

## Chapter 4: Downtown Arena

### **“an area in need of redevelopment...”**

During the week before Christmas 1998 several hundred residents of a small East Ward neighborhood received bright notices in their mailboxes from City Hall. The notices announced that a hearing would be held in two days to determine if a 40-acre region containing much of the neighborhood would be designated as an “area in need of redevelopment,” the modern and euphemistic term for what was once called “blighted.” Confused residents across the neighborhood read the notices and realized that the city intended to raze their houses and businesses.

The telephone at the Sumei Multidisciplinary Arts Center rang constantly during the day and night as architect Hal Laessig and his wife Yoland Skeete answered questions from their neighbors about the implications of the notice. As one of the only community institutions in the neighborhood, the five-year old Sumei Center and its owners soon found themselves at the head of the local response to the city’s redevelopment plans. After the initial shock wore off, Laessig realized that the notices were the first step in the city’s campaign to acquire land to build the new basketball arena that the newspapers had been hinting for months would be coming to Newark.<sup>1</sup> As more and more neighbors phoned Laessig to question the intent of the city notices, he decided to organize a community-wide meeting to discuss the options available to the newly targeted community.

Hal Laessig has lived in Newark since 1976 working as an architect and designer after graduating from the New Jersey Institute of Technology. He has resided in the same part of Newark for the past ten years where his wife Yoland runs the Sumei Multidisciplinary Arts Center. Residents of the neighborhood that is too small to even register a name include a mix

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<sup>1</sup> Interview with Hal Laessig. September 2, 1999.

of long-time home-owners born and raised in Newark, and an influx of young professionals and artists like Laessig and Skeete who have turned old factories into homes and workplaces. Once highly industrial like the adjacent Ironbound community, the neighborhood experienced the collapse of manufacturing in Newark that left many of the factories and warehouses empty. Artists rehabilitated some of these old buildings as studios, and parking companies knocked down others to create new lots for the downtown commuters. The several hundred residents live primarily in old frame houses and converted factories concentrated in the southeast corner of the area closest to Penn Station.<sup>2</sup> The gritty and fragmented nature of the neighborhood, together with its proximity to a major commercial and transportation hub, was a major consideration by the city to locate the arena in this section of Newark.

### **Community Response**

The opportunity for the city and the neighborhood residents to resolve the disagreements over the arena project probably vanished during the very first meeting between the two sides. In response to the notices and the impending hearing to be held by the Central Planning Board, Hal Laessig organized a community meeting on December 19, 1998. The Saturday night gathering drew around sixty residents to the Sumei Arts Multidisciplinary Center, an encouraging turnout according to Laessig because the community had rarely exhibited such unity in the past. Another surprising presence at the meeting was Mayor Sharpe James who stood at the back of the room wearing a sweat suit and dark sunglasses. Laessig had invited James to attend without thinking he would come. Laessig began the meeting by explaining

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<sup>2</sup> Newark Penn Station is the major transportation center for the city plays an important role in the arena project. Close to 100 Amtrak passenger trains running between, Trenton, Philadelphia, and Washington, DC pass through the station daily. In addition commuters are served by the New Jersey Transit and PATH (Port Authority Trans-Hudson) trains that connect outlying towns to Newark, Jersey City, and New York City. Penn Station also serves the AirLink bus connection to Newark Airport, local bus city lines, and Greyhound passenger bus service. Penn Station is also the easternmost stop on the Newark subway line.

the processes of eminent domain and relocation to an audience that was largely unfamiliar with these powers of the government. Not being able to knowledgeably answer the residents' questions about the arena plans, Laessig asked the Mayor to come forward and explain more about the project. But instead of answering questions, the Mayor launched into a speech promoting the benefits of the arena and harshly criticizing those who opposed it. Laessig suggested that the Mayor's insensitivity to the consequences of demolishing the neighborhood turned many of the residents against the project. "I can remember the Mayor saying the phrase 'blight and relocate' six or more times during his speech," Laessig recalled.<sup>3</sup>

When angrily questioned by residents about the two-day notice many of them had received about the Central Planning Board hearing, Mayor James responded that the city satisfied the law requiring at least ten days notice for redevelopment hearings because the notices were originally dated December 10<sup>th</sup>. When confronted with the fact that the notices were delivered late to residents only the day before the Mayor responded curtly, "That's government. That's life."<sup>4</sup> Mayor James also assured the stunned residents that no one in Newark's history had ever been unhappy about relocating to make way for a city project. To the incredulous audience he said, "We have been relocating for years and blighting for years. Thousands of people have been relocated. There is not one unhappy person."<sup>5</sup> In an attempt to convince residents of why the city needed their land, the mayor stressed the transportation advantage of building the arena near the rail-lines of Pennsylvania Station, "If we're going to build something that's going to work, it must be tied to rail to reduce pollution."<sup>6</sup>

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<sup>3</sup> Laessig. September 2, 1999.

<sup>4</sup> Drucker, Jesse. "Newark's facing relocation blast mayor over sports arena plan." *Star-Ledger*. December 20, 1998.

<sup>5</sup> *Ibid.*

<sup>6</sup> *Ibid.*

But Laessig recalled that the assembled residents were not concerned as much with pollution or increased traffic as they were with the prospect of being relocated by a city that had bungled this task many times in the past. Commenting on the Mayor's performance at the meeting, Laessig said the city gave a poor showing in trying to win over the residents. "The people did not like the attitude he was displaying, myself included."<sup>7</sup> The meeting ended with all of the residents except for one voting to oppose the city's efforts to blight and redevelop the neighborhood.<sup>8</sup>

This first gathering of neighborhood residents set the tone for future interactions between the city and the community. The neighborhood's hostile response to the development plan isolated the community from City Hall and became a major obstacle for neighborhood residents interested in more information about the arena. Instead of communicating, the two sides traded unproductive barbs. Laessig characterized the city's approach to promoting the arena project as "out of touch, somewhat arrogant, and not giving any concern to the people who lived in the neighborhood."<sup>9</sup> The response from City Hall was equally harsh. A few months later Mayor James issued a press release addressing the community opposition to the arena and stating the city's position. "We are proud to offer the best site for New Jersey and will not dignify disgruntled individuals who are against everything and for nothing."<sup>10</sup> The threats from the city, however, only served to strengthen the response from the neighborhood. Laessig described how the common adversity unified the once divided community into a force of opposition.

### **The Central Planning Board**

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<sup>7</sup> Laessig. September 2, 1999.

<sup>8</sup> The vote was 53 opposed to the arena, one in favor. Drucker, Jesse. "Newark residents facing relocation blast mayor over sports arena plan." *Star-Ledger*. December 20, 1998.

<sup>9</sup> Laessig. September 2, 1999.

<sup>10</sup> Drucker, Jesse, "City sports complex opposed." *Star-Ledger*. March 19, 1999.

Two nights after the community meeting at the Sumei Center, the Newark Central Planning Board met on Monday December 21, 1998 to consider the fate of the 100 homes and businesses threatened by the proposed arena site. Since the mayor appoints all the planning board members with the exception of one, many considered the decision process a rubber stamp for the city plans.<sup>11</sup> The board opened the meeting by pushing the discussion of the blight declaration to the end of the agenda, a move protested by Laessig because many of the neighborhood residents wishing to speak had to leave early because of their children at home. When the blight issue finally came up at the end of the meeting, the city denied a request by Laessig to postpone the discussion until a future meeting when more residents could attend.

While the official question before the Central Planning Board was to decide if the neighborhood was deteriorated to the extent to require redevelopment, the hundred million-dollar shadow of the arena project dominated all of the questions and discussions.<sup>12</sup> As a result, many of the speakers at the meeting debated the merits of the basketball arena rather than the physical condition of the neighborhood. At one point, according to Laessig, a member of the Planning Board expressed his dismay to the audience over how everyone was talking about the arena when the only question on the table was whether to blight the neighborhood.

During the day he had to prepare for the planning board meeting, Hal Laessig attempted to acquire maps and project plans from City Hall, but development officials refused to give him any materials except a single map without adequate detail. In contrast to the lack of resources available to Laessig and his supporters, the Department of Economic Development

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<sup>11</sup> *Ibid.*

<sup>12</sup> The East Ward neighborhood was listed on the planning board meeting agenda under the following heading, "Area in Need of Redevelopment (arena site)," with the parenthetical addition to remind participants of the underlying project at stake in the discussion. Laessig. September 2, 1999.

and Housing pitched the arena project to the Central Planning Board using a computerized slide presentation led by Deputy Mayor Al Faeilla and two other city officials. In a result that did not surprise Laessig, the board's decision went against the neighborhood activists. The Planning Board voted to recommend the city's plan to redevelop the land desired for the arena. This vote shifted the blighting showdown to the next City Council meeting when council members would vote on the Central Planning Board's recommendation to redevelop the neighborhood.

As the blight proceedings advanced to the next stage, the city continued its policy of restricting information available to the activists. Neighborhood residents were not even told when the council would vote on the issue. Laessig said he went to City Hall six times to request information about the arena project and was turned away empty-handed on every occasion. Finally he sought assistance from members of the City Council, but he only received help from Councilman Cory Booker, the Central Ward representative who is a frequent critic of the city's high-handed development tactics. After listening to Laessig's story of being ignored by the development officials, Booker invited Laessig to make a presentation to the other council members at the pre-council meeting the afternoon before the next council meeting.

After the four council members present at the pre-meeting agreed to the unusual precedent of allowing Laessig to speak, he was given five minutes to make the case that his neighborhood had been treated unfairly by the city. To make his point Laessig described his lack of access to maps and plans for the arena despite having repeatedly requested them from City Hall. As Laessig pleaded with the council members to recognize the illegal tactics practiced by the development office, the City Clerk Robert Marcuso surprised everyone present by giving his copy of the city's arena plans to Laessig. Deputy Mayor Al Faiella, who

was attending the pre-meeting for other business, made a quick rebuttal to Laessig's comments and portrayed the city's action as entirely legal and proper. Laessig attempted to refute Failla's comments, but was cut off by the council. At that point the council members present at the pre-meeting decided to add the discussion of the blight declaration to the agenda of the next day's regular meeting. Councilman Booker again asked to allow Laessig the opportunity to address the full council during the meeting, which was agreed to. This move was highly unusual because the council had changed its policy to restrict most public comments during its meetings.

The next day at the full meeting Laessig was allowed to give a three-minute speech describing how the city had violated the blighting procedures and misrepresented the condition of the neighborhood in order to seize the land for the arena. But when the council voted on the fate of the neighborhood, only Cory Booker voted against the Central Planning Board's blight recommendation as the city's redevelopment plan passed by an 8 to 1 vote. Booker later said that he favored the arena project but opposed the process by which the city had condemned the land. He was partially joined in his condemnation of the city's tactics by East Ward Councilman Augusto Amador who admitted the city failed to pursue the blighting process in the best and most democratic manner.<sup>13</sup>

As both sides of the arena issue dug in deeper against each other, the future course of the conflict was foreshadowed by an off-hand comment by the mayor at the original December 19<sup>th</sup> community meeting. When Mayor James characterized the redevelopment process with the statement, "It's not about fairness, it's a legal issue," he unknowingly predicted the next strategy of the neighborhood activists.

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<sup>13</sup> Councilman Augusto Amador, who represents the neighborhood over which the arena would be built, expressed regrets over the process pursued by the city. "I wouldn't say the process was done illegally. I would say the process was rushed in a way and information was not shared the way it should be." Like Booker, Amador fully supported the construction of the basketball arena in the planned site. Drucker, Jesse, "City sports complex opposed." *Star-Ledger*. March 19, 1999.

### **C.H.A.R.G.**

In response to the quick campaign of defeats at the hands of the Central Planning Board and the City Council, Laessig and other activists from the threatened neighborhood created a group named C.H.A.R.G. (“City Hall Area Redevelopment Group”) to continue their opposition to the arena. During the first weeks of 1999 the newly formed C.H.A.R.G. received valuable organizing assistance from Ironbound residents affiliated with the Ironbound Community Corporation from across the railroad tracks. In 1997 the Ironbound-based activist group S.P.A.R.K. (“Save the Park at Riverbank”) successfully prevented Newark developers and Essex County from building a minor-league baseball stadium inside the historic Riverbank Park designed by Fredrick Law Olmstead. Although S.P.A.R.K. mobilized widespread opposition to the stadium plans within the Ironbound, the rest of the city overwhelmingly favored the project. The Ironbound activists finally defeated the stadium by appealing to the U.S. Department of Interior to get the park named a national historic landmark. The story of Riverbank Park represents a significant victory by community members over the development plans of the city.

Having lost the public hearing process, C.H.A.R.G. followed the advice of S.P.A.R.K. and turned to the courts to file a lawsuit accusing the city of both procedural and substantive violations in the process used to blight their neighborhood. C.H.A.R.G. received legal assistance from S.P.A.R.K. attorney Ira Karasick from the Rutgers University Environment Law Clinic until a conflict of interest forced him to withdraw. Jerome Gottesman who owned Edison Properties and operated several parking lots in the arena site filed a second lawsuit against the city. Gottesman sued to prevent the arena because he feared he would lose valuable development rights for the land occupied by his parking lots in the redevelopment zone. For much of 1999 the lawsuits languished in the courts as publicity and momentum



built up in favor of the arena project. Meanwhile representatives from the arena developers had been pressuring Laessig and C.H.A.R.G. to cut a deal and abandon their resistance to the project. By September 1999 and after eight months of opposition, Laessig expressed his frustration over the lawsuit and the eventual fate of his home and business. “We may end up having to take a deal because we don’t have a lot of prospects in winning. Courts have favored government agencies that have done the blighting even in cases that have had a much better reason to survive than we do.”<sup>14</sup> But instead of accepting a deal, the residents of the embattled neighborhood decided to continue their fight.

### **Controversy Over Blight**

City officials originally chose the East Ward neighborhood as the arena location because of its close proximity to downtown transportation centers and its redevelopment potential. Wedged between the railroad tracks of Penn Station and the downtown office towers, the prime location of the redevelopment site placed the arena within walking distance of the highly-used public transportation facilities and the commercial crossroads of Broad and Market streets. To satisfy the second rationale to redevelop the site, the Central Planning Board and the City Council voted to redevelop the neighborhood citing its bad physical condition. According to the notices distributed to the residents of the condemned neighborhood in December 1998, the definition of “blighted” applies to areas containing “buildings that are old, run-down, empty, or unsafe.” But even well maintained properties can be acquired under the blight decree because the city has the power to patch together lots and city blocks to create a “Comprehensive Redevelopment Area” that can include sound structures adjacent to the blighted ones. This additional power is a crucial tool used by the city to craft redevelopment plans beyond the boundaries of blighted areas.<sup>15</sup>

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<sup>14</sup> *Ibid.*

<sup>15</sup> Drucker, Jesse, “Newark facing relocation blast mayor over sports arena plan.” *Star-Ledger*. December 20, 1998.

The presentations by city officials before the Planning Board and city council told a story of a neighborhood composed of abandoned buildings, parking lots, and littered streets. The city's depiction of the site received backing from outside observers including Frank Giantomasi, a prominent land-use attorney from Newark. Giantomasi said that the small concentration of well-maintained homes in the neighborhood did not balance out the larger number of decayed and vacant properties.<sup>16</sup> A *New York Times* article comparing the prospective arena sites in Newark and Hoboken described the Newark redevelopment area as a "gritty neighborhood of warehouses, vinyl-sided homes, and parking lots."<sup>17</sup>

Local residents who lived in the redevelopment zone, however, challenged the city's depiction of the neighborhood's condition. Resident Soraida Cruz told the *New York Times* that the city misrepresented the character of her neighborhood in order to enact the blight decree. "This is no Beverly Hills, but it's not as run down as they want people to believe."<sup>18</sup> Hal Laessig protested that his neighborhood was a prime example of grass-roots efforts to revitalize a community. He described how several years ago community members teamed up with the police department to kick the local drug dealers out of the neighborhood.<sup>19</sup> Laessig accused the city of misrepresenting the quality of his community. "The city had to invent the blight conditions in this neighborhood. The people here are the type of people who will go out at seven o'clock every morning and sweep the stoop and sidewalk in front of their house."<sup>20</sup> He and other residents also questioned why the city wanted to redevelop this thriving residential pocket when the Central Ward was filled with dozens of bombed-out tracts that needed more urgent attention. Laessig predicted that the area would continue to

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<sup>16</sup> Drucker, Jesse, "City sports complex opposed." *Star-Ledger*. March 19, 1999.

<sup>17</sup> Jacobs, Andrew. "Sports Arena Plans Put Some on Edge." *New York Times*. March 21, 1999.

<sup>18</sup> *Ibid.*

<sup>19</sup> Laessig, September 2, 1999.

<sup>20</sup> *Ibid.*

improve if left alone. “If this neighborhood would survive it would become the city’s major artists district.”<sup>21</sup>

Arts-related economic development became a major goal of the city with the advent of the New Jersey Performing Arts Center. Officials hoped NJPAC would draw arts businesses to the struggling areas of the downtown. Yet Laessig pointed out one of the major ironies of the city’s development plan when he questioned why the arena backers wanted to destroy a viable arts neighborhood in order to build a basketball arena. He noted that many of the investors in the arena project, including philanthropist Ray Chambers, were involved with the New Newark Foundation’s unsuccessful efforts to create a new artist community in the abandoned downtown commercial district.<sup>22</sup> Laessig’s concerns reiterated criticisms of the city’s lack of a comprehensive plan for downtown development. Despite having to watch his neighborhood blighted during the redevelopment hearings, Laessig was still able to make light of his situation when he said: “If they decide not to build the arena I am sure they will just drop a Home Depot on top of us anyway.”<sup>23</sup>

### **Bringing in the Nets**

Even before the first maps of the arena site appeared in the pages of the *Star-Ledger*, people in Newark were discussing the possibility of New Jersey Nets basketball team relocating to a Newark arena. With pro-Newark investors looking to buy a majority share of the Nets franchise, and City Hall interested in creating a new image for the city, all of the

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<sup>21</sup> During the past several years the city’s Cultural Affairs Department brought VIPs visiting Newark on its “Brick City Tours” through the artists studios of the now condemned neighborhood. Laessig. September 2, 1999.

<sup>22</sup> Beginning in 1996 the New Newark Foundation began to purchase abandoned properties in the commercial district of downtown Newark after the predicted investment in arts development failed to materialize following the opening of NJPAC. New Newark has invested millions of dollars to renovate these buildings to attract artists and arts-related businesses. Officials with the arena have suggested to Hal Laessig that he should relocate the Sumei Center to the new arts district being created by New Newark. Laessig. September 2, 1999.

<sup>23</sup> Laessig. September 2, 1999.

ingredients were in place for a downtown arena to become the next big development project in Newark.

Several events occurred during the first few days of July 1998 to create the conditions necessary to bring the Nets to a new \$300 million-dollar arena in downtown Newark. On July 1<sup>st</sup>, 1998 newspapers across the state announced that a group of New Jersey investors led by Newark-benefactor Raymond Chambers agreed to purchase the Nets franchise for \$150 million and promised to keep the team in New Jersey.<sup>24</sup> The majority of the media coverage focused on the backgrounds of the old and new team owners, but the reporters also raised two potential roadblocks to the new arena. Many observers believed that a Newark arena would only be successful if both the Nets and the Devils, the New Jersey hockey franchise, used the facility as their home court to fill the arena throughout the calendar year. Unfortunately for city officials, Devils owner John McMullen favored a new stadium in Hoboken and did want to move his hockey team to Newark. Additionally, the state would only contribute the \$75 million in financial support to construct the arena if New Jersey both teams occupied the building. Governor Christie Whitman at the time favored a proposal by the New Jersey Sports and Exposition Authority to construct a new arena for the hockey and basketball teams at another site in the Meadowlands.<sup>25</sup>

While the excitement of a downtown arena swept the city in the weeks after the project was publicly announced, team owners and city officials realized building the arena would be a difficult undertaking. Some developers had foreseen these obstacles to the arena project and had begun creating development plans well before the project was actually announced. As a part of this early planning Nets investors worked closely with city development officials to

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<sup>24</sup> The deal completed in July 1998 required the new owners to put up \$25 million in cash to purchase the team. The final transaction for the team was completed in November 1998. Sterling, Guy, "New owners, same state for the Nets." *The Star-Ledger*. June 1, 1998. Essex County Section.

<sup>25</sup> Jordan, George E., "Newark arena urged in Trenton." *Star-Ledger*. July 7, 1998.

organize a six-month study to determine the feasibility of relocating the Nets to Newark.<sup>26</sup> Active in the exploration process was Michael Gilfillan, Ray Chamber's son-in-law and a lawyer who directed the Newark Sports and Entertainment Authority (NSEA) in a survey of possible arena sites around the city. Gilfillan said the Nets organization created NSEA to work with the city in selecting a downtown site for the arena. He described his work as bridging the gap between the Nets owners and the city as the two interests sought out the best location for the arena. Gilfillan said that actual arena planning began during the summer of 1998 shortly after he became the Executive Director of the NSEA. He said the preparation work by his group covered all the issues for development, including re-zoning, purchasing, and transportation.<sup>27</sup>

Locating the arena site close to the public transportation hub of Newark's Penn Station was the prime concern for building the sports complex in the East Ward according to Michael Gilfillan. Developers wanted to channel pedestrian traffic from the surrounding office buildings into the redevelopment zone. As Gilfillan stated, "the primary purpose of the arena is to get people onto the street, especially beyond the 9-5 working hours."<sup>28</sup> But the proximity of the redevelopment site to Penn Station was also the geographic advantage that drew Hal Laessig and other artists to settle in the neighborhood. Penn Station is so close to the Sumei Arts Center that the building vibrates with the noise of the Amtrak trains accelerating and decelerating into the station. The transportation requirements of Laessig and

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<sup>26</sup> *Ibid.*

<sup>27</sup> In 1998 NSEA contracted Lake, Mason, a brokerage securities firm with a sports real estate division to conduct a feasibility study looking at the possible sites for the arena. The two other sites considered, but not chosen, were located in the New Newark Foundation development region in the commercial district. Also called "Halsey Village," this area stretches East to West between Broad Street and Washington Street, and is contained by New Street and Warren Street. The second site considered was near the Newark Broad Street train station adjacent to Route 280. All of the sites were tested against a series of development needs and the East Ward facility proved the best site. Interview with Michael Gilfillan. January 11, 2000.

<sup>28</sup> Interview with Michael Gilfillan. January 11, 2000.

his neighbors appear very similar to the needs of the city.<sup>29</sup> The conflict over the valuable space around Penn Station shows how Newark's extensive transportation networks are important to both developers seeking to transform the city and also residents interested in preserving their businesses and way of life.

### **Stealth Development**

The breakdown in communication between City Hall and neighborhood groups plaguing many of the development issues in Newark proved to be a major issue in the arena controversy. Hal Laessig claimed the first notification of the arena redevelopment plan came from the flyers distributed by the city to announce the Central Planning Board meeting in December of 1998. But despite the silence between the city and the residents, Newark newspapers had prominently reported the progress of the Nets basketball deal and the possible locations for the arena site for months preceding the city's actions to blight the land.<sup>30</sup> Unfortunately for the residents of the East Ward site, once the city decided to seize the redevelopment zone, the bureaucratic machine moved with unprecedented speed to acquire their neighborhood. Within the space of two weeks starting in December 1998 the several hundred very surprised residents of the East Ward saw their neighborhood condemned for redevelopment by the planning board, blighted by the city council, and seized as a redevelopment site. In response, the lawsuit filed by the activist group C.H.A.R.G. in early 1999 claimed the city violated the legal guidelines governing condemnation by failing to give neighborhood residents proper notification and access to information about the public hearings.

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<sup>29</sup> For his work Laessig depends upon the train connections to New York located at nearby Penn Station. "My work is very connected to New York and we depend on customers being able to walk from the train station to our gallery." Interview with Hal Laessig. September 2, 1999.

<sup>30</sup> Some of the maps accompanying the newspaper articles clearly showed the arena would be built on top of Laessig's East Ward neighborhood. Chambers, Steve, "They paid the cash, but can they carry Nets to Newark." *Star-Ledger*. July 1, 1998. First Section.; Moran, Tom. Editorial. "Hoops, hockey, and hope." *Star-Ledger*. May 9, 1999.

### **The Arena as a Public Project**

Public building projects in Newark are often conceived as sparks to ignite further development activity. City officials are always looking for the essential piece of public investment to fit the development puzzle that will cause all the other pieces, both public and private, to fall into place.

According to SanDonna Bryant, the construction of the four Gateway towers starting in the late 1960s and continuing another 20 years provided a major boost to Newark's downtown development effort.<sup>31</sup> Bryant is the director of the Newark Community Development Network, a consortium of community-based agencies in the city. While Bryant is often critical of the city's development strategies for focusing too much on the downtown, she praised the impact of the Gateway Center on development throughout the city. She considered the corporate investment by the Prudential Company and the growth potential of the project as crucial elements that enabled the Gateway to maintain its status as the most desirable office space in Newark. Other observers confirmed Gateway as an optimistic sign of growth during the difficult decades after the riots, but they also portrayed the successful office buildings as walled-off fortresses designed to protect workers from the perceived dangers of Newark's streets. NJPAC executive Jeff Norman described the style of the Gateways as "post-riot architecture designed to protect the building's inhabitants from urban phobias."<sup>32</sup>

In contrast to the Gateways, Newark's development engine for the last several years has been the New Jersey Performing Arts Center (NJPAC), a revolutionary structure designed to attract and welcome the public. NJPAC has assumed the ambassadorial role for Newark as

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<sup>31</sup> "The development of the Gateway complex was the first catalyst for bringing corporate jobs into the downtown area. The early investment by Prudential Insurance and other corporate emblems set the stage for future development." Interview with SanDonna Bryant on February 4, 2000.

<sup>32</sup> Interview with Jeff Norman. September 3, 1999.

the new and influential model of public development in the city. Unlike Gateway, NJPAC inspired follow-up business development and interest in Newark immediately after the arts center opened in September 1997. While seemingly unrelated, the worlds of arts and business are frequently combined when developers use arts-related projects to spark subsequent inner-city economic investment. The results have been especially visible in Newark because the performing arts center was built in the middle of the depressed downtown business district.

While the imposing architecture of Gateway Center proved necessary to attract corporate tenants to Newark 25 years ago, the building style is politically incorrect in the present era. The current trend is to pursue an architectural style more accessible to the public. According to Nets executive Michael Gillfillan, the open and pedestrian friendly design of New Jersey Performing Arts Center served as a model for the layout of the proposed New Jersey Nets basketball arena. “We wanted to avoid the architectural style of the Gateway towers. We felt that NJPAC served as a model for environmentally friendly architecture and we want the arena to be as open and public a facility as possible.”<sup>33</sup> The artistic renderings of the proposed arena depicting crowds of pedestrians, shoppers, and basketball fans milling around a large square and entrance staircase reinforce Gilfillan’s goal to make the arena a public place.<sup>34</sup> Gillfillan stated the proposed design for the arena will integrate the successful architectural innovations of the performing arts center, but it will also add some new aspects of its own. The commercial and office development planned to surround the arena site is a major distinction from previous economic development projects and represents an opportunity for the community to contribute to the design and layout of the project.

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<sup>33</sup> Interview with Michael Gilfillan. January 11, 2000.

<sup>34</sup> Moran, Tom. Editorial. “Hoops, hockey, and hope.” *Star-Ledger*. May 9, 1999.



### **Responsible Economic Development**

The arena project represents the third major public project undertaken by the city in the past five years after NJPAC and the minor-league baseball stadium. The highly publicized success of NJPAC has encouraged Newark development officials to pursue more ambitious public development projects to return economic activity to the center of the city. But both city officials and community organizers learned from the baseball stadium debacle how a concentrated local opposition could overturn a controversial issue supported by a majority of the city.<sup>35</sup>

While much of the city's history of community development is a legacy of ambitious goals and construction projects, Newark also contains a strong history of community opposition to city development plans. While politicians describe Riverfront Stadium as a major feat of entertainment development, Ironbound community activists recall their successful 1997 struggle to move the stadium outside of the Ironbound as an example of successful citizen opposition. Grass-roots challenges to economic development projects has become a potent force in recent years as neighborhood activists are more willing to fight the city's controversial development goals. To fight the proposed arena the activists in C.H.A.R.G. borrowed many of the strategies successfully used by the Ironbound activists to stop the minor-league baseball stadium. In response to the opposition, the developers and city officials pushing the arena project took two different approaches to community relations. While the city tried to end-run the neighborhood through its blighting hearings, Nets officials and entrepreneurs associated with Ray Chambers sought to negotiate and placate local residents.<sup>36</sup> A disturbing trend for Newark city officials over the past several years is that the

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<sup>35</sup> Ironbound activists from the S.P.A.R.K. organization lobbied the federal government to designate the proposed park site for the stadium a national historic landmark. The city was forced to move the stadium to another location to be built at twice the cost. Interview with Nancy Zak. August 19, 1999.

<sup>36</sup> Hal Laessig mentioned that he was encouraged by Nets official Michael Gillfillan to accept a deal and relocate out of the redevelopment zone. Interview with Hal Laessig. September 2, 1999.

more City Hall has been involved in public development projects, the worse the community relations have become and the more expensive the projects end up costing.<sup>37</sup>

The arena is backed by the same network of financial and operational assistance responsible for bringing the New Jersey Performing Arts Center to Newark. The project matches the philanthropic goals of entrepreneurs such as Raymond Chambers with the development-oriented goals of the city to bring further investment and prestige to Newark. Yet the arena also represents a community development project which could have even an even greater impact on downtown development than the construction of NJPAC because of the provisions for companion office and retail development surrounding on the arena site. But the act of building a performing arts center or a basketball arena in the inner-city does not automatically solve urban problems or promote comprehensive development. In order to achieve success, the design and operation of public development projects must follow well thought-out plans.

As the arena project gained momentum in the fall of 1999 Mayor James invited the mayor of Cleveland, Michael White, to visit Newark and give support to the city's plan to use sports development to reshape and revive the downtown. But instead of giving his unqualified endorsement to Newark's arena project (as Mayor James wished), Mayor White had sobering words for the pro-development forces in Newark. In a joint press conference with the mayor of Newark, White "told elected officials and business people here that such arenas must be coupled with a comprehensive economic development plan for downtown and be 'balanced' to extend the benefits to outside downtown and into blighted residential

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<sup>37</sup> Newark's Riverfront Stadium exceeded budget projections by over 50% to cost Newark and Essex County taxpayers \$34 million. Smothers, Ronald, "In Newark, a carnival as the Bears Return." *New York Times*. July 17, 1999. The cost of the South Ward Industrial Park which opened in early 2000 exceeded initial estimates by \$2.3 million. In addition, the 100,000 square foot industrial building only employed one third of the jobs promised by the Mayor. Stewart, Nikita, "Newark industrial park open in S. ward." *Star-Ledger*. January 28, 2000.

areas.”<sup>38</sup> Mayor White warned that if the taxpayers fail to realize a substantial benefit from the public investment, the arena might not be a worthy project for the city to pursue. “If all we are doing is keeping some millionaires busy with games they should have outgrown long ago, then I say it is a lousy investment. If it’s \$200 million or so in public money for a sports project, I say keep your money. But if it is an economic development project first and not just a sports project, then I’m all for it.”<sup>39</sup>

Mayor White’s reservations about the limited impact of building a downtown arena are echoed by Larry Goldman, the CEO and executive director of the New Jersey Performing Arts Center. As an urban planner, Goldman pays special attention to the role served by NJPAC to encourage localized development in the downtown business district. Goldman said, “It is not a slam dunk that an arena in a city as small as Newark will make it a great urban center. It has to be something that enhances the urban environment.”<sup>40</sup> In order to make the arena project a success the city needs to develop a plan similar to NJPAC to create another cornerstone of downtown development. Outside entrepreneurs and local politicians hope the combination of the arts center and the new arena will provide the inertia to finally get Newark moving again on its own.

### **The Final Steps**

A year after the notices announcing the coming arena first appeared in the mailboxes of the East Ward neighborhood, the ambitious plan to construct a \$300 million sports complex in the heart of downtown Newark appeared close to becoming a reality. Progress had been made in all levels of the development project, beginning with the city’s expedited process to blight and seize the necessary land for the redevelopment zone. By late 1998 a group of New

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<sup>38</sup> Smothers, Ronald. Cleveland Mayor Warns Newark an Arena is No Cure-All.” *New York Times*. October 20, 1999.

<sup>39</sup> *Ibid.*

<sup>40</sup> Smothers, Ronald. “Long-Sought Arena Seems Likely for Newark.” *New York Times*. January 23, 2000.

Jersey investors led by Ray Chambers completed their deal to purchase the Nets basketball team. Arena backers and city officials weathered several storms over financial support, public opinion of the Newark site, and state approval for the facility. Governor Whitman, however, still withheld state funding for the arena until Newark could attract two teams to play under the same roof. To forestall the possibility that the Nets basketball team would be the only tenants of a Newark arena, officials with the YankeeNets corporation began holding promising talks with New Jersey Devils owner John McMullen to purchase the NHL team and ensure its place in the new arena.<sup>41</sup>

On January 10<sup>th</sup>, 2000, the Newark Economic Development Corporation (NEDC) submitted six versions of the arena redevelopment plan for final approval by the Central Planning Board. Newark leaders used the occasion to express their optimism about the future impact of the arena on Newark's economic revitalization. Mayor James attempted to sell the project to the local community by emphasizing how the arena would provide more jobs for Newark residents. "This is an opportunity to create new entrepreneurs, new jobs, construction jobs, permanent jobs."<sup>42</sup>

The city introduced six contingency models for the redevelopment zone to maintain flexibility in the final stages of the planning process. The plans varied in scope based upon the level of state and private funding the project would receive. The most extravagant version of the arena included a 30,000-seat soccer stadium for the MetroStars professional soccer team, in addition to: "parking garages, a hotel, television studio, a movie theater, bus depot, and eventually, a light rail to Newark International Airport."<sup>43</sup> But despite the lingering question of state support, deputy mayor for housing and economic development Alfred

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<sup>41</sup> The YankeeNets organization was considering purchasing the New Jersey Devils from John McMullen for \$175 million, more than \$40 million over the estimated value of the NHL franchise by Forbes magazine. Vacchiano, Ralph, "Devils Owner Set to Make a Deal." *New York Daily News*. January 13, 2000.

<sup>42</sup> Associated Press. "Newark to unveil sports arena plan." *The Star-Ledger*. January 10, 2000.

<sup>43</sup> *Ibid.*

Faiella presented a positive front for the project. “We are confident it happens with or without state support. I know that is an optimistic statement, but we believe it will happen.”<sup>44</sup>

The promising news for the Newark arena was echoed in an article headlined “Long-Sought Arena Seems Likely for Newark” that appeared two weeks later in the *New York Times* on January 24. The article detailed the final calculations for the funding for the project. The new owners of the New Jersey Nets promised to finance a \$270 million privately funded 18,500-seat arena located adjacent to Penn Station and in the midst of a 40-acre redevelopment area. The city would put up \$25 million in local funds to improve transportation access to the site, provide parking for 3,000 cars, and construct a grand entrance from the city’s commercial center to the arena. Still in question was the \$75 million in state financing that would be used to widen more roads, create infrastructure for office and retail development, build a raised walkway to the arena from Penn Station, and fund the nearby soccer stadium.<sup>45</sup>

But just as the arena seemed ready to clear the final hearing hurdle, the whole project suddenly fell into the quagmire that has ruined many other development dreams in the city. In the space of a few days the growth machine in Newark united solidly behind a \$350 million plan for a downtown arena was stopped cold by a handful of community activists fighting to maintain their neighborhood in the face of development.

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<sup>44</sup> *Ibid.*

<sup>45</sup> Smothers, Ronald, “Long-Sought Arena Seems Likely for Newark.” *The New York Times*. January 24, 2000.