sales exceed residential spending potential due to the large retail cluster in Woodbridge that attracts spending from a larger area.



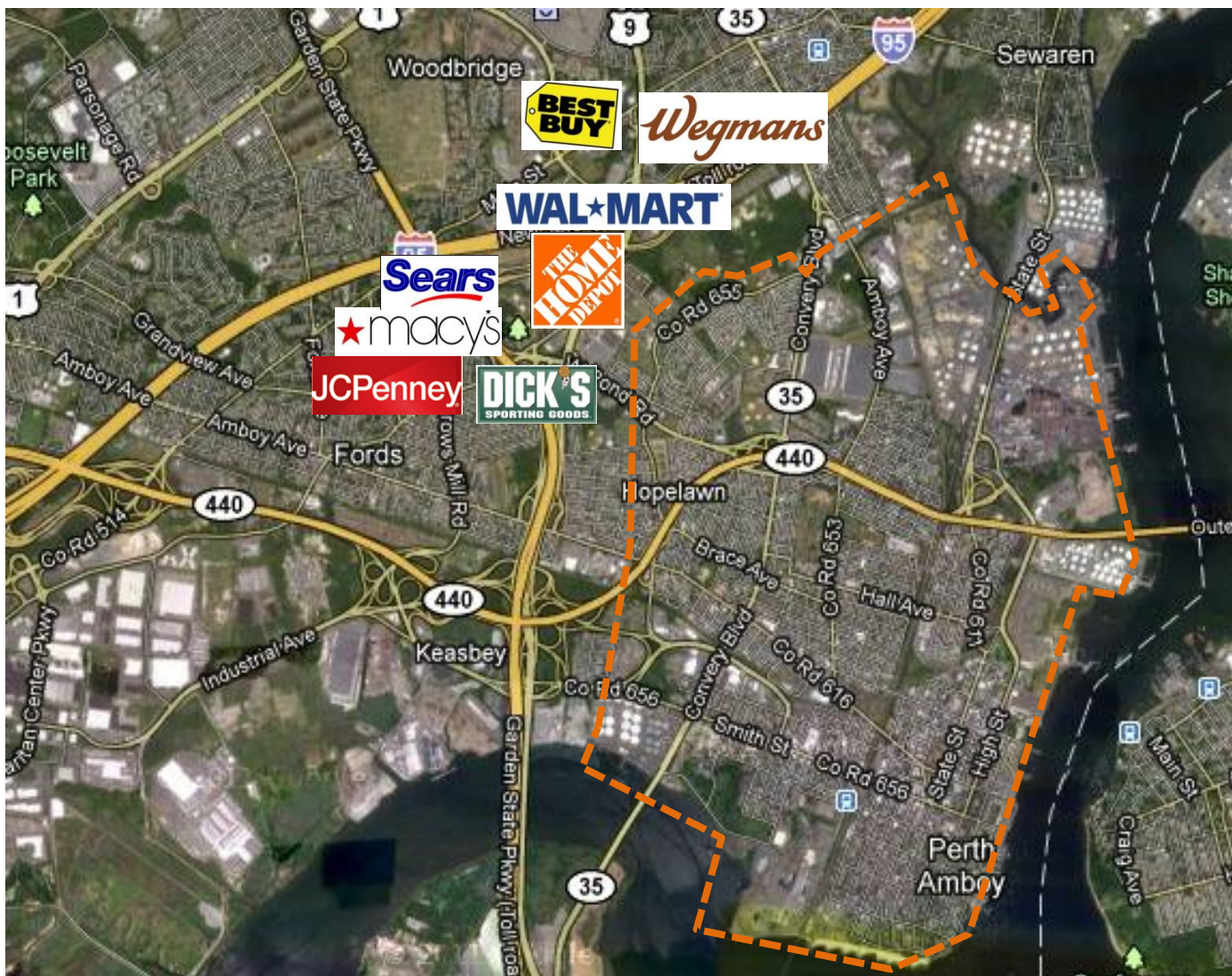
Source: ESRI



# Retail Market Potential

## Economic Analysis

Most large-format retail spending is conducted outside of the City.

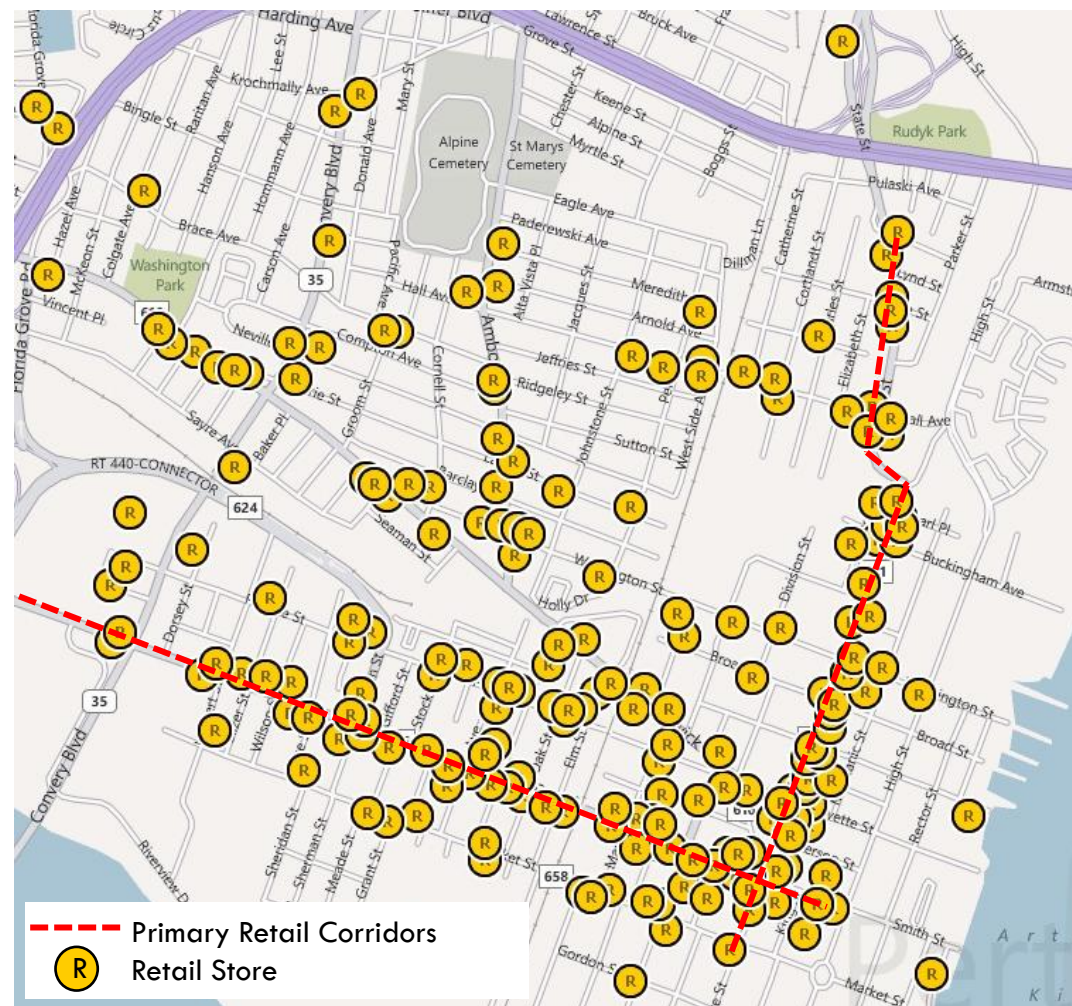




# Retail Market Potential

## Economic Analysis

- Perth Amboy has a concentration of locally-owned businesses.
  - A hub for restaurants
  - Small footprint, locally-owned businesses
  - Restaurant and retail destinations with regional appeal



Source: CoStar

---

# Retail Market Potential

## Economic Analysis

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These strengths are reflected in retail sales for typical small businesses exceeding local spending potential. Businesses are attracting spending from outside the area.

### Perth Amboy Retail, One Mile Radius

	Spending Potential (2010, millions)	Current Sales (2010, millions)	Sales > Spending Potential (millions)
Clothing	\$11.6	\$20.7	\$9.1
Specialty Foods	\$1.7	\$3.4	\$1.7
Bars	\$1	\$2	\$1
Full-Service Restaurants	\$20.2	\$20.8	\$0.6
Books, Periodicals, and Music	\$0.3	\$0.5	\$0.2
Shoes	\$1.4	\$1.5	\$0.1

Source: ESRI

---

# Key Findings

## Economic Analysis

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### ■ Opportunities

- Perth Amboy has highly competitive manufacturing, wholesale trade, and support service industries.
- There has been recent growth in professional, scientific, and technical services.
- Despite recent local setbacks in the local health care sector, the sector is expected to continue to grow nationally.
- Waterfront development is an opportunity for economic growth.
- The City supports a diverse cluster of small businesses and can be a competitive retail destination with its 3½% UEZ Zone sales tax rate.
- The City is led by capable leadership that has implemented measures to streamline government and services to businesses.

### ■ Challenges

- The significant declines in healthcare employment are troubling given national trends in this sector.
- The City has a lack of high paying jobs and major corporate offices
- Small businesses have a hard time growing due a large informal economy and lack of credit due to financial institution policies and market constraints.





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# Real Estate Market Analysis

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# Overview

## Real Estate Market Analysis

This section evaluates Perth Amboy's real estate market opportunities and competition in the **office, industrial,** and **retail** sectors by comparing market indicators to the region and competitive markets.

**Market size:** Distribution of space across sectors and compares sectors to competitive communities.

**Construction and leasing activity:** Measures market growth and available vacant space

**Rents:** Cost of space compared to competitive areas.

**Equalized Assessed value:** Compares value of property with competitive towns.

*The regional comparison illustrates how Perth Amboy's population compares to Middlesex County.*

Middlesex County was used to provide baseline local trends.

*The competitive set illustrates how Perth Amboy compares to peer cities with similar attributes.*

- Office: Edison, Long Branch, New Brunswick, Woodbridge
- Industrial: Carteret, Elizabeth, Exit 8, Paulsboro
- Retail: Elizabeth, New Brunswick, South Amboy, Woodbridge
- Residential: Edison, Sayreville, South Amboy, Woodbridge

*These cities were selected based on competitiveness in market segments, largely due to proximity, similar assets, and price.*

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# Office Market

## Real Estate Market Analysis

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### *Perth Amboy Office Market Trends*

- City office stock is spread across mixed industrial/office buildings, small disparate office buildings, and in second floor space along retail corridors.
- Perth Amboy has zero Class A office space.
- No new office space has been developed within the past five years.

### *Regional Office Market Trends*

- Middlesex County has persistently high vacancy rates exceeding 12% even before the late-2000s recession.
- Regional office rents are higher than in Perth Amboy across all types of space.

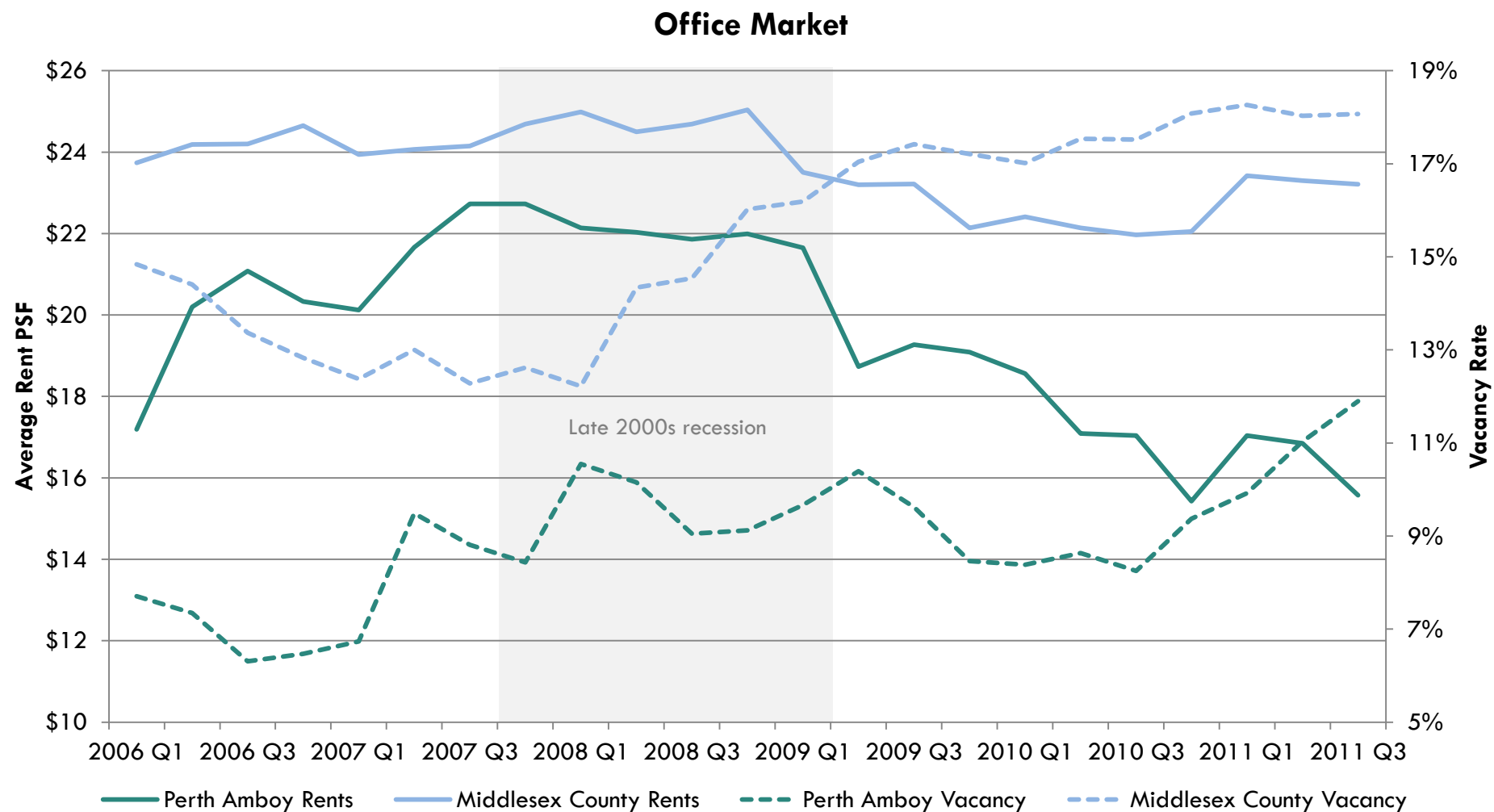
### Definitions

- **Change in inventory:** Increase in the amount of leasable space due to new space coming on to the market
- **Absorption:** Net change in amount of occupied space on the market
- **Vacancy rate:** Fraction of all leasable space that is unoccupied
- **Rents:** Average monthly cost of occupancy per square foot on new leases being signed (full service)

# Office Market

## Real Estate Market Analysis

Perth Amboy rents are significantly lower than regional averages due to the lack of Class A space. However, the City has experienced significantly lower vacancy.

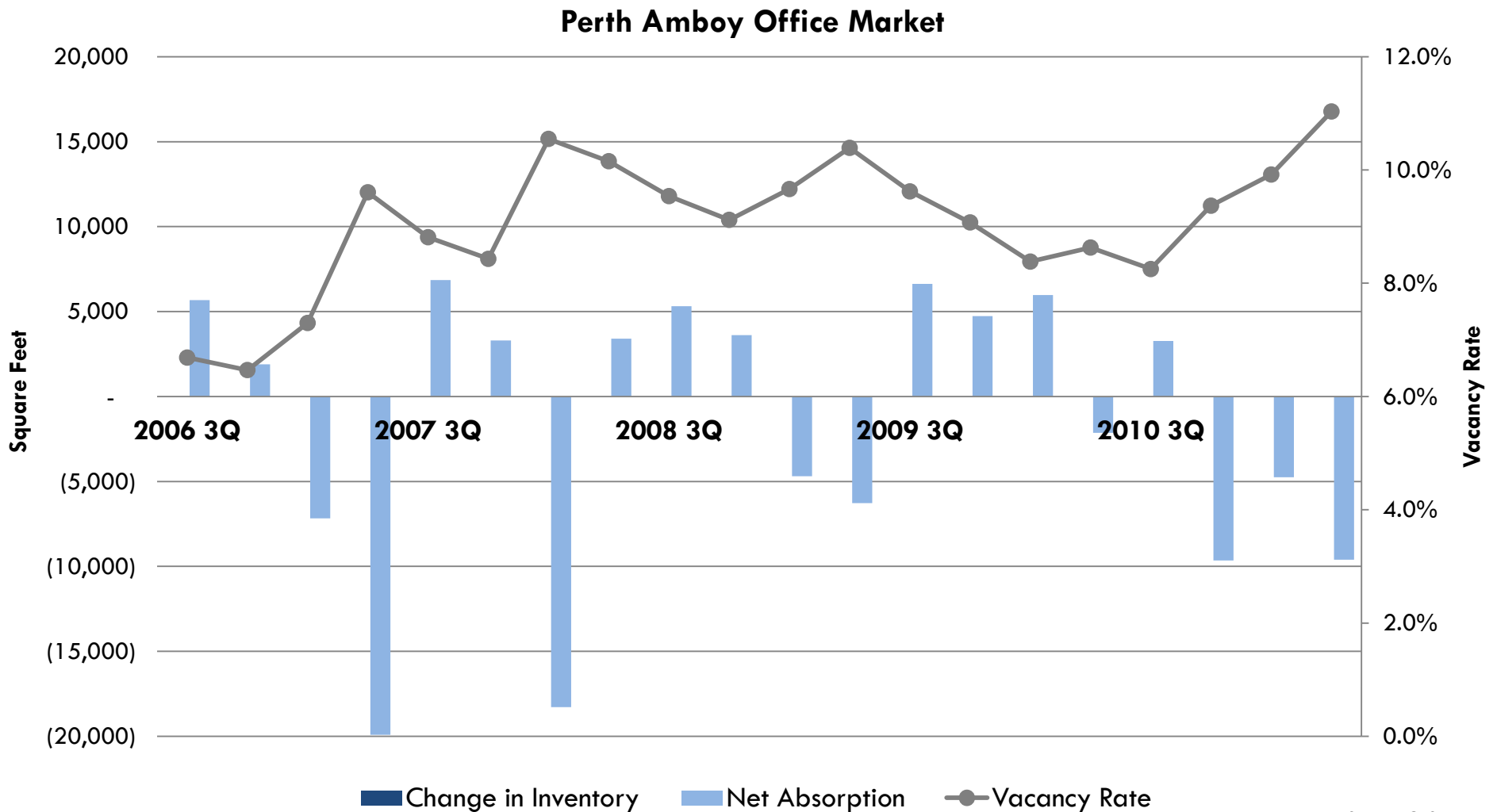


Source: CoStar

# Office Market

## Real Estate Market Analysis

There has been no new office space developed in Perth Amboy in the past five years.

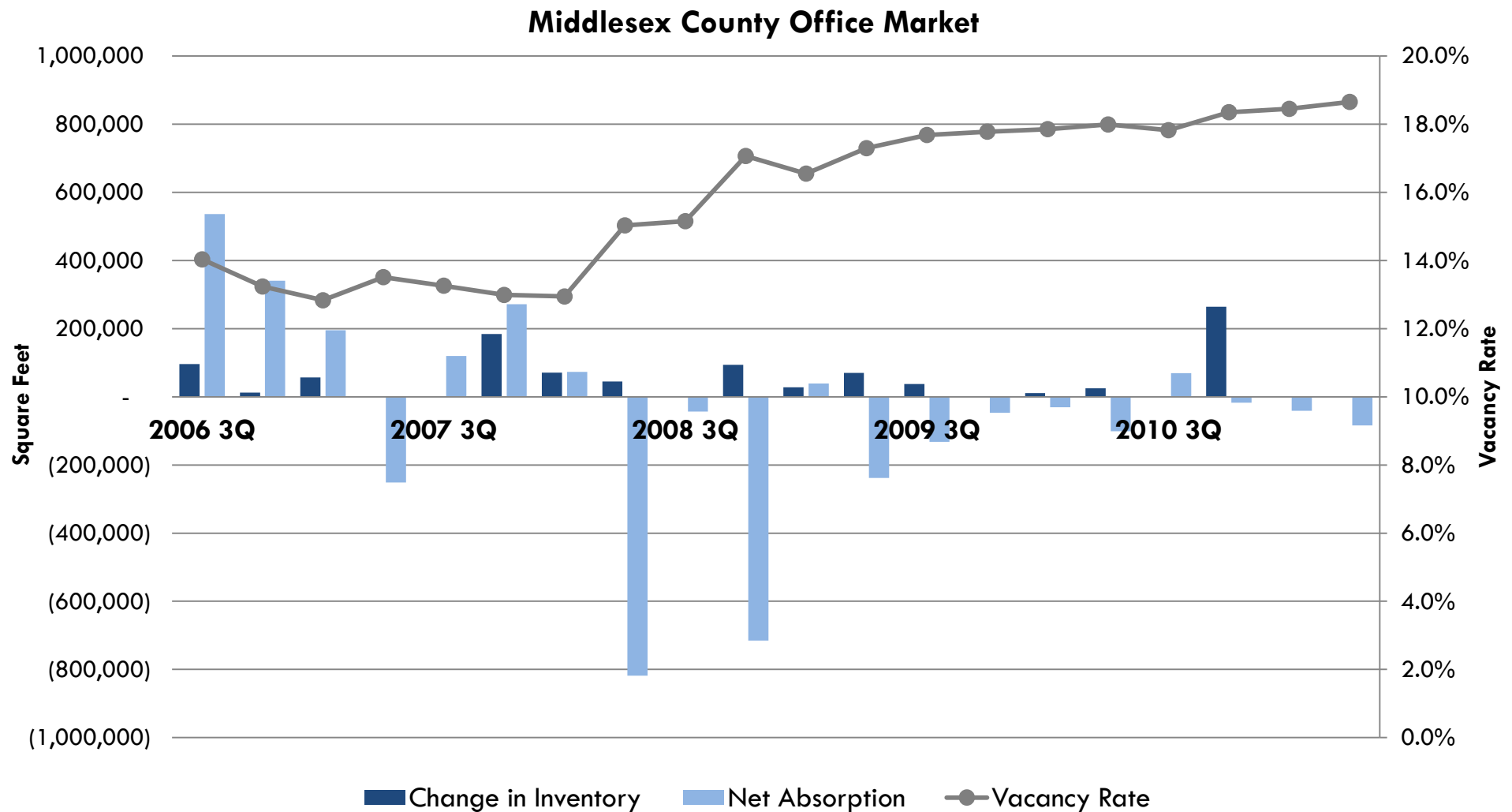


Source: CoStar

# Office Market

## Real Estate Market Analysis

Middlesex County has experienced significant negative net absorption causing vacancy rates to stay persistently high.



Source: CoStar

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# Industrial Market

## Real Estate Market Analysis

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### *Perth Amboy Industrial Market Trends*

- Industrial market dominated by large parcels concentrated north of Route 440 and the Outerbridge Crossing
- New inventory, while limited, absorbed relatively quickly.
- Perth Amboy rent premium compared to Middlesex County (9%) due to accessibility and location

### *Middlesex County Industrial Market Trends*

- Persistent negative absorption and high vacancy (10%) in Middlesex County

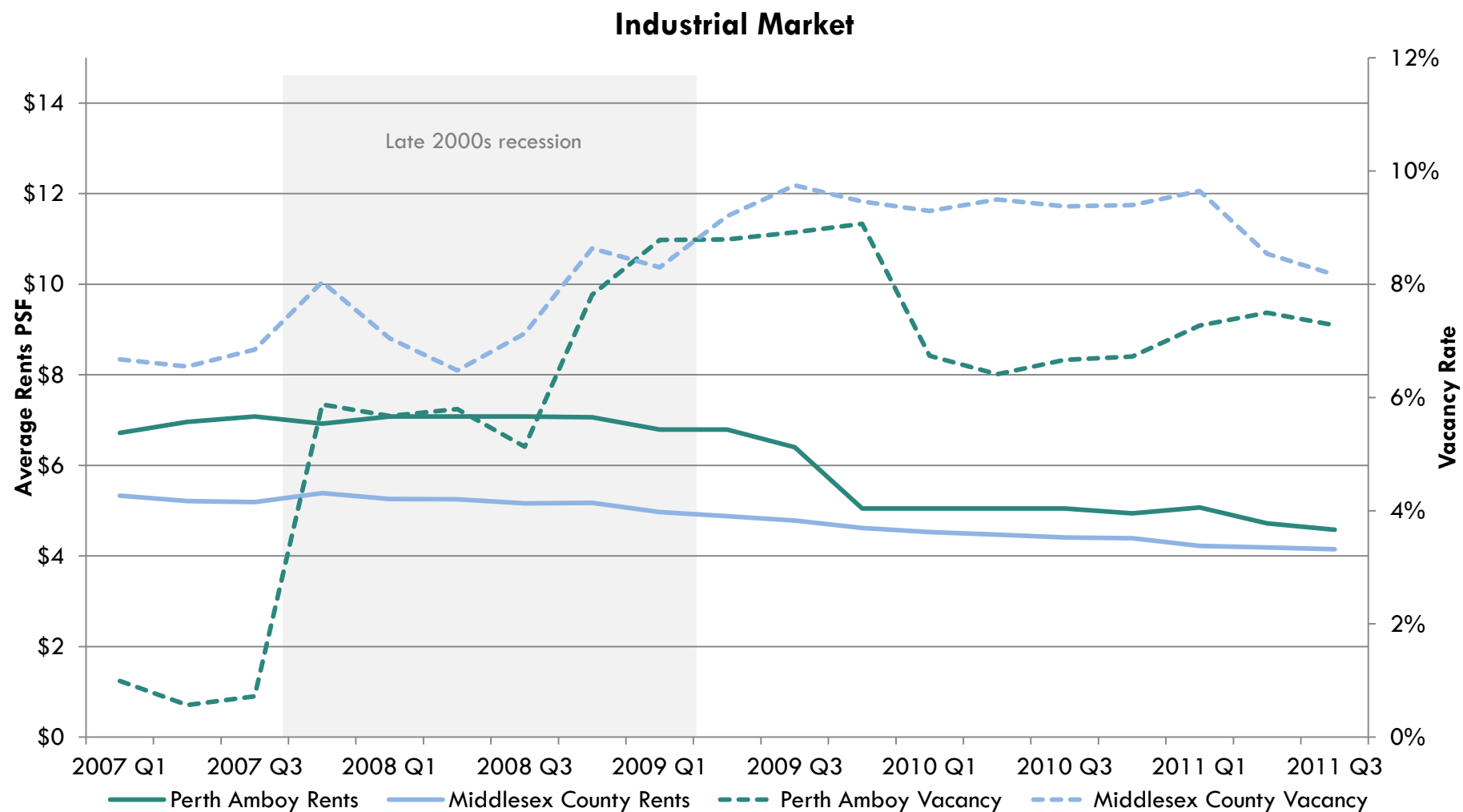
### Definitions

- **Change in inventory:** Increase in the amount of leasable space due to new space coming on to the market
- **Absorption:** Net change in amount of occupied space on the market
- **Vacancy rate:** Fraction of all leasable space that is unoccupied
- **Rents:** Average monthly cost of occupancy per square foot on new leases being signed (triple net)

# Industrial Market

## Real Estate Market Analysis

Perth Amboy's industrial space commanded a 37% premium over the county pre-recession, but this has narrowed to 9%.



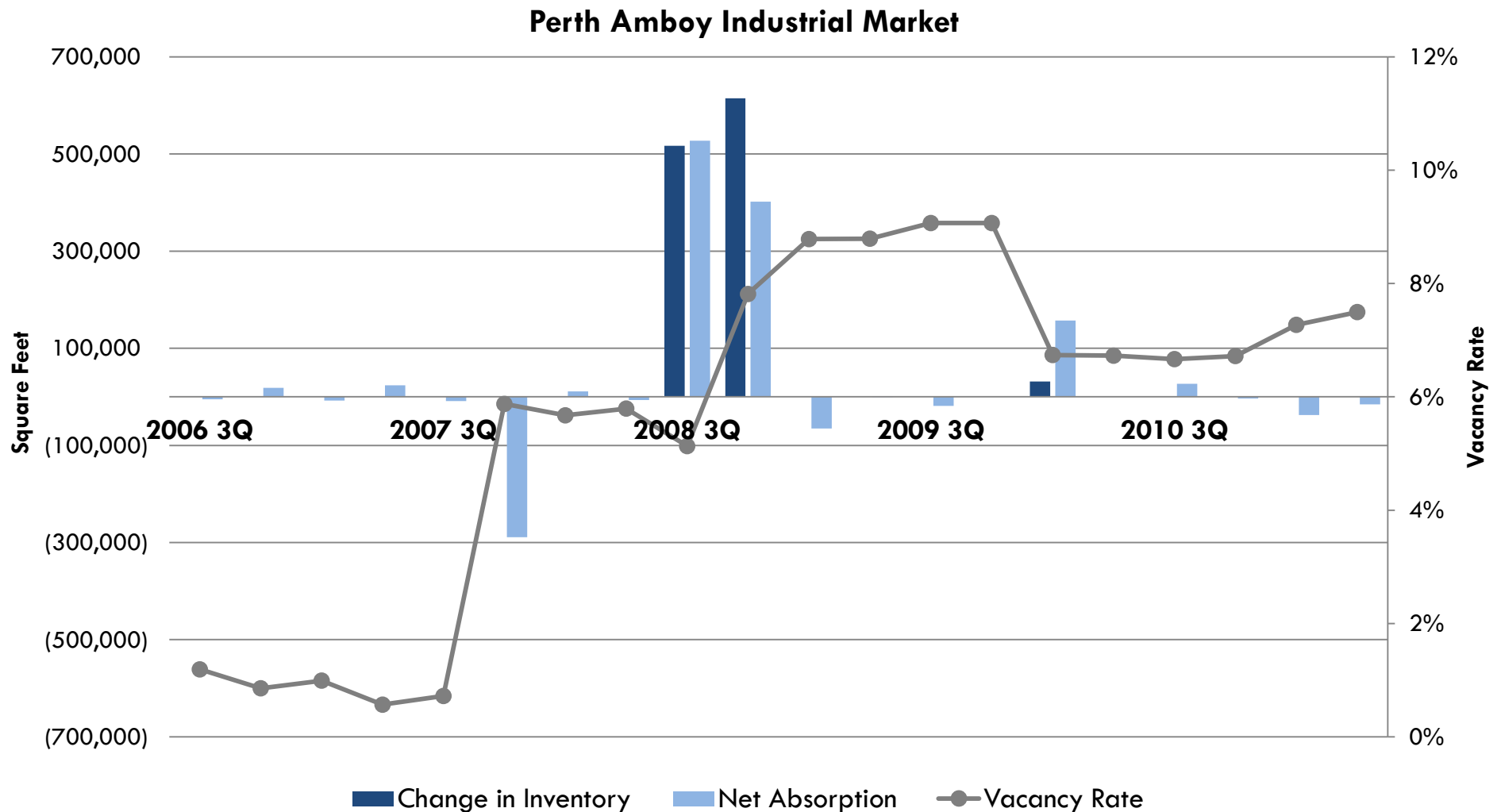
Source: CoStar



# Industrial Market

## Real Estate Market Analysis

Following the completion of Matrix Industrial Park, there has been limited new industrial construction in the City.

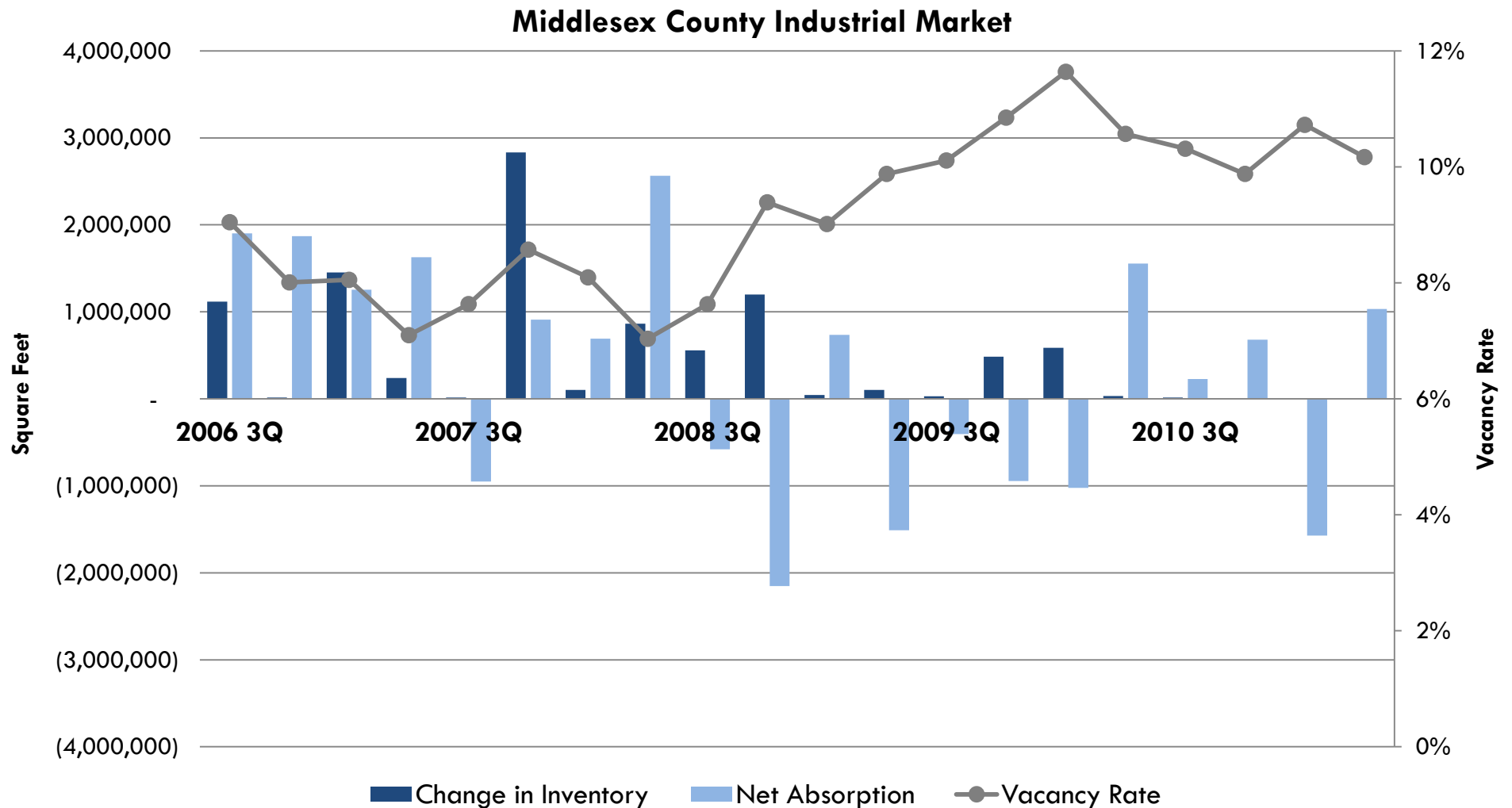


Source: CoStar

# Industrial Market

## Real Estate Market Analysis

New space has taken time to be absorbed in the County overall.



Source: CoStar

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# Retail Market

## Real Estate Market Analysis

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### *Perth Amboy Retail Market Trends*

- Local market dominated by small footprint shops; no big box locations
- Declining vacancy in past five years: 13% to 5%
- Retail rents experience high fluctuation compared to those in Middlesex County's.

### *Middlesex County Retail Market Trends*

- 13% higher rents than Perth Amboy
- High (nearly 8%) vacancy

### Definitions

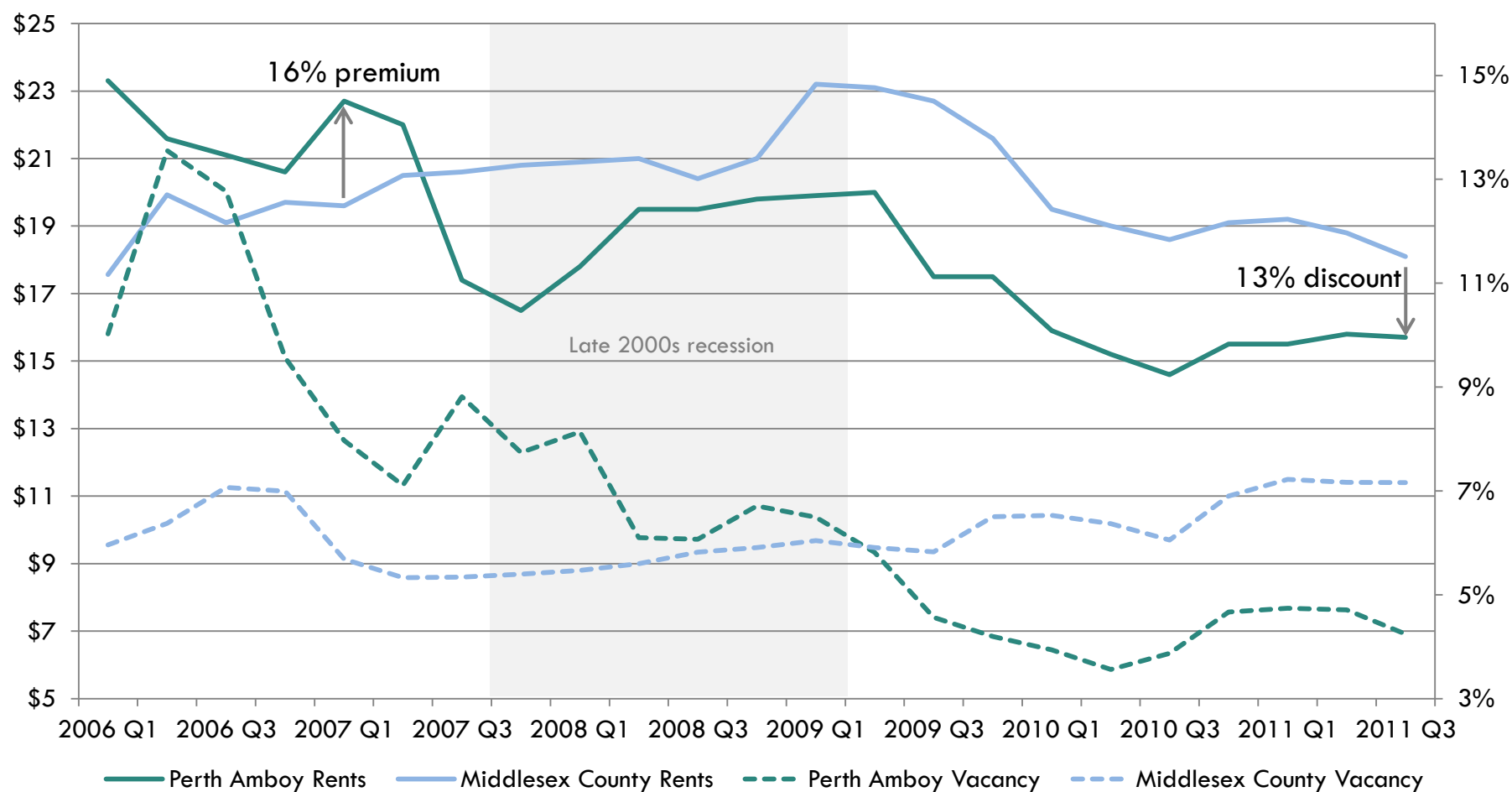
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# Retail Market

## Real Estate Market Analysis

Perth Amboy's retail rents have declined relative to the County's since 2006. Vacancy also declined within Perth Amboy, suggesting that landlords were able to reduce rents to retain tenants.

**Retail Market**

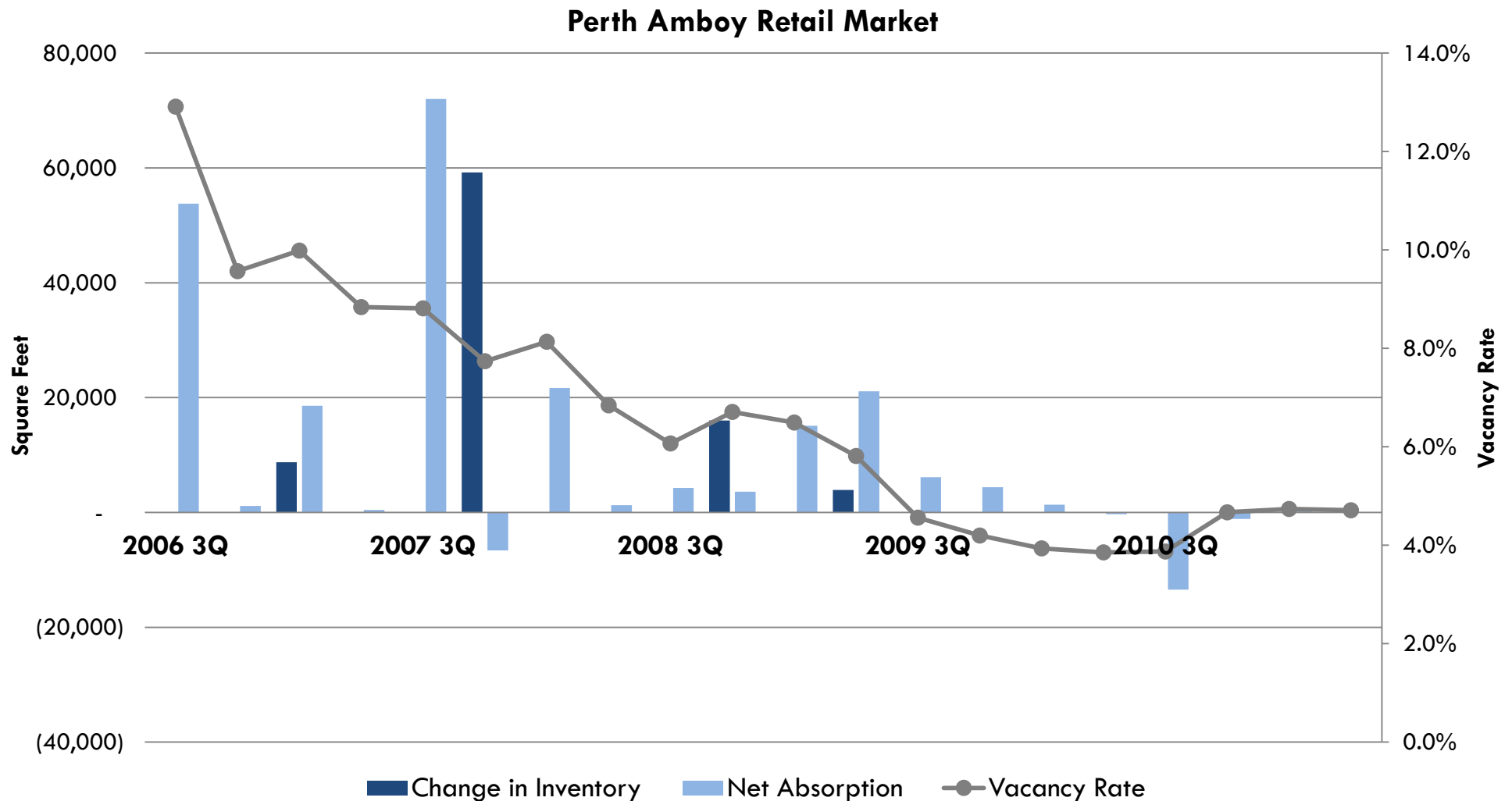


Source: CoStar

# Retail Market

## Real Estate Market Analysis

Despite declining rents, this City's retail vacancy rate fell substantially in the past five years.

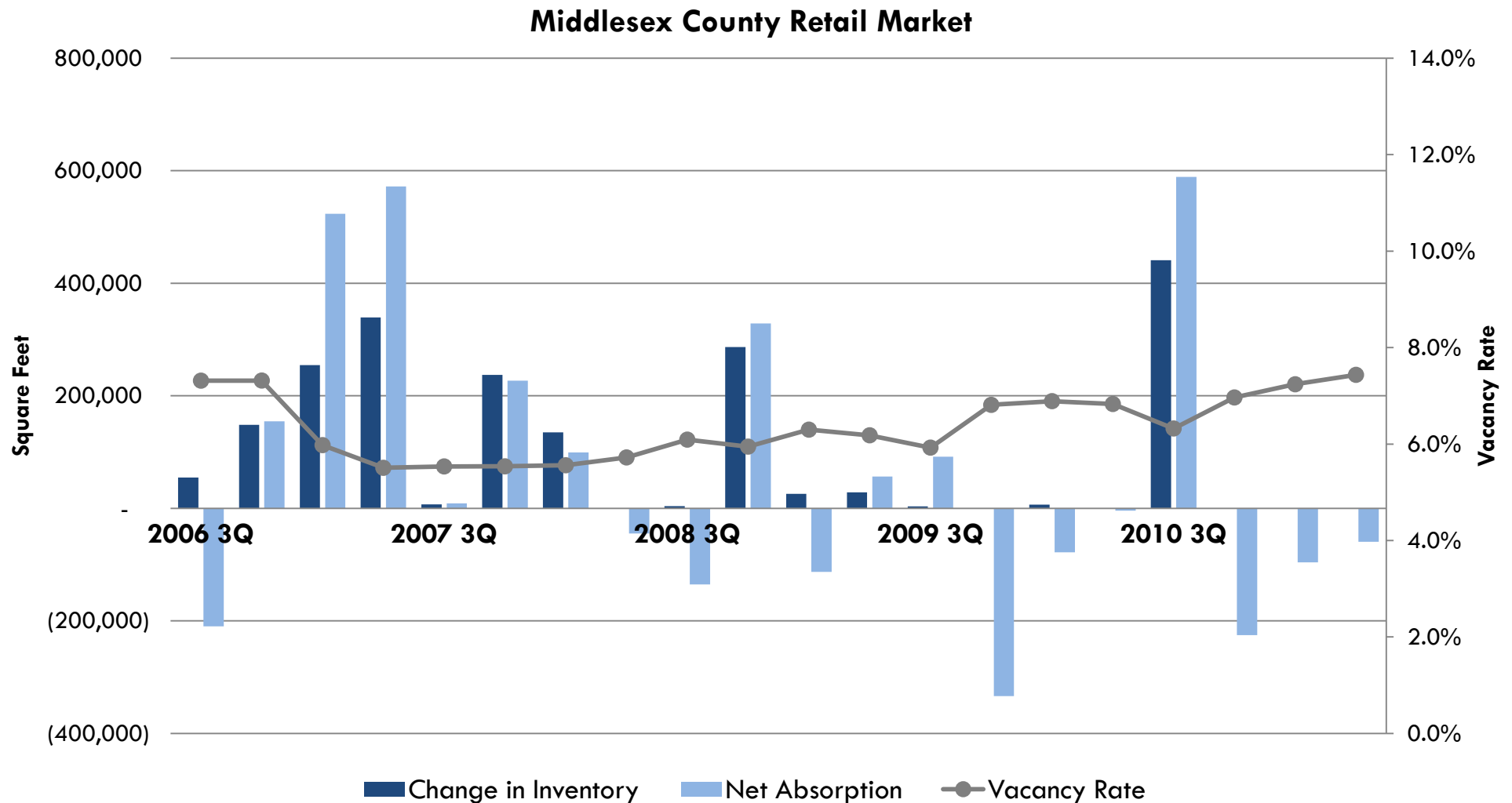


Source: CoStar

# Retail Market

## Real Estate Market Analysis

Within the County, rents and vacancy remained fairly steady and new space has been absorbed quickly.



Source: CoStar

# Comparative Set

## Real Estate Market Analysis

HR&A compared key real estate market indicators in in each sector to competitive locations.

	Sq. Mi	Population	Key Asset	Competitive Sectors
Carteret	18.7	11,441	Waterfront, rail	Industrial
Woodbridge	3.9	99,585	Destination retail Highway interchange	Retail, Office, Residential
Rahway	4.0	27,346	Northeast Corridor	Residential
New Brunswick	5.8	55,181	Anchor Institutions	Office
Elizabeth	13.5	124,969	Port, commercial center	Industrial, Retail
Paulsboro	2.6	6,097	Port, proximity to Philadelphia	Industrial
Exit 8A	44.1	45,901	Turnpike access	Industrial
Edison	30.7	97,687	Turnpike access, proximity to Port of NY&NJ	Industrial, Office
Sayreville	18.7	16,491	Major redevelopment sits Parkway access	Residential
South Amboy	2.7	8,631	Waterfront, Garden State Parkway access	Residential

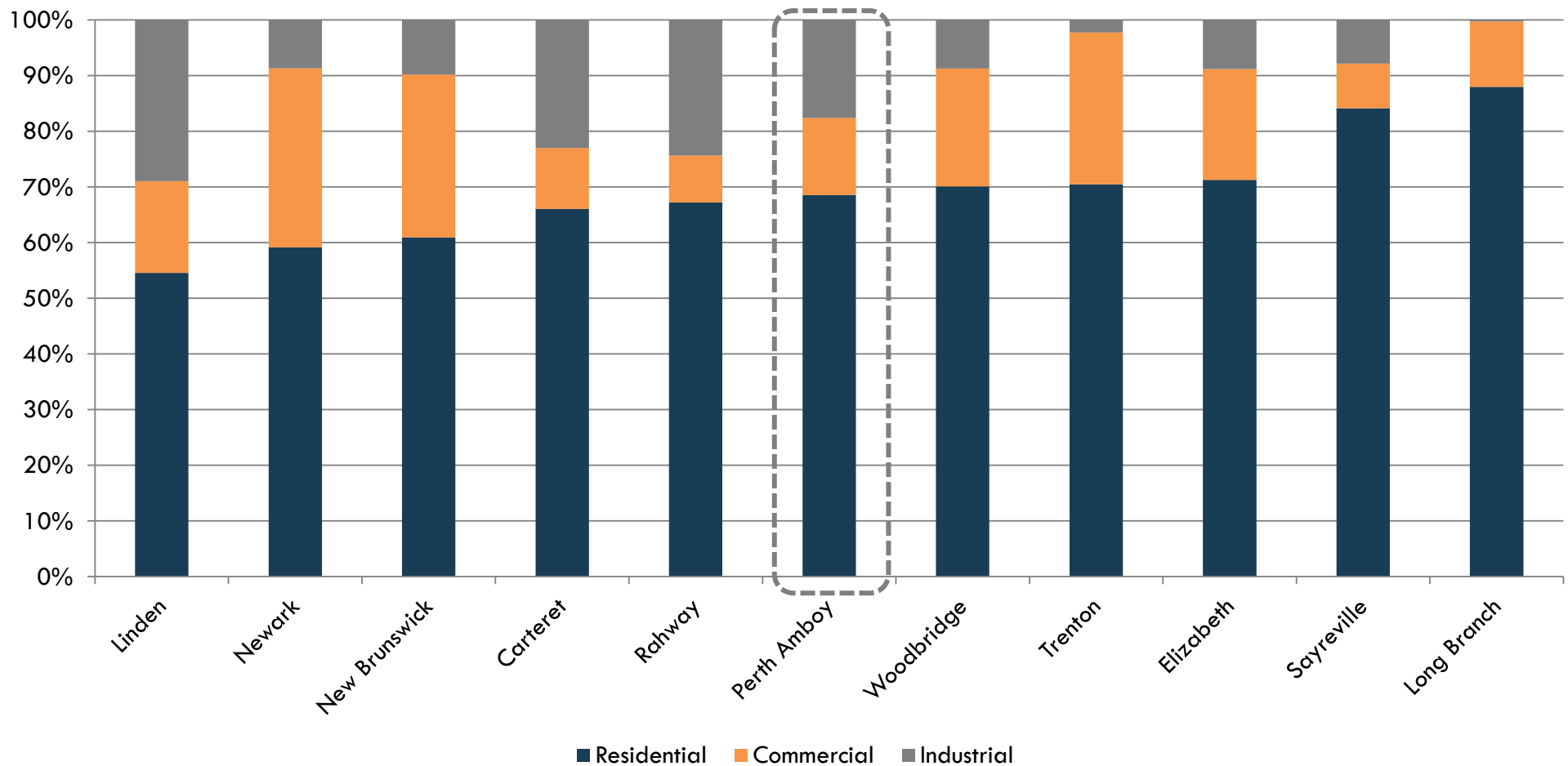
Source: Longitudinal Employment-Household Dynamics, US Census

# Comparative Set

## Real Estate Market Analysis

Compared to competitive communities such as New Brunswick and Woodbridge, Perth Amboy has a high share of industrial value and a low share of commercial value.

**Distribution of Assessed Value, 2010**



Source: NJ Department of Taxation



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## Key Competitors: Industrial

### Real Estate Market Analysis

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In a climate of increasing transportation costs, Perth Amboy could be increasingly competitive as an industrial location due to lower rents relative to cities adjacent to the Port and closer proximity than locations less expensive further down the Turnpike. It also offers deepwater access not found in comparable cities.

#### Industrial Market Comparison, 2011 Q3

Location	Market Size (SF)	Vacancy Rate (%)	Avg. Rent/SF
8A Submarket	61,037,849	12.7%	\$3.43
Elizabeth	21,817,752	9.2%	\$6.30
Carteret	8,558,216	6.3%	\$5.00
<b>Perth Amboy</b>	<b>6,760,968</b>	<b>7.3%</b>	<b>\$4.58</b>
Paulsboro	2,227,962	5.0%	\$4.68

Source: CoStar, Cushman & Wakefield

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## Key Competitors: Retail

### Real Estate Market Analysis

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Perth Amboy has an active downtown with low retail vacancy, but lacks large nationally or regionally known retail tenants.

**Retail Market Comparison, 2011 Q3**

Location	Market Size (SF)	Vacancy Rate	Avg. Rent/SF
Elizabeth	4,911,465	2.8%	\$20.61
Woodbridge	4,056,730	12.4%	\$18.62
<b>Perth Amboy</b>	<b>1,703,597</b>	<b>4.3%</b>	<b>\$15.73</b>
New Brunswick	1,422,226	5.0%	\$15.25
South Amboy	582,647	9.8%	\$14.94

Source: CoStar

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## Key Competitors: Office

### Real Estate Market Analysis

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Perth Amboy is not a significant competitor in the regional office market. Rents are significantly lower due to the lack of Class A space and inventory is small.

**Office Market Comparison, 2011 Q3**

Location	Market Size (SF)	Vacancy Rate	Avg. Rent/SF
Edison	5,435,708	18.4%	\$24.80
New Brunswick	2,553,877	6.8%	\$23.49
Woodbridge	2,071,930	10.4%	\$24.64
<b>Perth Amboy</b>	<b>863,130</b>	<b>11.9%</b>	<b>\$15.57</b>
Long Branch	513,137	6.5%	\$17.71

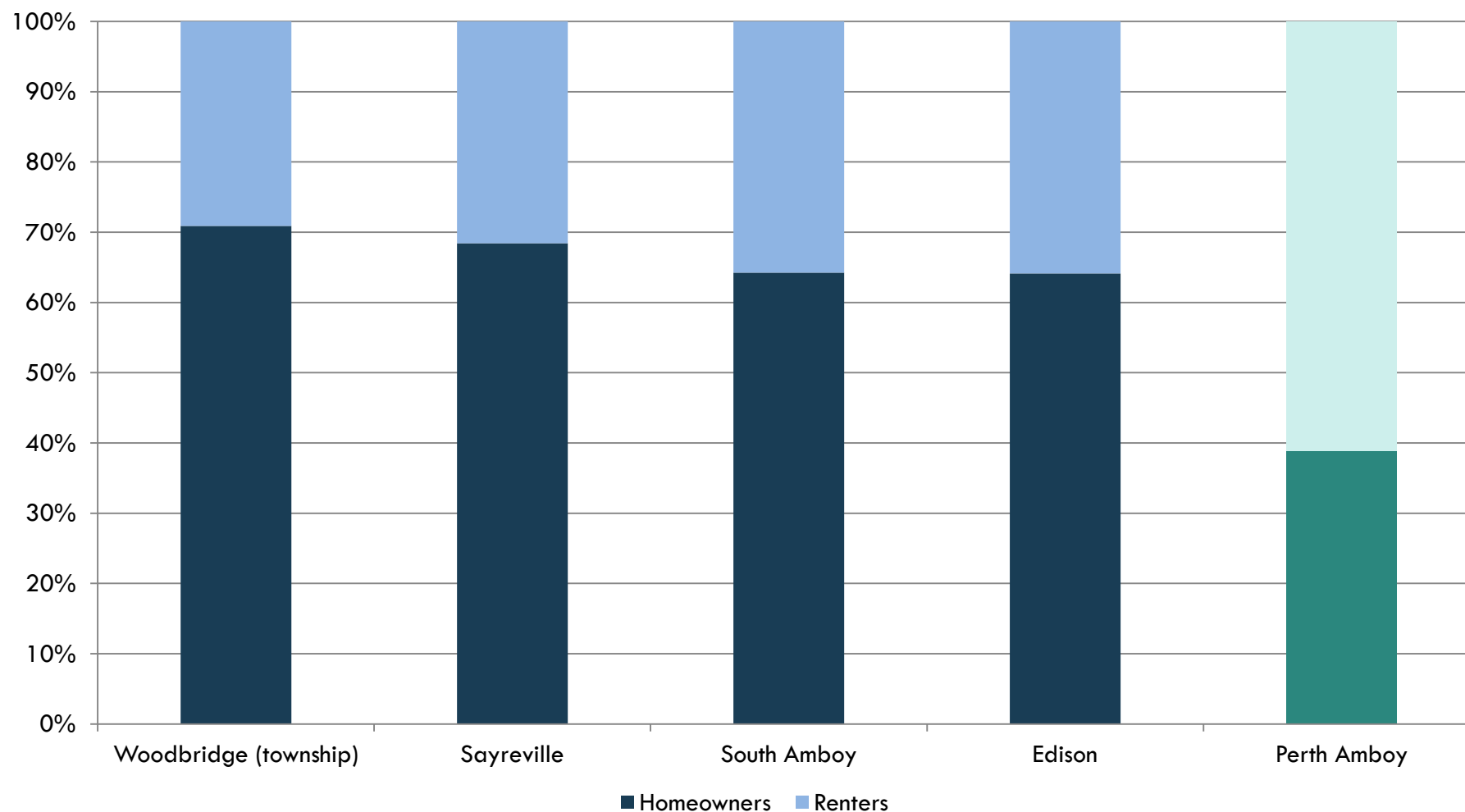
Source: CoStar

# Residential Market

## Real Estate Market Analysis

Perth Amboy has the lowest levels of homeownership among comparable communities.

**Renter/Homeowner Split, 2009**



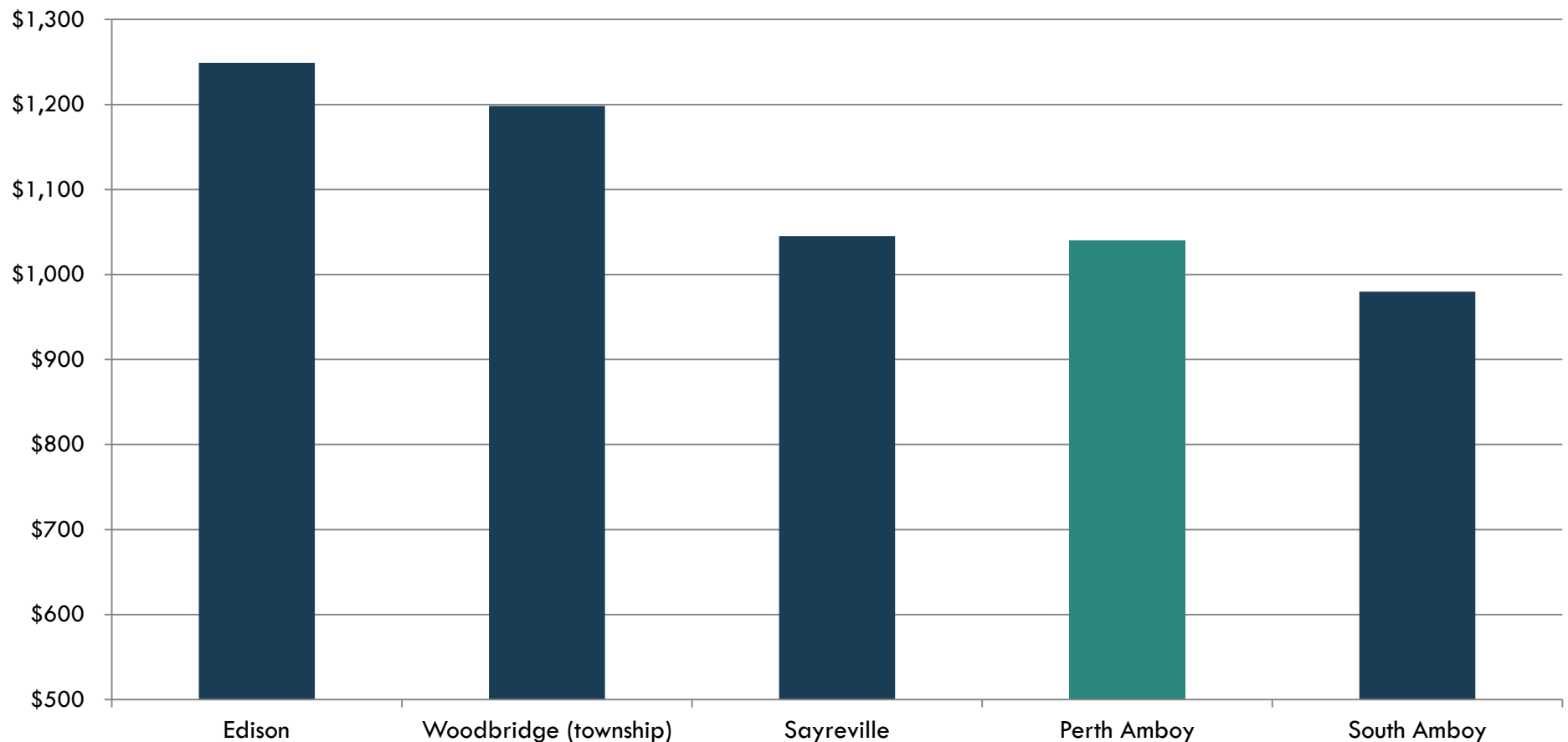
Source: American Community Survey

# Residential Market

## Real Estate Market Analysis

On average, Perth Amboy rents are slightly lower than Edison and Woodbridge, suggesting greater affordability.

**Average Rent per Unit, 2009**



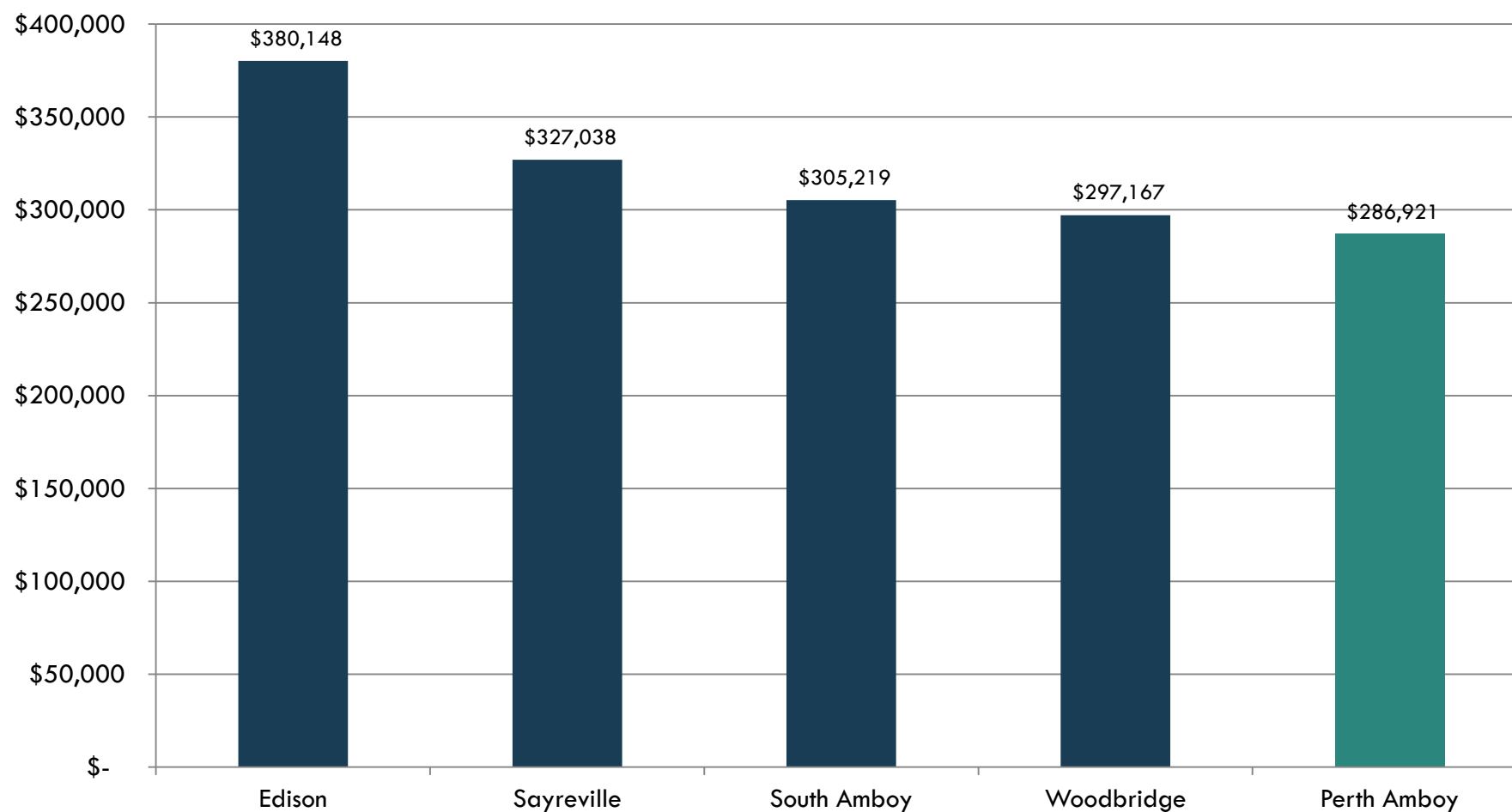
Source: American Community Survey

# Residential Market

## Real Estate Market Analysis

Perth Amboy's average home value is similar to Woodbridge, but nearly 25% lower than in Edison.

**Average Home Value, 2010**



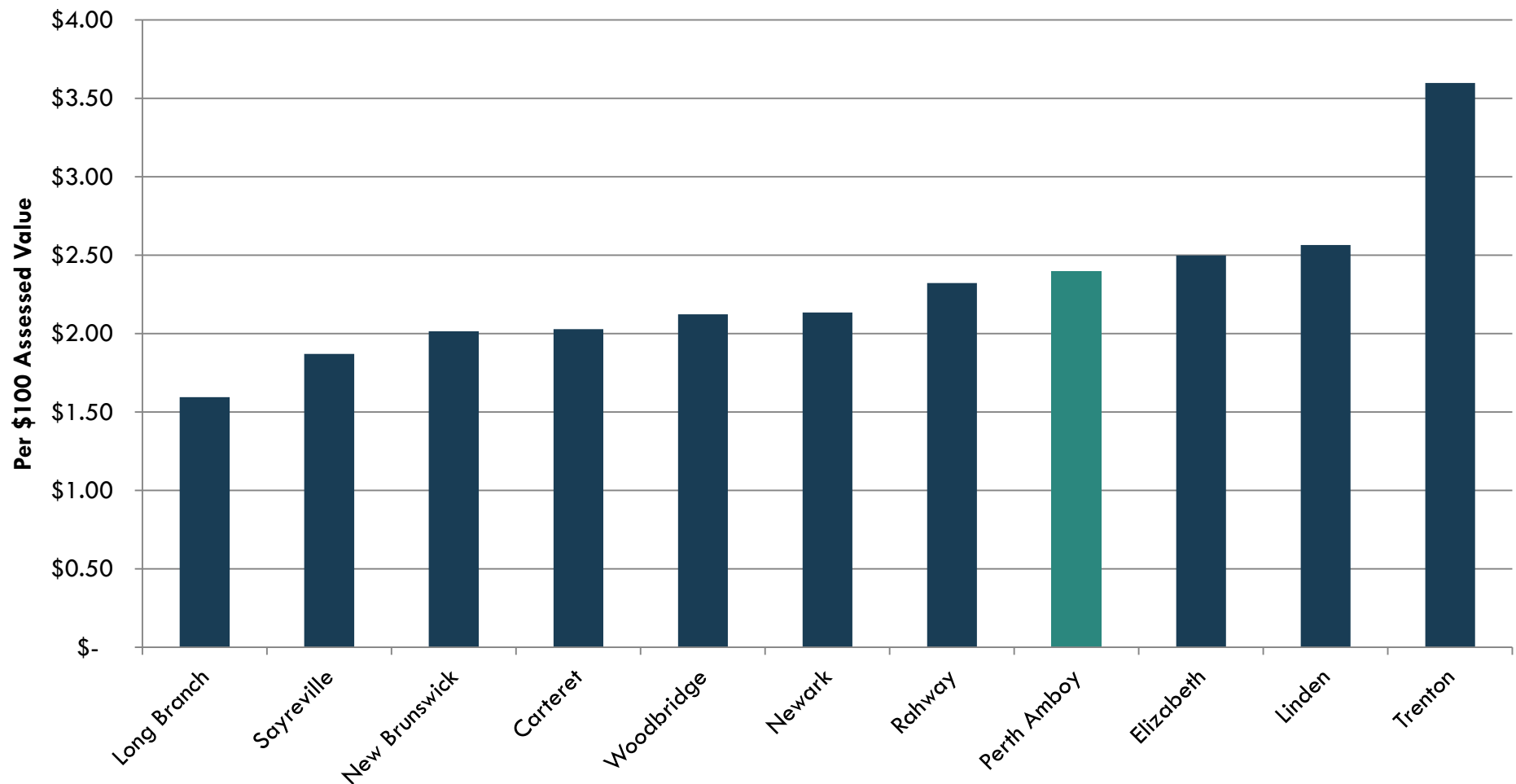
Source: NJ Department of Taxation

# Comparative Set

## Real Estate Market Analysis

Perth Amboy has a significantly higher property tax burden than comparable municipalities.

**Effective Combined Property Tax Rates, 2010**



Source: NJ Department of Taxation

# Redevelopment areas

## Real Estate Market Analysis

One of the City's greatest assets is its potential for future growth. Through the City's Focus 2000 Redevelopment Plan, 30% of the City's land area was prioritized for redevelopment.

### Area 3

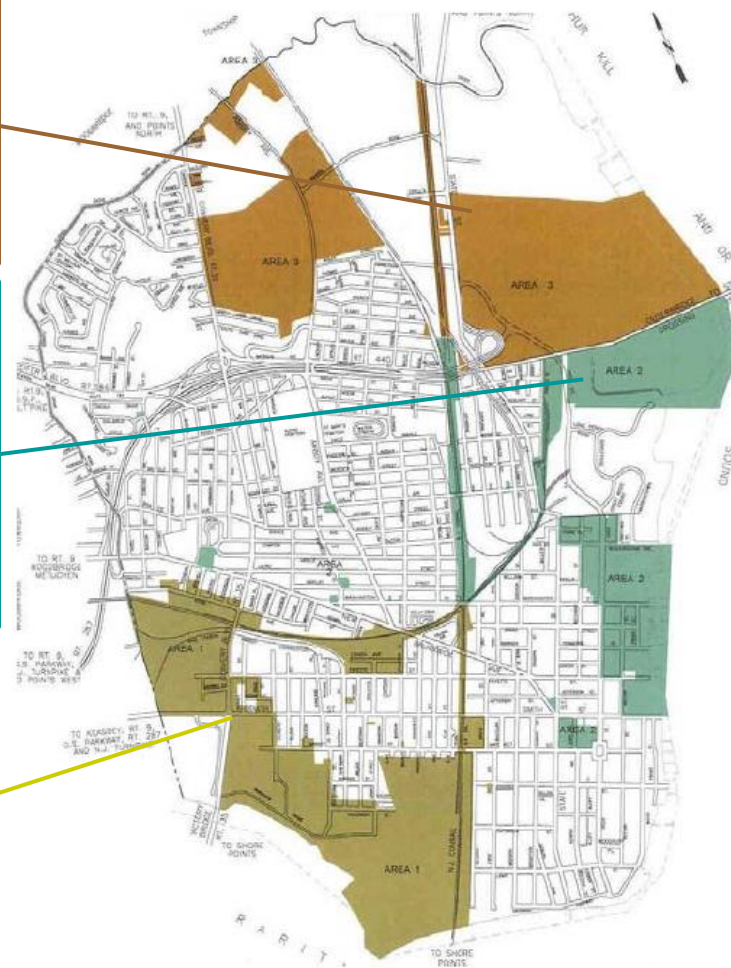
- 6.5% of City's land area
- Large industrial parcels
- Major advances since Focus 2000: ePort proposal, Matrix Industrial Park, Amboy Corporate Center

### Area 2

- 8.5% of City's land area
- Waterfront parcels in a mixed-use/residential context
- Advances since Focus 2000: Landings at Harborside, new Vo-Tech School
- Over half of the parcels are undeveloped or under-developed

### Area 1

- 15% of City's land area
- Smaller industrial parcels close to downtown
- Major advances since Focus 2000: Cornucopia Cruise Line.
- Nearly 60% of the parcels are undeveloped or under-developed



Source: The City of Perth Amboy



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# Key Findings

## Real Estate Market Analysis

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### ■ Opportunities

- Large, developable parcels
- Potential to capture emerging industries: green manufacturing, multimodal distribution
- Walkable downtown
- Cultural destination: strong Latino community and diverse restaurants
- Small-scale professional office development as a mixed-use of component large redevelopment projects

### ■ Challenges

- Access and wayfinding
- Lack of downtown parking
- No express train
- No handicap access at train station
- Large number of brownfields
- Lack of national retail
- Saturated regional office market



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# Preliminary Findings

Implications and next steps in Phases 2 and 3

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## Strengths and Core Assets

### Preliminary Findings

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Despite significant changes to the national and regional economies, Perth Amboy retains substantial assets that provide a strong platform for future growth.

- The City exhibits a strong sense of community and an improving connection to its historical and cultural past. Its large Hispanic base creates a demographic profile that is unique for the region.
- The City has a number of infrastructure assets with its location proximate to New York City and access to multiple modes of transportation for moving people and goods.
- The City's existing strength in manufacturing and wholesale trade sectors, the amount of land assembled and primed for redevelopment, future redevelopment opportunities including the Chevron and Gerdau-Ameristeel sites, and competitive rents/land prices put the City at a competitive advantage for attracting more of these uses. While these uses are less job intensive, they do add value to the property tax rolls.
- The City's economy is driven by a base of small, entrepreneurial businesses. This applies to both the retailers and restaurant owners downtown, as well as mid-size businesses such as Ferrara Bakery and Vira.
- The Raritan Bay Medical Center remains a core economic asset despite recent performance. Other large business assets include US Food Services, Tropical Cheese and Vopak.
- The City is positioned to benefit from the State's focus on reducing regulatory and tax burden on businesses and a coordinated marketing effort to attract new companies.

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# Current and Future Challenges

## Preliminary Findings

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The City has a number of weaknesses and challenges that must be considered as part of an economic development strategy.

- Negative perceptions of the City persist.
- Resident education and income levels lag those in other local communities. These factors deter national retailers and specialty manufacturers from locating in the City.
- The City has a high debt burden due to past financial management decisions and projected ratables not materializing due to economic conditions that has contributed to increasing tax burdens. Residents are particularly hard hit as residential property comprises the majority of the tax base.
- New Jersey long-term growth forecasts project limited employment growth. Unless State government policy interventions to attract private investment alter this projection, a faster rate of growth in Perth Amboy will require attracting a larger share of statewide economic activity.

# Suggested Economic Development and Growth Goals and Strategies

## Preliminary Findings

HR&A recommends the following preliminary economic development and growth goals:

Goal	Strategy
Increase regional recognition of Perth Amboy as an attractive historic, cultural, and recreational destination.	<ul style="list-style-type: none"><li>▪ Use the UEZ and BID as platforms to market Perth Amboy as a destination.</li><li>▪ Encourage programming and special events by community organization and businesses to attract visitors.</li><li>▪ Coordinate historic institutions to improve Perth Amboy as a historic tourism destination.</li></ul>
Grow Perth Amboy's existing businesses.	<ul style="list-style-type: none"><li>▪ Develop a regionally-known downtown retail and restaurant destination.</li><li>▪ Support growth of manufacturing and wholesale trade businesses, such as Ferrara's and US Foods.</li></ul>
Attract new businesses that are complementary to the existing business base.	<ul style="list-style-type: none"><li>▪ Market to businesses that are similar to existing, e.g. food services.</li><li>▪ Market to businesses that provide complementary services, e.g. increase entertainment options in downtown.</li><li>▪ Support Viridian in build out of e-Port site.</li></ul>
Increase property tax base.	<ul style="list-style-type: none"><li>▪ Leverage state and local incentives to attract strategic investment in redevelopment areas.</li></ul>
Increase ability of the Perth Amboy workforce to meet business skill needs, particularly in advanced manufacturing.	<ul style="list-style-type: none"><li>▪ Work with local educational organizations and current and potential businesses to ensure training programs align to skill requirements.</li></ul>

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## Next Steps

### Preliminary Findings

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