

The Fire this Time: Development Conflict in Rebuilding Newark, New Jersey

An Essay Presented

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“What Price a City?
 “Fifty double barrels of powder,
 one hundred bars of lead...
 four barrels of beer...
 three troopers coats...”
 three centuries toil...
 And Five Nights of Fire.¹

“I am going to predict that you will not recognize the city [Newark] in four years when you see some of the things that are going to happen.”

Al Faiella - Deputy Mayor for Housing and Economic Development²

“I am concerned that residents of this city twenty years from now will not even know that we were here.”

Mamie Bridgeforth - West Ward Councilwoman

¹ This quotation appears on the title page of John T. Cunningham’s historical account of the city of Newark. *Newark*. Newark: New Jersey Historical Society, 1988. The quote begins with a list of objects given to the Hackensack Indians in 1666 to purchase the land that eventually became the city. The last two lines reflect the author’s perspective on the history of Newark since its founding.

² Drucker, Jesse. “Report hails Newark plan for economic growth.” *Star-Ledger*. March 10, 1998.

Introduction

While for decades the outside world's perceptions of Newark, New Jersey were shaped by the city's troubled history of riots, racial unrest, and political corruption, the future images of Newark are being decided today by community leaders, real estate entrepreneurs, and urban politicians committed to re-shaping the city. The term "renaissance" is now frequently invoked by observers of Newark's transformation as varied as the Republican Essex County Executive James Treffinger³ and poet, activist, and Newark-resident Amiri Baraka. Mayor Sharpe James, who has occupied the corner office in city hall since 1986, is a vocal advocate of the latest redevelopment efforts. He made both the existing and future elements of the citywide revitalization a major aspect of his successful re-election campaign for a fourth term in 1998. Front-page articles in *New York Times* and the *New Jersey Star-Ledger* have praised the construction of the \$180 million New Jersey Performing Arts Center and its record-breaking inaugural season of operation.⁴ The red brick concert hall and theater opened in downtown Newark in 1997 and is largely seen as the catalyst for the increased attention and investment the city has received.⁵

A true renaissance in Newark, however, implies a broad expansion of growth and opportunity reaching into the far corners of all five of the city's wards. A number of community leaders and neighborhood groups have spoken out against the overwhelmingly positive characterization of Newark expressed by Mayor James and other city officials. These challengers agree that certain areas of the city such as the downtown business district are

³ Treffinger, an unlikely political ally of Mayor James, made the renaissance comment when discussing plans to move the New Jersey Nets to an arena in downtown Newark. Jordan, George E. "James: Let arena choice be colorblind." *Star-Ledger*. July 2, 1998.

⁴ Garrbarine, Rachele. "In Downtown Newark, Hopeful Signs." *New York Times*. December 20, 1998. Sec. 11.

⁵ From October 8, 1997 to July 10, 1998 NJPAC entertained 504,084 arts patrons, 25% more than originally projected. McGlone, Peggy. "NJPAC's first year: Few missteps amid a bright season." *Star-Ledger*. July 12, 1998.

receiving impressive development attention, but they point out that the needs of the city's residential neighborhoods are languishing as an economic afterthought.⁶

One of these voices of opposition belongs to Cory Booker, the 30-year-old Rhodes Scholar and Yale Law graduate who beat a four-term incumbent to win the Central Ward council seat in the summer of 1998. Booker, who served as a lawyer for public housing tenants in the impoverished Central Ward for two years before running for office, is familiar with the rough edges to the renaissance in Newark. As a newly minted councilman, Booker has asked tough questions about the actual social and economic conditions in the city. In a speech criticizing the overly optimistic picture of Newark painted by the Mayor, Councilman Booker asked, "How do you measure a renaissance? If you measure it in health indices, it's not a renaissance. If you measure it by unemployment, there's been no appreciable difference. If you measure it by median income, there's been no real change."⁷

Several neighborhood groups in Newark today have latched onto the concerns raised by Booker and others. These groups have begun to openly criticize and oppose the development priorities of the city that favor investment in the central business district over projects in the residential neighborhoods. The New Community Corporation (NCC) is a large community development corporation that builds housing and funds jobs in the city's hard-hit Central Ward that has consistently butted heads with City Hall. NCC Director of Development Raymond Codey describes the role of NCC as a squeaky wheel working to attract attention to the issues the city tries to ignore.⁸ The rift between City Hall and the neighborhoods has become a

⁶ Raymond Codey, Director of Development for the New Community Corporation claimed new development ignores the needs of Newark residents. "People who live in Newark don't have access to those job opportunities [in the downtown]. Part of it is that the education system doesn't work, and the economic situation and transportation pitfalls that discriminate against city residents." Interview with Raymond Codey. August 26, 1999.

⁷ Purdy, Matthew. "Our Towns: Newcomer Gets Attention In Newark." *New York Times*. November 17, 1999.

⁸ "We do the point, counter-point, because when the city says we are in a renaissance, we say we are not in a renaissance because the school system doesn't work, and we face problems in crime, unemployment, and the AIDS epidemic." Interview with Raymond Codey. August 26, 1999.

constant source of friction often overshadowing efforts by the two groups to agree on development priorities in Newark.

At the same time that city officials and community groups enjoy turbulent relations, economic development in Newark has begun to take off. The increased investment activity in Newark triggered by the success of the arts center has convinced many one-time skeptics to take a serious look at the growth opportunities available in the city. Most of the developers' attention is focused on the downtown business district and the industrial tracts near the international airport and port. The low cost of office space in these areas combined with Newark's rising potential as a business location has created a new demand for real estate in Newark. Early speculators in the city are now making large profits by renovating and selling vacant buildings they purchased cheaply when the city was still ignored by investors and dependent primarily upon on state and federal aid. The surge in development has influenced many aspects of Newark, from the increased self-confidence of city residents to the changing skyline and the bold signs announcing future projects. These changes are also causing dramatic shifts in Newark institutions and altering the way the city government and the citizens communicate and relate to each other.

Three distinct interest groups motivated by different goals and ideals constantly maneuver to make their voices heard in the development conflicts of Newark: City officials; entrepreneurial developers; and neighborhood residents. The aims of these actors sometimes overlap but they more often collide in conflict over contentious development issues. Officials in City Hall work to attract new corporations, institutions, and buildings to Newark with the goal of improving the city's economy and tax base. These pro-growth tactics have been criticized by some community leaders for offering businesses extensive relocation incentives that diminish the overall economic contribution of the company. Working closely with city officials and politicians, many development entrepreneurs come to Newark to renovate commercial property that they

purchased cheaply and hope to sell for a considerable profit. By the late 1990s Newark had developed the reputation as a profitable place to invest in real estate.⁹ Operating at odds with the economic sphere that defines the other two development actors, neighborhood groups and residents organize within the city's communities to preserve their homes, improve city services, and hold elected officials accountable to their needs. Neighborhood groups tend to support the economic benefits of additional jobs and tax revenues supplied by development projects, but they remain hostile to projects that would increase traffic, destroy housing, or otherwise damage the atmosphere of their communities.¹⁰ With each interest group occupying a separate niche in the development process, the three groups compete to establish their individual development aims within the projects that come to Newark.

A unique addition to the political mix in Newark is Raymond Chambers, a publicity-shy Newark-born multi-millionaire committed to become the chief benefactor of the city. Chambers has been active in Newark for more than a decade through his Amelior Foundation and by his major contributions to public projects such as NJPAC and the New Newark Foundation. As a philanthropist, Chambers operates outside the boundaries of the three major interest groups by controlling the power and resources of an entrepreneur at the same time he supports development projects more in line with community concerns. The dual role of Chambers gives him the ability to communicate with both sides in development controversies. As one of the majority owners in the New Jersey Nets basketball franchise, Chambers is also behind the recent and ambitious efforts to move the team to a new \$200 million arena complex in

⁹ Former state treasurer Sam Crane now with the Regional Business Partnership points to Newark's competitive office rents as a major factor in spurring redevelopment. "Companies look at cost per square foot for space in New York City and, at least for some of them, Newark begins to look good." Baehr, Guy T. "Mutual Benefit headquarters changes hands." *Star-Ledger*. January 7, 1998.

¹⁰ Carol Johnson of the St. Columba Neighborhood Center in the East Ward expressed her frustration at how the planning decisions made by Newark officials frequently hurt her neighborhood. "The city never considers where the parks and schools are going to be built and the planning board never met a zoning variance it didn't like when it comes to more downtown development. Development will only work in Newark when it is a joint process involving the city, investors, and community groups." Interview with Carol Johnson. August 18, 1999.

downtown Newark. The development conflict surrounding the proposed arena project has become a divisive issue in Newark mobilizing the forces of all three interest groups. A major focus of this thesis will be the controversy arising over the proposal to place the arena on top of a striving residential neighborhood. Newark's basketball arena conflict combines the interests of wealthy benefactors, urban politicians, and neighborhood activists in a dramatic battle pitting hundreds of millions of dollars in potential economic investment against the homes and businesses of Newark residents.

The steady march of recent economic investment in Newark raises continual conflicts between the rival development interests of the business elite and the community activists. With the fault lines already drawn in Newark between the competing goals of downtown development and neighborhood revitalization, the announcement of each new project ignites a firestorm of protest over the potential benefits and consequences as seen by all sides. As the conflict between rival interest groups intensifies, the highly factional development process works to damage the working efficiency and internal relationships of the city, threatening the notion that economic development is beneficial for urban areas.

The analysis of Newark undertaken in this thesis will explore the controversy and reaction to development projects being implemented in the city today. The fundamental question addressed will be how the negative side effects of economic development projects are exacerbated by the confrontational relationships between city, neighborhood, and entrepreneurial officials. A noticeable and disturbing side-effect of increased development in Newark has been the breakdown in communication and cooperation between City Hall and neighborhood groups. Economic development has become a destructive force in Newark rather than an asset to improve the city's infrastructure and economy. This thesis will explore the process and the implications of the growing pains in Newark that have been created by strong disputes over the goals and process of economic development.

Chapter 1 will describe the history of economic development in Newark, as well as give a snapshot of the city today encompassing both the neighborhood streets and the corridors of City Hall. The second chapter will provide a more detailed account of how the major actors from the government, entrepreneurial ventures, and Newark communities participate in the development process. This description will focus more on the people and organizations behind the development conflict rather than the brick and mortar issues under contention. Chapter 3 introduces two contemporary urban development theories that attempt to model the process and patterns of renewal in Newark. This chapter will also illustrate how the language of development theories is implicitly echoed within the real-life development confrontations between Newark interest groups. The history and implications of the downtown basketball arena will be examined in full within Chapter 4, with particular attention paid to how the divisions between city and neighborhood priorities are intensified by poor communication and lack of trust. Chapter 5 will analyze the outcome of the conflicts that developed in the study of the basketball arena, and draw comparisons between the relative influence of each interest group and the impact of the disagreements on the future of economic development of Newark. The fundamental concern for this section will be if the disputes caused by the implementation of development projects harm city institutions more than is gained by the economic process of development. The conclusion will address the future development lessons that can be learned from the activities currently going on in Newark today and how they can be applied to a general model of urban politics. From these conclusions this thesis will attempt to answer the question of what kind of city is Newark likely to be twenty years in the future, and which major interest group or groups will help to mold this future.