Chapter 1: A City by Itself

"Pride in Newark"

On May 18, 1966, the city of Newark celebrated its 300th birthday with a large and festive parade along the city's main thoroughfare of Broad Street. Newark politicians and business leaders joined the Lord Mayor of Newark-on-Trent, the New Jersey city's namesake in England, on the reviewing stand in front of City Hall and watched the marching bands and floats passing by. The parade route was lined with festive banners with the slogan "Pride in Newark" reflecting the optimism felt by many in the city's political and corporate leadership. City officials held great hopes in 1966 because Newark finally seemed to be recovering from an economic downturn that began in the 1920s. The city had just completed a program of new downtown investment and public building projects during the decade leading up to the city's tri-centennial celebration.[1]

Two events that bolstered the optimism of leaders and residents were the decisions ten years before by two of Newark's largest corporate residents to stay in the city. On December 13, 1954 the corporate board of Mutual Benefit Life, an insurance company founded in the city in 1845, agreed to build a new downtown headquarters instead of relocating to a new site near a suburban golf course. A special edition of the city's afternoon paper, the *Newark Evening News*, announced the deal that many saw as critical to Newark's economic future with the banner headline "Mutual Benefit to Build its New Home in Newark."[2] The

[1] In his seminal historical account of the city, Newark, John T. Cunningham listed many urban renewal projects accomplished in Newark during the post-war era. In 1955 the YMWCA building on Park Place underwent a $3 million renovation, followed by the construction of the $13 million Martland Medical Center. The Newark Public Schools received $100 million to modernize school buildings, and the Newark campuses of Rutgers and the New Jersey Institute of Technology were combined to create a 43-acre university complex built entirely on urban renewal land. Cunningham, John T. Newark. Newark: New Jersey Historical Society, 1988. 308-9.

[2] Cunningham, 307.

decision by Mutual Benefit to maintain its headquarters in Newark, and especially its commitment to construct a new $10 million high-rise office tower rising 20 stories above Washington Park, provided a major surge of confidence for the city. A year later in 1955 the Prudential Insurance Company of America unveiled plans to build a $20 million 24-story white marble headquarters building near Market Street and to continue its long association with Newark that stretched back to 1873. The decisions by Mutual Benefit and Prudential were hailed by city officials as proof that Newark would avoid the economic downturn of other East Coast industrial cities and remain an important economic force in the Northeast corridor.

The investment in Newark during the decade before 1966 extended beyond downtown development to include other sectors of the city. Port Newark and the Newark International Airport received a major investment boost when the Port Authority of New York and New Jersey took over operations of these facilities in March 1948. The Port Authority poured millions of dollars of new investment into the port and airport to expand their capacity and to enhance Newark's reputation as an important transportation hub.[3] At the same time the Newark Housing Authority (NHA) came under the dynamic leadership of executive director Louis Danzig who transformed the agency into one of the most ambitious and effective housing authorities in the United States. The genesis for urban renewal programs passed Congress in the Housing Act of 1949 and the NHA quickly applied for federal housing resources to begin re-development projects. The federal government selected the NHA as the primary redevelopment agency

[3] By 1966 Port Newark handled 1,500 ships and employed 5,000 workers while processing 30% of all the shipping in the New York metropolitan region. Cunningham, 302.

in Newark, allowing Danzig and his planners to receive the majority of federal funding now flowing into the city. Their goal was to clear the blighted slums in Newark's poor neighborhoods and redevelop the land with the massive public housing high-rises designed to shelter the working poor.

But NHA's efforts quickly proved unsuccessful and other community leaders interested in a new strategy criticized the agency for its singular focus on neighborhood development. The resistance against the exclusive authority of the NHA to oversee redevelopment in Newark was described in Harold Kaplan's book, Urban Renewal Politics.[4] Although NHA monopolized the sources of federal funding, Danzig soon faced a rival group named the Newark Economic Development Committee (NEDC) with strong ties to the downtown business community. This group, which included many Newark business owners, advocated increased investment in Newark's downtown instead of devoting federal funding to slum-clearing projects in residential neighborhoods. Developers affiliated with the NEDC believed Newark needed to strengthen its connections to the growing suburbs of northern New Jersey that were stealing much of the city's population at the time.[5] Kaplan's description of NEDC's development goals revealed their focus on better transportation links with the suburbs surrounding Newark. "What Newark needed [according to NEDC] was a network of elevated highways emanating in radial spokes from the business

[4] Kaplan, Harold. Urban Renewal Politics. New York: Columbia University Press, 1963.
[5] Kaplan described NEDC in the 1950s as an organization composed of business interests emphasizing downtown development. "Since early in the 1940s representatives of the business bloc, like Henry Conner and Anton Hagios, had been arguing for vigorous local action to stem the city's economic decline. In recent years they had come to the conclusion that Newark's future economic health depended upon a revitalization of its central business district." Kaplan, 94.

district to carry the suburbanites quickly and safety over the slums."[6] Danzig and the NHA believed that the strength of the downtown core depended upon building healthy and productive neighborhoods within Newark. NHA insisted that Newark's business district could recover from its economic slump "only if suburban customers were drawn back to the city as residents of attractive, new, middle-income housing."[7] However, after several NHA-sponsored development projects in poor neighborhoods struggled to gain investors and momentum, Danzig began reconsider his opposition to urban revitalization through downtown development. The decision by Congress in the 1950s to relax a prohibition on non-residential development increased the motivation for the NHA to bring urban renewal and new investors into the center of the city. According to Kaplan, "Sometime during 1957 Danzig concluded that the future of the redevelopment program depended upon his ability to mobilize out-of-town investors."[8] For several years the NHA drafted plans to revitalize downtown Newark, yet few projects ever came to completion as all sectors of the city began to reflect Newark's decline as a major urban area.

By the middle of the 1960s, the Newark Housing Authority returned to its original role of advocating economic development in the Central Ward and other troubled neighborhoods. The advent of the Great Society programs focusing on community development encouraged the NHA to return to the neighborhoods. The proposal to move the New Jersey College of Medicine and Dentistry from its site in Jersey City to a new campus in Newark became a major goal of the city

[6] When the Newark Housing Authority proposed building the massive Stella Wright public housing project in 1955, the NEDC criticized the plan because it would block the proposed east-west highway link to the suburbs. Kaplan, 94.
[7] Kaplan, 95.
[8] Kaplan, 105.

and the development leaders during this period. Using the redevelopment powers of the urban renewal programs, the city planned to make room for the college by clearing a large swath of the Central Ward in which thousands of poor blacks and whites lived in squalid houses and tenements. But the college trustee's demands for 150 acres of land for the campus and its future growth would have wiped out thousands more homes and business than the city originally planned.[9] Nonetheless, the city agreed to the trustee's plan and carved out a 150-acre section of the Central Ward by condemning the buildings for demolition and forcing the residents to relocate elsewhere in the cramped city.

The city's redevelopment plan was met with resistance from the largely black residents of the Central Ward, and the protest movement against the College of Medicine and Dentistry quickly escalated into a city-wide reaction against all urban renewal projects.[10] The housing authority's dismal record at relocating families uprooted by slum clearance and public projects led many residents to doubt the city's promises that relocation would be "no problem."[11] The protest movement against the medical college was fueled by the belief among poor black residents of the Central Ward that the majority white city government cared little for their living needs.[12] As the opposition to the medical college heated up the

[9] Historians and some residents at the time believed that the College's demand for 150 acres of land was a ploy to intimidate the city and allow the college to safely relocate to a suburban site in Madison, New Jersey. The College trustees were also under considerable pressure from the governor and state legislature to build their new site in Newark. Cunningham, 316.

[10] An early protest group opposed to the college was the "Ad-Hoc Committee Against Negro Removal." It was joined later by other interest groups based in the Central Ward. Cunningham, 316.

[11] Cunningham, 316.

[12] Cunningham summed up the awkward position of the advocates of moving the College of Medicine and Dentistry to Newark. "They [backers of the college] had been sold the idea of bringing social change and economic improvement to Newark. Instead they found themselves a focal point of controversy, their college held up as a symbol of oppression of poor and minority groups, and the community pitted against them. Suddenly the medical school was the culprit rather than a struggling institution attempting to find a permanent location while offering the opportunity for vastly improved health services in the process." Cunningham, 332.

Central Ward, city officials grew increasingly bold in their tactics to prevent meaningful public hearings and avoid delays on the project.[13] As a result, community groups were largely isolated from the planning process for the medical college. By 1966 everyone believed that the medical college controversy would be another development dispute that the city would win by shutting out the public from the decision-making process.

Unconcerned and uninformed about the conditions in the Central Ward slums, city politicians observing the tricentennial parade in 1966 could point to a string of development projects showing that Newark was on a strong rebound. These leaders, however, carefully chose not to look at the rising discontent in the heart of the city. Their optimism would be short-lived in America's eighth oldest major city as the specter of urban unrest that swept the country in the 1960s finally came to occupy Newark.

A little more than a year after Newark's 300th birthday, large sections of the Central Ward were either gutted by five nights of rioting or burned to the ground by fires deliberately set by landlords seeking to escape their financial ties to the city. Within three years the corrupt Newark Mayor Hugh Addonizio and several councilmen were out of office and under indictment for extortion and kick-back schemes they operated while in City Hall. But most ominously for the future of the city, the years after the riot were filled with moving vans packing up residents and businesses from Newark's neighborhoods and bringing them west over the Watchung mountains and into the growing suburbs of New Jersey.[14] As people continued to abandon Newark, the city became the butt of cruel jokes and would

[13] Cunningham, 316.
[14] Newark's population began to decrease significantly in the 1950s, but the decline accelerated during the period just after the riots, especially among businesses. Cunningham, 301.

gain the infamous epitaph describing the fate of declining cities during the 1970s, "Wherever American cities are going, Newark will get there first."[15]

The city of Newark has attempted several times to reinvent itself in the past 30 years as social and economic factors transformed it from a powerful symbol of American industry into an even more indelible symbol of urban decay. A close examination of the state of the city today reveals the legacy of the riots and how Newark is seeking to rise again through the possibilities of economic development.

The "Brick City[16]"

Once boasting a population of almost 450,000 in the 1930s, Newark spiraled downward in many categories as a major industrial city during the last half of the 20th century. The 1996 census estimated Newark's population to be 268,510, ranking it as the 62nd largest urban center in the United States.[17] Since the 1960s Newark has lost almost all of its industrial factories and the thousands of jobs that they supplied to the state economy. Newark is still New Jersey's largest city, but it remains a major city in a state whose suburban-dominated political structure would rather forget its urban areas.[18]

Newark is divided into five political wards with industry and the airport concentrated in the East and South wards, and residential neighborhoods found in the North, Central, and West wards. The geography of the city makes it so that

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[15] This statement was first said by Donald Malafronte, an administrative assistant to Mayor Addonizio and director of Newark's Model Cities program. Malafronte's remark was later repeated by Newark Mayor Ken Gibson in a different manner as a plea to mobilize resources to save the city. Cunningham, 330.

[16] A nickname earned for Newark by its workers in the 19th century.

[17] Directory of City Assets. Newark in the 21st Century. December 1998.

[18] Newark, along with the other cities of New Jersey, Trenton, Camden, Patterson, and Jersey City, are all plagued by economic, crime, and educational problems that have avoided solutions and proper attention for decades.

only the predominantly poor Central Ward shares an unbroken border with the central business district, preventing downtown investment from spilling over into most residential areas.[19] The 24.9 square miles of developable land in Newark makes it slightly larger than New York's Central Park and the smallest in land area of the 100 most populous cities in the United States.[20]

The most dominant feature of downtown Newark is Broad Street and its six lanes of traffic running as a north-south backbone through the central business district. Most of the large businesses, offices, and public buildings in the city have addresses on Broad Street. Important streets running west from Broad cut across the city at various points along its length and often define neighborhood boundaries in the distant wards. In addition, three triangular urban parks follow Broad Street as it cuts through Newark to provide rare green spaces in the jungle of old and new buildings.[21] The central business district stretches along Broad Street and extends several blocks to the east and west on both sides. The office complex surrounding Penn Station, one of Newark's two train stations, lies east of Broad Street and includes the glass-walled Gateway office towers and hotel developed by the Prudential Company beginning in the late 1960s. These 20 to 30 story structures, the last of which was completed in 1991 just before the onset of the real estate recession, contain the most desirable Class A office space in Newark and carry a very low vacancy rate. West of the business district are the

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[19] The main residential areas of the East and North wards are divided from the CBD by railroad tracks and an elevated interstate highway, respectively. The South and West wards lie on the periphery of Newark and do not share a border with the central business district.

[20] Directory of City Assets. Newark in the 21st Century. December 1998.

[21] Washington Park lies at the top of the business district and is surrounded by the Newark Public Library and the Newark Museum. Military Park is more centrally located and lies on top of a recently renovated 500 car underground parking garage adjacent to the recently-constructed New Jersey Performing Arts Center. Lincoln Park anchors the bottom of the business district just before Broad Street terminates into Route 21 and the airport.

combined campuses of Rutgers University, the New Jersey Institute of Technology, Essex County Community College and the residential neighborhoods and public housing projects of the Central Ward. Further west and just north of the colleges sits the 47 acre campus of the University of Medicine and Dentistry of New Jersey (UMDNJ) and the University Hospital.[22]

In addition to a mix of old and new office buildings, downtown Newark contains several important cultural and entertainment venues. Most prominent in the news is the $180 million glass and red brick New Jersey Performing Arts Center (NJAPC) which opened in October 1997 and has exceeded operating expectations during its first few seasons.[23] Within walking distance from NJPAC are two other smaller cultural attractions, the New Jersey Historical Society, and the famous Newark Museum. Farther south along Broad Street and next to Lincoln Park sits the marble facade of Symphony Hall, the popular performance stage for jazz musicians and vaudeville acts during Newark's golden age in the 1920s and 1930s. The area called South Broad was once a thriving entertainment district known as "The Coast" during the 1920s, but now the gently sloping plain adjacent to the Passaic River (which is how it got its original name) is being developed as a back lot for warehouses used by the nearby airport. A local effort led by Lincoln Park residents and Newark artists is seeking to revive the entertainment district associated with "The Coast" and renovate some of the old churches and buildings into public performance spaces.[24]

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[22] The medical school was eventually built on a smaller site than originally requested by the trustees after the controversies over land clearance and relocation contributed to the climate of the 1967 riot. To gain community support the College incorporated the city-owned Martland Medical Center as a training hospital and greatly expanded free health coverage provided to residents of the local community. Cunningham, 334.

[23] "Newark: It's All Happening Here." *Business Week of New Jersey*. 1999.

[24] The Lincoln Park/Coast Redevelopment Group is the force behind the redevelopment plans with representatives from more than twenty community organizations and Newark citizens serving on a

A second development group is committed to renovating a different section of the city as an "arts and entertainment neighborhood" adjacent to the central business district. The New Newark Foundation has been buying and renovating vacant buildings in Newark's largely abandoned downtown commercial district right below Washington Park. Created and funded by Newark philanthropist Raymond Chambers in the mid-1990s, the goal of New Newark is to link the city's centrally located entertainment and cultural institutions into a "Downtown Arts District" complete with a 24-hour residential street life modeled after Greenwich Village and SoHo. The "Downtown Arts District" was envisioned as a compliment to the very successful New Jersey Performing Arts Center and is designed to connect Newark's downtown cultural institutions so that residents and visitors can easily visit several venues in a single day. New Newark has purchased 24 large parcels of property in an area measuring several dozen square blocks and is in the process of renovating the buildings for use as artist studios, residences, and boutique stores.[25] The activities of the Lincoln Park residents and the New Newark Foundation to advocate arts development represents another attempt by citizens and investors to resist the massive demographic changes that have forever changed the composition of the city.

Demographically, Newark's population has had a non-white majority since the mid-1960s. The census predictions from 1996 show that African-Americans make up 56.3% of the population, along with a significant Hispanic population of 26%.[26] While Newark's immigrant population may never approach the peak it

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central committee. This group is an example of Newark's strong tradition of the community-based planning and redevelopment. Interview with Anker West. January 4, 2000.

[25] "Director Named for Newark Development." Metropolitan Desk. *New York Times*. March 9, 2000.

[26] Directory of City Assets. Newark in the 21st Century. December, 1998.

reached during the early 20th century, it represents a highly industrious portion of the city population. The formerly industrial Ironbound neighborhood of the East Ward, now a thriving residential community isolated from the rest of the city by railroad tracks on all sides, is home to the largest Portuguese population outside of Lisbon and many other immigrant communities from South and Central America.[27]

The racially segregated neighborhoods that once dominated Newark have diminished considerably with the dramatic shifts in racial populations that occurred in many major cities. The vast majority of the white residents of Newark moved out during the 1950s and 1960s. Jewish residents leaving the South Ward and Clinton Hill neighborhoods sold their houses to middle-class blacks seeking to escape the poverty of the Central Ward, while a sizable Hispanic population took root in the formerly Italian North Ward.[28] A major factor encouraging the outward migration of Newark residents to the suburbs besides the deteriorating condition of the neighborhoods were the significant transportation improvements that allowed people to enter and exit the city more easily. Transportation played an important role in the out-migration of Newark residents because many of those who moved to the suburbs continued to commute to jobs located in the city.

"All Roads Lead to Newark"

Two hundred years after Benjamin Franklin described New Jersey as, "a barrel tapped at both ends," the state is still dominated north and south by the

[27] Interview with Gustav Henningburg. August 20, 1999.
[28] A few isolated Italian neighborhoods still survive in the northernmost Forest Hills area of the North Ward. The western peninsula of Vailsburg, which juts into the adjacent city of Irvington, still has a small orthodox Jewish population. The remaining Italian and Jewish neighborhoods are home to older generations unwilling to leave their homes and move to the suburbs like many of their children did. Cunningham, 376.

large metropolitan areas of New York City and Philadelphia, but it has also become largely suburban in between. To service its unique transportation role, New Jersey is cross-crossed with highways and turnpikes designed to channel travelers and cargoes through the state and to allow commuters to get between city jobs and their suburban homes as quickly as possible. One of Newark's major economic assets is its proximity to major lines of transportation by road, water and rail. The importance of Newark's large port, expanding international airport, and web of interstate highways has continued even after the state's industrial economy fell apart in the 1960s and 1970s. Many developers investing money in Newark today are counting on the city's transportation advantages to be a major asset pushing future development.[29]

The Decline and Collapse

The event which brands the history of Newark, and which stands at the dividing line between an industrious past and the decline of the past thirty years is the five days and nights of rioting that swept the city in July of 1967. Nothing is more significant in the collective memory of Newark residents and former-residents than the nights the city burned. Many residents still living in Newark refer to the riots as a "rebellion," taking the name from the book *Rebellion in Newark* by SDS activist Tom Hayden who lived in Newark's Central Ward from 1964 to 1967. The riots also registered strongly in the perceptions of non-residents and even people of other states, becoming the city's most recognizable and infamous event.

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[29] In December 1999 the telecommunications and Internet company IDT signed a 20-year lease for the former Mutual Benefit Life headquarters. IDT's move reflected a growing trend for high-tech companies to "mov[e] into older cities because they offer less expensive space as well as access to labor, highways, mass transit, and fiber optic links." Garbarine, Rachelle. "An Added Anchor for Newark's Downtown Revival." *New York Times*. December 5, 1999.

While riots are often set off by a single incident — a spark that ignites the public into a law-breaking mob — the dangerous conditions leading to the spark usually build up over time. The beating and arrest of black cab driver John Smith by Newark police officers on the humid night of July 12, 1967 ignited the Newark riot, but a series of controversies and city policies opposed by the largely minority Central Ward precipitated the explosion by many months. Many of these conflicts centered on development issues such as the proposed medical college and highway improvements that would displace thousands of Central Ward residents. A political struggle also contributed to the tense mood when the school board promoted a white political appointee to the post of Secretary to the Board of Education over a highly qualified black candidate.[30] The accumulation of these slights against the minority community of Newark, combined with their absence from political power, pushed the situation in Newark toward social unrest.

The 26 deaths, 1,500 injuries, 1,600 arrests and $10 million in property damage that ruined 1000 stores and businesses were the immediate legacy left for the people of Newark to clean up.[31] But the riots did not initiate the urban exodus of residents and businesses from Newark; the white population had already declined by 100,000 before 1960. Newark faced a steep population loss many years before July 1967 — the disturbances only accelerated the decline. Between the 1950 and 1960 census reports the white population of Newark fell from 363,487 to 265,000 while the black/non-white population rose from 74, 965 to

[30] Newark Mayor Hugh Addonizio nominated City Councilman James T. Callaghan to the position in an exercise of patronage politics. Black leaders supported Wilbur Parker for the position. Parker was the first black certified public accountant in New Jersey and was considerably more qualified than Callaghan, who did not have a college degree. This controversy boiled over into city council meetings and mobilized the black community. Cunningham, 315.
[31] Cunningham, 325.

over 138,000.[32] Even today the riots continue to resonate in popular memory and provide a secure date to affix the death of Newark. The decline of the city, however, really began during the previous decade in the exodus of mostly white residents to the suburbs that forever changed the racial and social composition of Newark and other American cities.

Could the politicians and residents watching the 300th anniversary parades in May 1966 have imagined the calamity lurking around the corner for Newark? Contemporary accounts of the city's history claim the symptoms of collapse began to appear in the economic and social indicators starting several years before 1967. By focusing exclusively on downtown development and slum clearance, city officials overlooked the critical thermometer of social unrest rising in the minority neighborhoods. Newark Historian and author of the seminal historical work on the city, John T. Cunningham, placed much of the blame on the city's political leaders. "Newark was a city waiting for an explosion as it reached its 300th anniversary year in 1966. Its leaders ignored the crass discriminations and deepening poverty, preferring to believe that a celebration of 300 years of existence would help insure loyalty to Newark among the poor."[33]

Pretending or truly believing that the grand spectacle of Newark's birthday would unite the city across ethnic and class lines, the city's political and business leaders ignored the evidence of rising anger among minority residents in the oft-neglected neighborhoods. One of the major lessons from the riots that some neighborhood activists think the city has forgotten today is that lavish downtown

[32] Cunningham, 300.
[33] Cunningham, 312.

development and optimistic banners do not make a major or positive impact in the neighborhoods of the city.

After the Riot

During the first mayoral election after the riots in 1970 the city elected its first black mayor, a young and energetic civil engineer named Kenneth Gibson who took charge with the hope and enthusiasm of the black majority who voted him into office. But when the social and economic problems in Newark remained and even intensified during his first term, the Gibson administration faced a public backlash as it failed to keep up with the rising tide of social and economic problems. According to Cunningham, "Disillusionment marred much of Gibson's first term, heightened by initial overly optimistic expectations of both whites and blacks."[34] Long-time Newark insider Gustav Heningburg who ran Gibson's 1970 transition team claimed Newark residents misunderstood the amount of power held by the new mayor. He said people mostly complained about the small number of patronage jobs that the mayor was able to offer. "No one realized that most of the city jobs were civil service jobs and that four thousand blacks would not all of a sudden get a desk and a nameplate in city hall."[35] Despite having a black mayor, the lives of Newark's poorest residents continued to get worse after 1970. While the summer riot of 1967 severely wounded Newark, the city experienced the worst of the internal hemorrhaging and collapse during the decade of the 1970s.

The decline of business and industry from Newark did not begin immediately after the riots because of two factors: the lag-time in business decisions, and

[34] Cunningham, 336.
[35] Interview with Gustav Henningburg. August 20, 1999.

industrial build-up for the Vietnam War. Graphs of Newark's industrial and FIRE (Finance, Insurance, and Real Estate) workforces from 1949-1996 show the number of employees increasing through the late 1960s until dropping precipitously in the mid-1970s.[36] The continued loss of industrial jobs led to declining employment and increased welfare rolls. Like dominos, as each municipal service failed, it led to more collapses of dependent systems throughout the city. The abandoned factories and increase in vacant land reduced the amount of taxable land and cut sharply into the city's income so that it faced financial bankruptcy several times.

As the city slashed neighborhood services and programs throughout the 1970s to conserve resources around the central business district, an increasing number of poor neighborhoods were abandoned to blight and crime. Large piles of uncollected trash were common sites along the streets of Newark during the 1970s as the city cut back on disposal services.[37] In the years just after the riots the large Newark-based corporations, notably the insurance companies Prudential and Mutual Benefit Life, and the First Fidelity bank made loud public announcements about their intentions to remain in the city. These large corporations attempted to stem the flight of less-established businesses and to shore up the declining image of the city. Their efforts were largely unsuccessful as Newark lost over 85,000 private sector jobs between 1969 and 1991.[38]

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[36] Newark Economic Development Corporation (NEDC) & Newark Division of Economic Development. 1997 Overall Economic Development Program (OEDP). City of Newark, March, 1998.

[37] Cunningham, 339.

[38] Newark employed 195,600 private sector jobs in 1969, and only 110,800 in 1991. Following the national trend, manufacturing jobs declined the most in Newark during the latter half of the 20th century. Manufacturing jobs in Newark peaked close to 100,000 in 1953, but by 1996 employed only 16,400 workers, an 80% drop from the 1953 level. Newark Economic Development Corporation (NEDC) & Newark Division of Economic Development. 1997 Overall Economic Development Program. Newark Division of Economic Development. March, 1998.

Despite the deterioration of many neighborhoods and the flight of businesses, Newark struggled to clean up its image through economic development from almost the day after the disastrous 1967 unrest. In a testimony to its commitment to the city, the Prudential Company signed the papers on the first of the Gateway office towers just 12 days after the fires flashed through the Central Ward.[39] But even as the buildings of Gateway Center rose from their foundations in the 1970s and 1980s, development in other areas of the city remained stagnant.

Most businesses in the Central Ward were either destroyed or scared away by the riot. The stores and supermarkets which attempted to stay eventually succumbed to the worsening environment over the next decade until there was not a single supermarket serving the 50,000 residents of the Central Ward.[40] As the rising crime level in the city deterred shoppers from traveling downtown, the city's major department stores closed.[41]

Despite the heavy blows the city received during the 1970s, the downtown business district hung on even as the surrounding neighborhoods in the wards collapsed into urban nightmares. Newark remained the largest and most important city in New Jersey as the concentration of company headquarters and government buildings in Newark made it the center for banking, law, government, and transportation in the state. Those companies who stayed in Newark through the tough decades after the riots learned to adapt to survive. The Prudential Company

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[39] Cunningham, 331.

[40] Several attempts to operate supermarkets in the Central Ward failed until the community group New Community Corporation (NCC) teamed with Pathmark, Inc. to build a full-size supermarket in the Central Ward in 1990. The NCC Pathmark serves 50,000 residents a week and employs 250 full-time workers. Interview with NCC Director of Development Raymond Codey. August 26, 1999.

[41] The loss of the Macy's and Hahne's department stores in the late 1980s marked the end of the once-vaunted commercial district in downtown Newark. Interview with George Branch. September 2, 1999.

transferred thousands workers to suburban office parks as it reduced staff in downtown Newark. Other companies retreated to the fortress-like towers of the Gateway Center near Penn Station. Built just after the riots, these offices were designed to insulate workers from the streets of Newark through the use of glass skyways connecting the various buildings to the train station. Many Newark residents and urban planners continue to dislike the close-off architecture of these office buildings even 20 years after they were built.[42] But these formidable-looking office towers built during the 1970s and 1980s were the only types of buildings that developers could construct in which companies would agree to lease space in a city like Newark. Developers today are more sensitive to impact of structures such as skyways and refrain from using them in their projects. The recent building projects and renovations in Newark, such as the New Jersey Performing Arts Center and the minor league baseball stadium, were designed to fit better into the overall cityscape.[43] The new style for urban design is intended to incorporate and not repel pedestrian traffic. Many Newark observers and community groups hope the design and impact of the proposed basketball arena will set a new precedent for open and positive community development in the downtown.

The Widening Gap

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[42] Carol Johnston, who serves as Director of Neighborhood Activities for the St. Columba Neighborhood Club, criticized the message that Gateway sends to local residents, "the image of the glass walkways connecting the Gateway buildings is a slap in the face to people who live in Newark." Interview with Carol Johnston. August 18, 1999.

[43] But old-fashioned design habits sometimes prove difficult to erase. The original design plan for NJPAC included a tunnel connecting the parking garage under Military Park to the arts center. Architects did not believe arts patrons would want to set foot on the streets of Newark. Despite the wishes of the NJPAC executives who desired a facility less restrictive to the community, the tunnel was included in the plans until last-minute budget concerns prevented it from being built. Interview with Michael Gilfillan. January 11, 2000.

In the years since the riots, many Newark observers perceive that the distance between the central business district and the surrounding poor neighborhoods has grown wider. Conflicts between the neighborhoods and City Hall are intensified by the city's preoccupation with downtown development. Favoring the business core has been a long-standing practice in the history of urban development in Newark dating back to the urban renewal projects of the 1950s. In the past 50 years of Newark's decline as a major industrial city, City Hall has joined with entrepreneurs many times to resurrect the city through downtown development, although the results have never been as widespread or positive as hoped. Writing about the renewed focus on downtown office development in the early 1980s, John Cunningham compared it to the troubled history of similar ambitions in the city. "Still serious doubts persisted among Newark watchers as to whether downtown buildings alone could revive the city. Too many remembered the 1950s and 1960s when a similar rash of building had mesmerized the city into unjustified optimism."[44] The warnings of Cunningham are echoed today by many critics of the Newark's current development plans.

Newark's situation follows the national trend which has not only seen suburbs turn away from the metropolitan center cities, but the internal isolation of the urban central business district from residential areas of the city. While only a handful of residents live in the central business district, it attracts the majority of the investment and attention from outside developers and city officials. This imbalance in the investment reaching city residents is the source of a great deal of frustration in the neighborhoods. Conflict over the allocation of development resources between the downtown and the residential neighborhoods is now a

[44] Cunningham, 349.

major source of friction within the city. Some community leaders feel that city officials focus exclusively on downtown development and consistently ignore the plight of Newark's neighborhoods.[45] Two contrasting visions of development are currently being pursued by interest groups in Newark: one plan is entirely centered on the downtown development, and the other plan advocates major projects in residential neighborhoods. The resolution of these conflicting development aims will probably determine the kind of city Newark will be twenty years in the future.

Newark Today

Today the active areas of downtown Newark are almost exclusively centers for business. 70,000 commuters arrive in Newark every day by car and commuter train to work in the downtown legal, insurance, and financial corporations or to attend class at one of the colleges.[46] City officials describe the impact of commuters as a major contribution to the local economy. Newark restaurants and businesses cater the many lunch orders of downtown office workers while the city imposes a commuter tax of 1% on the payrolls of large businesses.[47] The municipal government considers the commuter workforce to be a desirable addition to the local economy even if these workers only remain in the city during their working hours and almost none of them live in the city.

After spending the 1970s and 1980s secure behind the walls and walkways of their downtown office buildings, Newark's business community is starting to

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[45] Nancy Zak of the Ironbound Community Corporation in the East Ward put it this way: "If you are a resident here in Newark, you are invisible." Interview with Nancy Zak. August 19, 2000.
[46] Interivew with Al Faiella. August 18, 1999.
[47] According to Deputy Mayor for Housing and Economic Development Alfred Faiella, the commuter tax is particularly important as a rationale for providing tax abatements to companies interested in relocating their operations to the city. Interview Alfred Faiella. August 18, 1999.

make more of a contribution to the city. This new attitude is largely due to the influence of public-private partnerships that have encouraged new development projects. Two new organizations, the New Newark Foundation, and the Newark Commission have made corporate participation a major facet of their development agenda. Executives from northern New Jersey's major firms, including Bell-Atlantic, the CIT Group, AT&T, and Prudential, have joined the boards of these foundations and have been donating increasing funds and time to rebuild the city's economic core. Just as the real estate speculators are pouring money into local development projects to take advantage of affordable office space, local corporations are now strengthening their investment in the local economy.

The Road to Recovery

During the decades after 1967 when businesses and residents fled the city's increasing crime and inadequate municipal services, downtown property in Newark remained very undesirable. Dozens of nearly empty office buildings dotted the central business district and Newark was never mentioned as a potential site for new business. The real estate climate in Newark began to improve in 1997 with the opening of the New Jersey Performing Arts Center. An early sign of the recovery came in 1998 with the sale of one of the Gateway buildings for more than twice what an investment firm had purchased it for 18 months earlier.[48] The lure of quick profits attracted other real estate speculators to Newark as more downtown buildings were bought up over the next few month. A contributing

[48] Townsend Capital, a Maryland investment company, bought the Gateway II office building for $35 million in late 1996. According to the firm's vice president, the lender turned down the purchase twice because the building was located in Newark. 18 months later in 1998 Townsend sold Gateway II to New York investor Steven C. Witkoff for $78 million. During the intervening year and half NJPAC opened and the real estate market in Newark began to take off with dramatic results for early investors. Bagli, Charles. "Investors Bet on Revival for Troubled Newark." *New York Times.* July 5, 1998.

factor to the recent interest in Newark has been the tight real estate market in New York City and Jersey City and the expanding economy of the 1990s.[49] Developers attracted by the low rents have been buying vacant buildings and spending millions to renovate them as high-quality office space. The most dynamic example of this process is the $43 million earmarked by the Cogswell Realty Group to fix-up Newark's tallest building, a 641,000 square foot art deco skyscraper known as the National Newark Building located at 744 Broad Street.[50] Other companies are strengthening their connection to the city as well. Continental Airlines, the major carrier at Newark airport, is renovating the top floors of the old Hahne's department store for use by flight attendants from the airport, and Prudential has recently reassigned 3,800 employees from other cities to report to work in Newark.[51]

Transportation and Technology Growth

With the manufacturing sector in Newark today representing only a shadow of its strength in the early part of the 20th century, all trends show that the future of Newark employment lies in the service economy.[52] To accommodate future growth in the service field, Newark is counting on its effective transportation infrastructure, as well as attracting new high-tech businesses.

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[49] The Newark Economic Development Corporation (NEDC) under the directorship of Al Faiella has aggressively recruited companies from the Hudson River waterfront. Faiella described his task: "It's hard to take a New York company away from the New Jersey waterfront, but we've put together a major package of incentives everything from tax rebates to low-interest loans." Charles Bagli. "Investors Bet on Revival for Troubled Newark." *New York Times.* July 5, 1998.

[50] Garbarine, Rachelle. "In Downtown Newark, Hopeful Signs" *New York Times*. December 20, 1998.

[51] *Ibid.*

[52] Newark Economic Development Corporation (NEDC) & Newark Division of Economic Development. 1997 Overall Economic Development Program (OEDP). City of Newark. March, 1998.

Transportation itself is a growing business in Newark, accounting for 24,000 jobs in 1996.[53] Most visitors to Newark have only set foot in the sprawling international airport located in the southeastern corner of the city. In the past five years the airport has grown tremendously with close to 32 million passengers and 462,000 flights traveling through the airport every year.[54] The completion of a planned light rail line and satellite terminal will complete a goal set 30 years ago by the City of Newark and the Port Authority to connect the airport to downtown Newark. It is expected that this project will spur increased travel and business investment in the city.

In addition to its important transportation networks, Newark enjoys a strong technology backbone to accommodate new communications and high-tech companies seeking to relocate to the city. The first sign of technology growth in Newark came in December 1999 when the growing communications company International Discount Telecommunications (IDT) leased the former headquarters of Mutual Benefit Life insurance corporation. According to a *New York Times* article on the corporate move, "IDT is the first sizable company in more than a decade to relocate from outside the city."[55] Incentives provided by the city allowed IDT to stake a bigger hold in Newark. Newark Mayor Sharpe James defended the subsidies given to IDT by emphasizing the additional jobs for the city and the need to bring life back to the old Mutual Benefit Life building. "This

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[53] More than 72 percent , or 17,000 of the transportation jobs in Newark are tied to air transportation at Newark International Airport. In 1994 Newark residents accounted for 13.7 percent of all airport employees. Newark Economic Development Corporation (NEDC) & Newark Division of Economic Development. 1997 Overall Economic Development Program (OEDP). City of Newark. March, 1998.

[54] Frank, Al. "Sky's the limit as Newark Airport looks to future." *Star-Ledger*. December 29, 1998.

[55] Garbarine, Rachelle. "An Added Anchor for Newark's Downtown Revival." *New York Times*. December 5, 1999.

[IDT's relocation] is about people and about brining life back to that corner of Broad Street… The city will more than recoup its investment."[56]

The arrival of IDT shows that development in Newark today is guided less by the physical elements and limitations of brick and mortar construction projects and more by the personalities and networks of people involved in the negotiations and deals. The next chapter will examine the roles and motivations of the three main interests involved in deciding the future of Newark development.

[56] *Ibid.*