

Entrusting Urban Health To Corporate Medics

New Brunswick Moves Beyond Intensive Care



At one time, the City of New Brunswick, New Jersey was a trade and transportation center. Although those two functions have been all but obliterated in the last 50 years, New Brunswick has retained the moniker of the Hub City.

The heyday of New Brunswick has long passed and many have said that it is gone forever. However, the future of New Brunswick is not as bleak as would have been thought as recently as five years ago. A partnership of private investment and public cooperation called New Brunswick Tomorrow was formed in the city in 1976. This agency and its development arm, DevCo, have single-handedly and dramatically changed the character of New Brunswick.

This article will discuss the ways in which this transformation from the 'old' New Brunswick to the 'new' New Brunswick has taken place. It is not the object of this paper to discredit the importance of public/private partnership in economic redevelopment. Partnerships of this kind are essential to renew the health and vitality of aging cities especially in the Northeast. It is important, however, for developers, planners, city officials, and the public to ask questions

concerning who will benefit, who will lose, who is involved in the decision-making process, what goals are and how well those goals match the needs of the community as a whole.

The Hub City: A Short History

During the eighteenth and nineteenth century, New Brunswick served as a grain and trade center for central New Jersey. Accessibility to many modes of transportation caused firms to locate and then prosper in the city. Johnson and Johnson, Squibb and others came to New Brunswick in the nineteenth century. Smaller plants also opened in the city drawing on the large pool of immigrant labor which concentrated there in the early twentieth century. Workers, mostly Hungarian and Polish, were involved in the production of textiles, clothing and heavy machinery up until the late fifties, when businesses pulled out favor of suburban locations.

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The tide began to turn for New Brunswick's health after the second World War. Federal policies designed to create housing for returning veterans and to provide jobs in the postwar economy coincided with increased funding for highways, homes, and industry. The great move to the suburbs had begun. Like most cities, New Brunswick found many of its younger residents moving out to new communities springing up on formerly agricultural lands which surrounded the city on three sides. By the middle sixties, New Brunswick was operating a skeleton employment matrix and attempting to deal with the growing percentage of sub-standard housing and slum conditions. White, middle-class residents who could afford to move out had done so. The blue collar neighborhoods that were vacated by whites were filled in by poor black and Hispanic people.

New Brunswick was desperate for a program to improve its economic condition and to alleviate its slum housing conditions. In the early sixties, urban renewal was judged to be the saving grace of the decaying inner city. New Brunswick applied for and received large amounts of federal money to clear slums. Seven city blocks of residential properties located downtown were leveled in 1958.

By the early 1970's seven of the city's large department stores and five-sixths of its small businesses had closed. It is estimated that between 1970 and 1974, 5000 white collar jobs were lost due to retail closings and the continuing decline in the city's industrial and commercial activity. Then, as now, the annual income of 45 percent of city residents was below the \$12,000 mark. New Brunswick contains 8 percent of the population of Middlesex County, yet is home to 25 percent of county residents on public assistance. About two-thirds of the housing stock is owned by absentee landlords, many of whom are former residents now located in surrounding suburbs.

The typology of decline is certainly not unique in the Northeast. However, New Brunswick had two things that other cities didn't have: Johnson and Johnson, Inc. and Rutgers University.

The University was founded on the banks of the Raritan in 1766. During the post-war period, as the city began to decline and minority populations began to grow, Rutgers had less and less to do with the city, both economically and culturally.

Johnson and Johnson was New Brunswick's true "ace in the hole" in the early seventies. It is generally agreed that without the "brute force" exerted by Johnson and Johnson, the city would have continued in its moribund state indefinitely. In the 100 years since the Johnson brothers located in the area,

the company has become the largest health care products conglomerate in the world, with assets estimated at 38 billion dollars. In the early seventies, when New Brunswick was considered to be at the bottom of its decline, Johnson and Johnson threatened to withdraw its plans for a new world headquarters in the city unless the City would agree to enter into a partnership to renew the dying CBD.

The Redevelopment Gameplan

The anticipated costs of a Johnson and Johnson departure, combined with the potential benefits of a 50 million dollar construction project, prompted the city to fast action. The demands of Johnson and Johnson and the objectives of city government revitalization efforts, were twofold. First, the construction of the extension to Route 18, a major traffic artery and strip development area which terminated in New Brunswick, had to be accomplished before Johnson and Johnson would permanently locate its world headquarters in New Brunswick. The second objective at this early stage involved a commitment by both parties to revitalize the CBD and attract businesses downtown in order to improve the overall tax base of the city.

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The New Jersey Department of Transportation had planned to extend Route 18 through New Brunswick and across the Raritan into the suburbs of Piscataway and Edison as early as 1962. However, lawsuits brought by environmental groups and protests initiated by Rutgers students and faculty had held up any construction for more than ten years. Environmental groups were concerned with two things: highway construction would effectively eliminate any access to the river front and that the EIS was haphazardly prepared. It did not adequately study alternatives, especially "no action" policies.

In the five years since the inception of the downtown, Johnson and Johnson and the City have pursued the revitalization project objective single-mindedly. The result has been almost 200 million dollars in downtown investment with a projected 100 million to come. As reporter Rick DelVecchio of the New Brunswick Home News so aptly states:

"the haphazardly laid-out, economically battered, politically fractured city by the Raritan River has been pushed away for a planned, profitable, resolute 'new' New Brunswick."

However, the relationship between a healthy economic climate and a healthy social environment must be considered. In the case of New Brunswick, it is clear that bigger business downtown may not translate into improvements in housing, city services and social services in residential neighborhoods. Many city residents are still waiting for the benefits of a project that was begun six years ago.



The Hyatt Hotel looms above the traditional neighborhood retail establishments of downtown New Brunswick.

Accomplishing Goals: NBT and Devco

The partnership plan which was adopted by the city and J&J was developed by the American City Corporation in 1974. ACC is the consulting spin-off of the Rouse Corporation. The ACC report entitled Trends and Issues in Revitalization: The Case for New Brunswick called for the development of a two-pronged private, non-profit, tax-exempt corporation called New Brunswick Tomorrow (NBT). NBT was formed in 1975 as the official planning agency for the city redevelopment project. Because of the positive ring of the ACC report, which stated that the urban economic problems of New Brunswick were "manageable", J&J and fifteen to twenty other businesses contributed one million dollars to organize a permanent NBT. The goal of NBT was to make plans for a large and impressive downtown revitalization project which would have a positive psychological and economic payoff in a very short time.

The second prong of the redevelopment corporation is the New Brunswick Development Corporation (DevCo). It was formed in 1976 as the development and finance arm of NBT. Also non-profit, DevCo has been acquiring downtown prop-

erty since 1977. Holdings are currently estimated to be worth over 17 million dollars. DevCo is the third largest taxpayer in the city. Salaries, office rent, and operating costs are paid by the Robert Wood Johnson Foundation. To date, these grants are valued at 3 million dollars. DevCo operates as a land bank for NBT, acquiring prime development properties at market rates and holding them for sale to private developers, thus discouraging spiralling land prices often brought on by private speculation.

Government Involvement in Redevelopment

Public sector activities are geared toward realization of program goals outlined by J&J. Mayor John Lynch, Democratic leader of New Brunswick for over ten years, has on occasion slowed or redirected the J&J/NBT/DevCo steamroller. Many critics hold city government responsible for the fact that community development and local neighborhood assistance was not integrated into planning at an earlier stage. Many of the



programs were added at the last minute to appease citizen outcry. City government has primarily been concerned with allowing NBT as much room as it needs for redevelopment.

The strategy adopted by the development arm of NBT-DevCo, has been characterized as "obstinate, hard-nosed and never-look-back." DevCo sits quite comfortably in an economic and political environment which is pro-development. DevCo continues to win although it operates in a national economic environment which has discouraged development because of high interest rates, speculation, and reduced profits. A clue as to why this attitude is workable in New Brunswick is found in a comment made by NBT president Paul

Abdalla. When asked why his organization plans to build an office twice the size recommended by American City Corporation consultants, Abdalla said, "We found out very early in the game that any marketing results that we got weren't useful to us because they related to the old New Brunswick." Disregard of the problems of old New Brunswick is feasible when the "only game in town" is one of the largest corporations in the world and that corporation is squarely behind development efforts no matter what the cost.

The centerpiece of the "new" New Brunswick has been physical redevelopment to encourage economic reinvestment. Private sector involvement combined with large federal subsidies have begun essential financial leveraging which will ensure economic security for the city in the future. Critics of the redevelopment agenda

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have objected to the lack of interest in neighborhood level community and economic development which is not specifically related to buildings, traffic and infrastructure improvements. Robert Beauregard, a professor of Urban Planning at Rutgers University, credits DevCo and NBT for keeping to their agenda but he believes that the strategy adopted has failed in one essential area. Beauregard feels that the program was imposed on the city without enough consideration of the existing architectural scale or of community development, stating that "they're doing well in terms of their own agenda, but the question is: Is their agenda the best for the city?" He added that a more appropriate agenda may have been "tailored to what New Brunswick is, rather than what they would like it to be."

The extent of trickle-down benefits is questionable. New Brunswick poses a particularly serious problem because of the diverse socioeconomic strata represented in the city. Jobs and businesses created in response to New Brunswick redevelopment have a very specific target market. The J&J headquarters will pull upwards of 2000 white collar workers into the city every day. J&J secretaries and managers will need places to have lunch, stores to browse through and services as diverse as drycleaning, banking, shoe repair and photocopying. It is evident even now, before the opening of the headquarters building, that local businessmen are responding to expected demand. In the last two years, three restaurants have opened downtown. They are trendy and sophisticated -- perfect places for business lunches. A few stores have begun to upgrade the type of merchandise they offer, anticipating the needs of a higher income client.

Immediate benefits are available for another sector of the city's population, i.e. the students of Rutgers. Downtown redevelopment has lured the student into town. As recently as four years ago, it was not safe to be downtown after dark even if there were places to go. Now, two of the newly-opened restaurants enjoy healthy student traffic in their bars. While the choice of stores and services is not yet competitive with the plethora of malls ringing campus, more and more students venture into town for clothing, records and gifts. The construction of a downtown pedestrian mall and increased police patrols have created a safe and pleasant atmosphere in which students and professionals can spend time and money.

The difference between the revitalized downtown district and the residential neighborhoods within two blocks of George Street is, however, astonishing. Black and Hispanic resid-

*New office
development has
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New Brunswick.*



ents, most of whom are on some kind of public assistance, live in dilapidated frame houses or public housing projects within sight of the sleek steel and glass structures of the new New Brunswick. In these neighborhoods, few of the economic benefits of revitalization have trickled down, rippled out or filtered in. Buildings owned by absentee landlords continue to deteriorate. Essential services like heat and hot water are delivered sporadically and many families spend the winter in hotel rooms paid for by welfare agencies of the city. Small businesses like grocery stores continue to close because owners cannot afford escalating rents and prop-

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erty taxes. Crime and juvenile delinquency rates have not improved greatly in these blighted areas. NBT has never made any great promises to neighborhood groups and church organizations, stating that nothing can be done at the community level until the city's economic house is in order.

Increased activity in the housing market has penetrated some of the marginal neighborhoods in the city. However, the new buyers are not poor residents who have taken advantage of federally insured mortgages and homesteading assistance. Outside investors are speculating in existing residential housing, buying now while prices are relatively low and waiting for the boom. DevCo has also purchased dilapidated residential properties close to downtown. As soon as the right private developer comes along, these properties will probably be cleared for office and/or upscale residential development.

Opposing Voices

Ironically, the first opposition to the NBT plan was raised by American City Corporation which offered an alternative development agenda keyed to neighborhood revitalization and aid to the poor who dominate the population of New Brunswick. In this plan, ACC proposed that DevCo support rehabilitation of housing as well as the downtown. The firm estimated a need for 5000 new housing units and advised that DevCo could partially subsidize loans to middle income homeowners considered to be of too high a risk for conventional mortgages or government sponsored mortgage programs.

Opposition to the agenda of NBT has been individual and sporadic since then. The loudest protests have come from student and faculty members of the University community. Dr. Beauregard has expressed grave doubts as to the

"quality of fit" between plans for the "new" New Brunswick and the continuing problems of the "old" New Brunswick. Anton Nelessen, another member of the Rutgers planning faculty who was displaced from his home by the development he opposes, is concerned with the scale of development and with the almost complete disinterest of DevCo decision makers in historic preservation.

David J. Harris, Jr., a prominent spokesperson for the black community, has expressed discontent over the process aspects of redevelopment. Harris believes that the voice of his constituency has been deliberately ignored by public and private decision makers. He thinks that dissent brings on reevaluation of goals and objectives, and that no such reevaluation is desired by those in power. Harris has been an advocate of community development through neighborhood assistance from the very beginning of the redevelopment process.

Lastly, a lifelong resident and recent Rutgers alumna told the author that, "when I was little, I used to buy my school shoes in a store downtown. Not only is the store not there anymore but neither is the street. It's depressing because when I come back in ten years for my college reunion, I probably won't be able to find the damn school."

Summary and Conclusions

When the New Brunswick Tomorrow project was started, residents of the City of New Brunswick were hopeful that the revitalization of downtown would lead to the retention of a major corporation and rebuilding of the local economy. To a great degree, these objectives have been accomplished. Solid financial support from the private sector and the federal and local governments have produced a virtually limitless fund which will be used in the future to leverage all kinds of business and public activity.

With the completion of most of the projects first outlined in the redevelopment plan, NBT and the city are approaching a crossroads. The options now available are many, and the money to accomplish any one of them is abundant. The economic revitalization that has taken place has created a solid and dependable base which will assist further development. What the city must now decide is where it will turn its energies next. Up until this time, emphasis has been placed on creating a barrier-free path for large scale commercial activity. It is now time for NBT to turn to the development of a clean, safe and economically healthy environment for the disadvantaged majority of the city population. (E)