

Chapter 9

ECONOMIC DEVELOPMENT

(06/21/16)

A sustainable community is a place that uses its resources responsibly to develop and maintain a high quality of life for current and future residents. This requires a healthy and vibrant local economy that provides all residents with the opportunity to share in prosperity, enjoy the benefits of a clean environment, and ensure the fiscal health of the municipality. Characteristics of an economically sustainable community include the following:

- Offers a mix of employment, housing, and retail options that fosters growth, development, and creative opportunities for individuals, businesses, and industries
- Creates and maintains neighborhoods that are safe, stable, and attractive, as well as opportunities for transit, bicycling, and walking
- Provides innovative education opportunities for current and future residents
- Manages municipal and population growth in a way that is sufficient to sustain and extend services.

In summary, an economically sustainable community establishes a setting for a healthy, active, environmentally sustainable, and inclusive community.

Newark's Economy

Newark is one of Delaware's principal economic, industrial, and academic centers. The local Newark economy is resilient to a considerable extent because of the presence of the University of Delaware, the City's largest employer, with the eighth largest per-capita endowment of any public university in the United States. Adjacent to I-95, Newark is within easy access of Wilmington, Philadelphia, Baltimore, New York City, and Washington, D.C. The City is also connected to the region by rail with SEPTA and Amtrak service and enjoys convenient access to two major international airports—Philadelphia and Baltimore/Washington—as well as a national airport in New Castle, Delaware. The CSX and Norfolk Southern freight lines traverse the City and provide freight rail connections to all major points along the eastern seaboard.

The main campus of the University of Delaware, a leading scientific and research institution on the East Coast, services approximately 21,000 full- and part-time undergraduate and graduate students. In 2009, the University purchased the 272-acre site of the former Newark Chrysler Assembly plant with the vision of establishing a science and technology campus, now known as the Science, Technology, and Advanced Research (STAR) Campus, with up to 5 million square feet of multiuse space. The space's planned uses include labs, health science, housing, retail, offices, and an overall plan for transit-oriented development. Construction of the STAR Campus has begun, and its first tenant, Bloom Energy, opened a manufacturing center in 2013 to build fuel cells known as "energy servers." Newark is also the home for the state's major high-tech industrial center—Delaware Technology Park, located south of the College Square Shopping Center between Library Avenue and Marrows Road. Other major employers operating in Newark or in the surrounding area

include W.L. Gore & Associates, Inc, DuPont (agricultural research), Dow Chemical (silicone-wafer-polishing compounds), Siemens, Air Liquide, FMC Corp (biopolymers), Barclaycard (financial), Christiana Care Health Systems, AstraZeneca (biopharmaceutical), Delasoft, Inc. (software services), and Hallmark Global Technologies Inc. (IT services).

Table 9-1: Newark Area Major Employers (Top 10 by Employment)

Name	Employment	Primary Product or Service
Christiana Care Health System	7000	General medical and surgical hospital
University of Delaware	4000	Education services
Delaware Division of Aging and Adults	2500	Resources
Siemens Healthcare Diagnostics	1500	Manufacturing
AstraZeneca	1000	Manufacturing
Computer Sciences Materials	700	Custom computer programming
Dow Electronic Materials	700	Chemical manufacturing
JP Morgan Chase	697	Banking
A & P Bohinski	252	Farm supplies
BF Rich Co.	250	Window manufacturing

Source: Reference USA, 2010

In addition, in March 2000, the Embassy Suites opened on South College Avenue across that roadway from the University of Delaware's sports complex. In 2002, two new hotels opened—a Homewood Suites, adjoining the Embassy Suites, and the Courtyard by Marriott/University of Delaware, on the University's Laird Campus—significantly adding to the City's stock of high-quality hostelrys.

Other important economic-development initiatives occurred in 1999 and 2000 at the Delaware Technology Park with the addition of two facilities totaling 50,000 square feet and, shortly thereafter, when the City's last idle downtown industrial site—the old National Vulcanized Fibre plant on White Clay Creek—was successfully redeveloped with waterfront dining and shops, 40 apartments, and 107,000 square feet of commercial office space. The original mill at this location was constructed in the early 18th century, and the current structure, built in 1853, operated as a woolen mill and later produced vulcanized fiber (a composite material) to the early 1990s. Many of the historic structures on the site have been preserved and renovated.

New development and redevelopment continue to be a major focus of the Planning and Development Department, Planning Commission, and City Council. The City has approved many new retail and commercial projects and additional residential units downtown and at other locations. Most of these projects follow a mixed-use, new-urbanism style of development that includes space for restaurants, pharmacies, banks, and other retailers at the street level with apartments above. Other relatively large residential projects have been approved by the City. Some of these new facilities have been limited to adults 55 years of age and older as part of the City's effort to increase its available housing stock for older Newarkers. This land-use goal is particularly important in a community that is very significantly impacted by the continued demand for off-campus housing.

Table 9-2 shows a comparison of employment characteristics of Newark with New Castle County, Delaware, and the United States. A higher percentage of Newark residents work in management and education professions.

Table 9-2: City of Newark Employment Characteristics

Occupation*	United States	Delaware	New Castle County	Newark
Management, business, science, and arts occupations	36.2%	37.8%	41.8%	48.5%
Service occupations	18.1%	18.4%	17.0%	18.8%
Sales and office occupations	24.6%	24.5%	24.8%	25.7%
Natural resources, construction, and maintenance occupations	9.1%	8.6%	7.1%	3.1%
Production, transportation, and material moving occupations	12.0%	10.7%	9.2%	3.9%
Industry*	United States	Delaware	New Castle County	Newark
Education, health care, social services	23.2%	24.3%	25.0%	36.5%
Arts, entertainment, recreation, and accommodation and food services	9.3%	8.9%	8.4%	13.7%
Retail trade	11.6%	11.9%	10.5%	10.6%
Professional, scientific, management, and administrative and waste management services	10.8%	9.9%	11.2%	8.3%
Finance and insurance; real estate and rental and leasing	6.7%	9.9%	12.6%	8.7%
Manufacturing	10.8%	9.6%	9.4%	5.8%
Transportation and warehousing; utilities	4.9%	4.7%	4.8%	1.9%
Public administration	5.0%	5.7%	4.4%	3.4%
Other services, except public administration	5.0%	4.5%	4.1%	3.2%
Construction	6.2%	6.2%	5.1%	2.3%
Information	2.2%	1.6%	1.8%	1.7%
Wholesale trade	2.8%	2.0%	2.1%	1.4%
Agriculture, forestry, fishing, hunting, mining	1.9%	1.1%	0.5%	0.4%

*Civilian-employed population 16 years and over

Source: 2009-2013 American Community Survey 5-Year Estimates

While Newark’s industrial sector remains relatively healthy, the Planning and Development Department collaborates with area industrial-park operators, including the Delaware Technology Park, the state and New Castle County Chambers of Commerce, and the Delaware Development Office to bring new high-quality, low-impact manufacturing firms to Newark (for properties zoned MI, ML, MOR, and STC).

Downtown Development

The City and the development community have successfully revitalized Newark’s traditional Main Street and downtown with an exciting and vibrant mixture of adaptively reused historic and new buildings, occupied with street-level commercial businesses and apartments on upper floors. The City has specifically targeted pedestrian-oriented, rather than auto-oriented, businesses to limit the traffic impact on Main Street and the demand for off-street parking without impacting the businesses customer base. Downtown mixed-use projects have had a considerable positive impact downtown by helping to foster the adaptive reuse of existing buildings and strengthening the local market for Newark products and services. On the other hand, these projects also have, to a considerable extent, placed additional stress on the availability of off-street parking and have had public-safety and related municipal-service demand impacts.

Key developments in downtown include the following:

- The Deer Park Restaurant, one of the City’s most acclaimed historic landmarks, was fully restored and reopened under new management in 2001. This U.S. Department of Interior National Registered Property dates from 1851 and has been operated continuously at this location since that time. In addition to being one of the City’s most notable landmarks and a popular local entertainment center, the Deer Park is a significant business anchor at the west end of Main Street near the edge of the University campus.
- University Courtyard was also opened in 2001, which was the culmination of redevelopment of a 22-acre abandoned brownfield site into an attractive garden-apartment complex a short walk from downtown.
- The Washington House, approved in 2005, brought 54 upscale condominium apartments, commercial space, and a two-story parking facility to the site of the former Stone Balloon tavern. The project was an achievement of the goal to bring more owner-occupied housing to downtown.
- The Barnes & Noble/UD Bookstore was approved in 2010, the project for which included the refurbishing of the historic Christina School District Building originally built in 1884. The building added more than 60,000 square feet of office and retail space to downtown.
- The Newark Shopping Center redevelopment project was approved in 2013 and refurbished an old suburban-style shopping center. The shopping center was completed in May 2015 and included façade improvements to most of the existing buildings, improved amenities for bicyclists and pedestrians. The 220-unit apartment building will be completed in 2016.

Downtown Newark Economic Enhancement Strategy (1998)

Beginning in the mid-1980s, Newark experienced a downtown development boom. In 1998 the City adopted the *Downtown Newark Economic Enhancement Strategy*, developed by the consulting firm HyettPalma, Inc. This strategy provided a detailed market analysis and market opportunities for Downtown Newark, analyzed Downtown’s economic growth potential for retail, office, and housing space, and recommended specific strategies to meet the goals outlined in the strategy. One of the key recommendations, adopted by City Council in 1998, was to establish a tripartite Downtown Newark Partnership (DNP) to bring together the business community, the City, and the University for the mutual goal of enhancing Newark’s Main Street. The formation of the DNP has underscored an important aspect of the City’s quality of life—Main Street is Newark’s commercial heart and soul and embodies what makes Newark unique.

The *Downtown Newark Economic Enhancement Strategy*, therefore, became the City’s principal central business district economic development–planning document that underscored the Newark community’s commitment to downtown redevelopment as the key ingredient in Newark’s commercial growth. The strategy recommends a downtown central business district Newark “Development Framework,” with total of six specific development districts. These districts are briefly described below and shown in Map 9-1 and Map 9-2, which was revised and from the *Downtown Newark Economic Enhancement Strategy*.

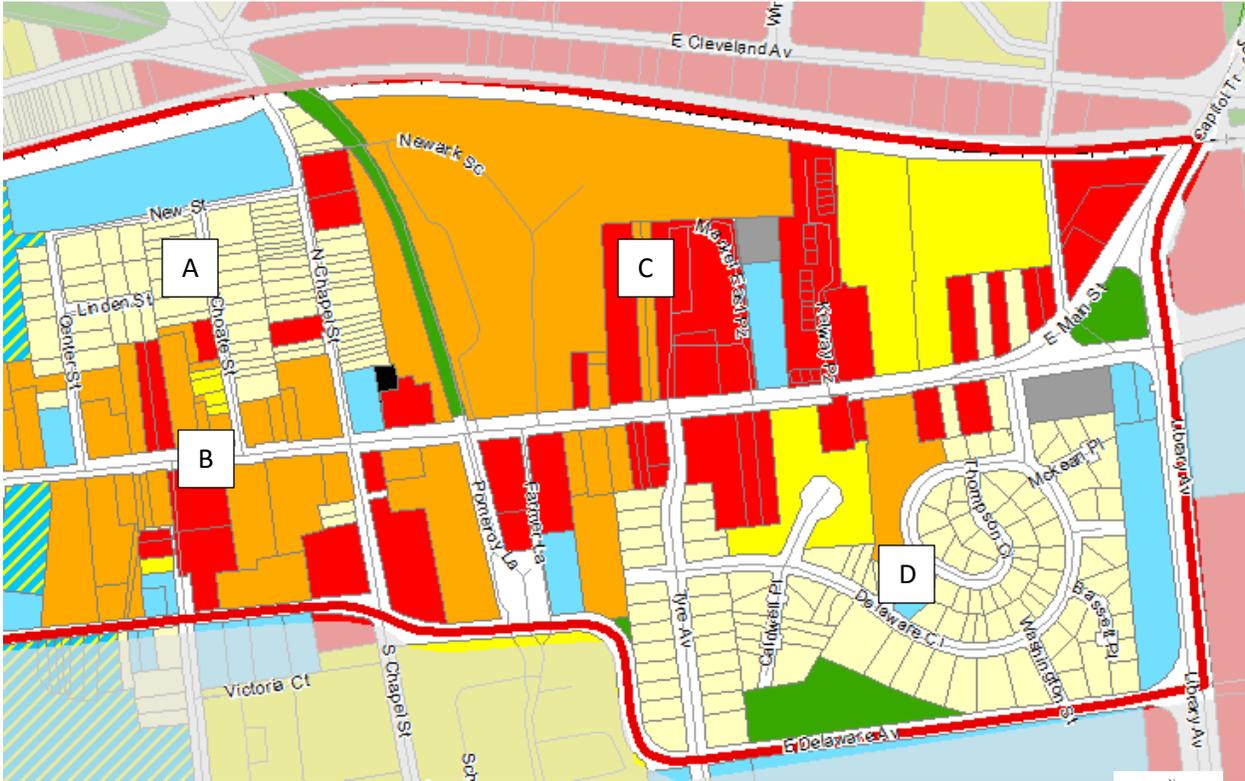
Areas “A” and “D”: Housing Rehab Districts (Map 9-1)

Housing rehabilitation and affordable housing redevelopment should be concentrated in these downtown districts, located in the north central and southeastern portion of the Downtown Development Framework. Efforts to encourage affordable and market-rate family owner-occupant-type projects should be emphasized and expanded. The City may also consider reducing the permitted downtown density in projects in this district for residential projects.

Area “B”: Downtown Core District (Map 9-1 and Map 9-2)

This is the center of Newark’s central business district, which is intended as an area to be redeveloped with first-floor specialty and traditional retail shops with a balanced concentration of food and entertainment. Off-street parking is also permitted on the ground floor. Apartments and offices are proposed for upper floors. Apartments, however, must be carefully and closely evaluated in terms of their impact on downtown traffic and parking; their compatibility with existing downtown buildings in terms of design, scale, and intensity of development; the contribution of the overall project, including proposed apartments, to the quality of the downtown economic environment; and potential significant negative impacts on nearby established businesses and residential neighborhoods.

Map 9-1: Downtown Newark Redevelopment District (East)



Map 9-2: Downtown Newark Redevelopment District (West)



Area “C”: Mixed-Use Redevelopment District (Map 9-1)

This area encompasses the northeast corner of the Downtown Development Framework plus the now-replaced “Delchapel” brownfield site. This is a prime location for mixed-use redevelopment, integrating convenience retail, services, office and residential uses (both student and nonstudent housing as well as affordable and market-rate housing). Any additional apartments, however, must be carefully and closely evaluated in terms of their impact on downtown traffic and parking; their compatibility with existing downtown buildings in terms of design, scale, and intensity of development; the contribution of the overall project, including proposed apartments, to the quality of the downtown economic environment; and potential significant negative impacts on nearby established businesses and residential neighborhoods.

Area “E”: University (Map 9-2)

This area includes mostly University of Delaware–owned lands with other properties, which almost encircle the Downtown Core District. The area is intended for continued University-related uses. The University should make the Downtown business community aware of student, faculty, and staff commercial needs and opportunities through the DNP.

Area “F”: Downtown Extended, South Main Street to West Park Place (Map 9-2)

While the original 1998 strategy suggested convenience retail, offices, and light services as appropriate for this area along Elkton Road, in a 2007 meeting City Council approved a recommendation from the DNP to extend DNP’s downtown target area to coincide with the full size of the strategy’s recommended Downtown Development Districts. In 2011, Council changed the name of the segment of Elkton Road from East Main Street to West Park Place to “South Main Street” and further extended the downtown boundary. As a result, Area “F” uses were revised by replacing the originally suggested uses and adopting those that were suggested for Area “A”. The recommended uses, therefore, in this area are first-floor specialty and traditional retail shops, with a balanced concentration of food and entertainment. Apartments and offices are proposed for upper floors. Any additional apartments, however, must be carefully and closely evaluated in terms of their impact on downtown traffic and parking; their compatibility with existing buildings in terms of design, scale, and intensity of development; the contribution of the overall project, including proposed apartments, to the quality of the downtown economic environment; and potential significant negative impacts on nearby established businesses and residential neighborhoods.

In addition to the Area “F” expansion described above, in 2007 the DNP Board conducted an internal board strategic-planning “visioning” process with the assistance of the Delaware Main Street Program and the Retail Market Answers economic-development consulting firm. Together, they intended to update the board’s downtown vision elements and market-based strategies selected to achieve that vision. The resulting vision elements, based on a key stakeholder survey, a visioning session conducted by the Main Street Program and Retail Market Answers, and Planning Commission review and comment, and the market-based strategies are as follows.

A copy of the *Downtown Newark Economic Enhancement Strategy* is available in the Planning and Development Department.

Downtown Newark Partnership

The DNP, established in 1998, is a public/private partnership bringing together the City of Newark, businesses, residents, and the University of Delaware to promote the economic enhancement of downtown Newark. It is governed by an 18-member policy board from a variety of positions in the community. The board works to chart the course for downtown enrichment and provide a directional framework for each of the following working committees:

Design: Focuses on maintaining and enhancing the visual appeal of downtown, with emphasis on pedestrian-scale qualities

Economic Enhancement: Focuses on recruiting new businesses for downtown, as well as retaining current downtown businesses

Events: Focuses on organizing events and festivals for downtown to create economic opportunities for existing businesses

Merchants: Focuses on opening and maintaining lines of communication among downtown merchants and the rest of the DNP, the City, University, and citizenry

Parking: Focuses on improving off-street parking downtown for a more user-friendly and cost-effective service

As a result of the business community’s confidence in Newark and the progressive approach to quality downtown growth, new commercial development now spans the entire length of Main Street with successful new projects on every block alongside traditional local businesses that have existed for generations.

Downtown Design

As part of its participation in the Delaware Main Street Program, the Newark Business Association’s Design Committee—the predecessor to DNP’s Design Committee—developed specific guidelines to assist the City in reviewing facade improvements for buildings downtown. In 1998, following the issuance of these guidelines, City Council amended the City’s Subdivision and Development Regulations to include downtown design-review requirements based on the Design Committee’s façade-improvement guidelines. The guidelines soon became an important tool in the City’s package of regulations that helped fuel the ongoing renaissance on Main Street. Thereafter, in 2007 and again in 2012, DNP’s Design Committee updated and reissued the guidelines to ensure that the City’s commercial façade-enhancement program and requirements continued to meet the latest standards.

The Downtown Design Committee’s *Design Guidelines for Downtown Newark*, as updated in 2012, are intended to sustain and strengthen downtown Newark’s small-town uniqueness by encouraging flexibility and creativity in design while, at the same time, enhancing the architectural character and overall visual appearance of downtown Newark. In addition, DNP’s Design Committee administers a City grant program that provides \$2,500 in matching funds for exterior façade improvements for downtown projects that conform to the guidelines.

Other initiatives as part of Newark’s overall aesthetic improvement and upgrade program included the initiation in 2000 of a downtown sidewalk and street-sweeper program. As a result, early morning street and sidewalk sweeping has made a significant contribution to the overall attractiveness of the heart of Main Street from Chapel Street to the University Green. In addition, the City has adopted an anti-graffiti program, which has been successful in helping to limit unsightly graffiti downtown and at other locations throughout the community.

Economic Development Strategy and Action Plan (2011)

In 2010, the City of Newark hired the Wadley-Donovan Group to complete an economic development–opportunities analysis and a strengths, weakness, opportunities, and threats (SWOT) assessment of the City. The resulting *Economic Development Strategy and Action Plan* provided information leading to the understanding of Newark’s marketable strengths, cost-effective recommendations for improvements, development opportunities, and obstacles to development. Some of the findings are listed below.

Assets

- Excellent central location between major metropolitan areas, with access to train service and international airports
- In the greater Newark area, a large, high-quality, diverse, educated, and young labor market with a middle- to upper-income household profile
- Employment clusters in business and financial services, biomedical/biotechnical (life sciences) fields, computer and electronic production manufacturing, and information technology and telecommunications
- Opportunities with the BRAC initiative and the expansion of the Aberdeen Proving Ground
- An attractive and vibrant downtown
- Ten area colleges and universities, with the University of Delaware being the largest. Its professors are free to consult and partner with area companies. The University’s Office of Economic Innovation and Partnerships seeks to establish the University as a renowned center for innovation, invention, entrepreneurship, partnering, and economic development.
- The 270-acre site of the former Chrysler plant to be transformed into the STAR Campus, devoted to three business clusters—health and life sciences, energy and environmental technology, and operations related to Aberdeen Proving Ground
- A full network of utility and telecommunications services and more-than-adequate water, sewer, telecom, natural gas, and electric capacity to meet future opportunities

Challenges

- New Castle County’s employment base has been concentrating into fewer sectors and, while employment has been stable for the past five years and county employers are increasing, it is hiring fewer employees.

- The Christina School District shows unfavorable statistics. Interviewed employers report that many of their managers and professional employees prefer to live in southern Chester County, Pennsylvania, and other locations within New Castle County, such as Bear and Middletown, for access to what they think are better public schools.
- A shortage of office, R&D, industrial, and flex space to meet the needs of new and expanding companies
- No centralized inventory of available business real estate other than downtown
- Downtown parking shortage and traffic congestion that adversely affect current downtown business and affect Downtown’s ability to attract new business activity
- Traffic congestion caused by having only three east/west routes through Newark
- High industrial/commercial electric power rates, coupled with service quality issues
- Limited passenger rail service into Newark (improvements are planned)

Through an intensive stakeholder process, the *Economic Development Strategy and Action Plan* proposed the following Economic Development Vision Statement:

In 2020, Newark, Delaware, will be internationally recognized as a regional hub of science, technology, and higher education. Its research, science, and technology sector will be the core of a diversified economy providing well-paying jobs for workers from a multistate area. Downtown Newark and its shopping and entertainment opportunities will be a destination for both regional residents and global visitors as well as a sought-after business location. Newark’s economic sector will be a key component of its highly desirable quality of life.

The *Economic Development Strategy and Action Plan* recommended 11 “Economic Strategy Initiatives”:

1. Establish a Greater Newark Development Corporation as a public/private partnership to promote economic development in the region.
2. Create and manage an economic-development website for the greater Newark area.
3. Create an inventory of available real estate for business and industrial uses.
4. Reposition the City’s Department of Planning and Development to emphasize its economic development mission.
5. Use a marketing program to create a “Newark brand” as a regional technology and innovation hub.
6. Conduct and encourage efforts to improve the Christina School District, including a focus on science, technology, engineering, and mathematics.
7. Prepare an analysis of the cost of doing business in Newark compared to other competing locations.

8. Identify and correct issues with the City's regulations and procedures for permits and approval reviews.
9. Identify land in the City of Newark with development and redevelopment potential for industrial, office, and R&D operations.
10. Develop, fund, and implement aggressive and effective business-attraction, business-retention/expansion, and business-startup programs for targeted industries.
11. Create a strategy for housing business prospects visiting the City.

The complete report on the City of Newark's *Economic Development Strategy and Action Plan* is available online:

www.cityofnewarkde.us/DocumentCenter/Home/View/1850

Plan Goals and Action Items: Economic Development

Promote a sustainable economic future for the City by encouraging a diversified local economy, creating a quality place for people to live and work, and attracting a highly qualified workforce.

Strategic Issues:

- Business diversification.
- Physical and economic vitality.
- Leveraging the asset of the University of Delaware.

Community Vision: Sustainable and Inclusive

Goal 1	Attract and retain a diverse range of large and small high-quality business and industrial firms. Attracting and retaining a diverse employment base advances the City’s vision as a “Sustainable Community,” one that is better able to adjust to a changing economy.
---------------	---

Action Item 1

Continue to dedicate staff time and support for advancing and implementing the Economic Strategy Initiatives of the *Economic Development Strategy and Action Plan (2011)*. The City should work with partnering agencies in implementing the 11 initiatives outlined earlier in this chapter with the intent of making Newark a regional hub of science, technology, and higher education.

Partnering agencies:

- City of Newark Planning Commission
- City of Newark Department of Planning and Development
- New Castle County Chamber of Commerce

Action Item 2

Create a consolidated reference guide to help potential businesses navigate the City processes and regulations to opening a business in Newark. This publication would consolidate several existing publications and be available on the City’s website.

Community Vision: Healthy/Active, Sustainable and Inclusive

Goal 2	Continue to enhance Downtown Newark’s physical and economic vitality. Downtown Newark is the City’s cultural and economic heart. Enhance by continuing to develop and redevelop the downtown physical environment and attracting and retaining a diverse range of shopping, entertainment, restaurant, and housing opportunities. Expand the revitalization of mixed-use structures to include the refurbishment, renovation, and redevelopment of residential neighborhoods adjacent to the central business district.
---------------	--

Action Item 3

Explore and evaluate proposals to enhance the physical environment downtown, such as desirable locations for “green space,” a public park downtown, or the burying of utility lines.

Action Item 4

Identify residential neighborhoods surrounding the central business district to constitute a Downtown Development District (DDD), and apply to the Delaware’s Office of State Planning Coordination for “District Designation.” The City seeks to incentivize and create affordable home-ownership opportunities in residential areas surrounding Newark’s downtown through the creation of a DDD. Other local incentives to leverage funds could include the POOH program, Home Improvement Program, Senior Home Repair Program, Homebuyers’ Incentive Program, Newark Energy Watch, and other home-ownership programs.

Participating agencies:

City of Newark Planning and Development Department
 Downtown Newark Partnership
 Office of State Planning Coordination

Community Vision: Sustainable

Goal 3	Ensure that zoning requirements encourage the uses desired and do not create impediments to desired business growth. In order to maintain a “Sustainable Community” economy, it is important to make adjustments in a constantly changing and competitive economy. Newark will ensure that the City’s zoning and regulations are meeting the best practices in planning and land use.
---------------	--

Action Item 5

Update the City of Newark’s Sign Ordinance for downtown businesses to improve the quality and types of signage.

