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Bid for SID

Merchants' group wants Special Improvement Districts to beautify, boost business

By Tina Traster

Reporter staff writer

HOBOKEN—Hoboken Advantage, a nonprofit merchants' association, is planning to spearhead a downtown improvement plan, but the group's success will rest largely on its ability to gain support from property owners, businesses and residents who are involved in the target area.

The association aims to approach the City Council at a Nov. 6 meeting to propose an ordinance that would create a Special Improvement District (SID) that would make various aesthetic improvements, sponsor promotions and provide inexpensive off-street parking for the city's main shopping streets.

The SID would involve about 300 businesses along Washington Streets, and on parts of First, Hudson and Fourteenth streets, said Mayme Jurkat, executive director of Hoboken Advantage.

Don Smartt, a consultant on city improvement projects hired by Hoboken Advantage, explain the the key to creating a SID is open communication between public and private



DOWNTOWN LOOKING UP—Hoboken Advantage hopes to create a special improvement district for Washington, First and 14th streets. Improvements may include brick paved sidewalks, lampposts, trees and facade restorations.

He continued: "SIDs have proven to be the best tools for communities because they don't rely on the declining federal intervention. The SID does not rely on general tax revenues; it does ask those who have a self-interest to contribute to improvements."

While plans are in the preliminary stage, Smartt said the proposed \$250,000 to \$300,000 budget for the first year would be funded primarily with a tax of \$27 per \$100,000 of assessed value. The tax would be based on the budget. So a property with a \$100,000 assessed value would yield a \$67.50 tax if the budget was \$250,000.

What is a SID? In 1984, the state of New Jersey adopted a law which allowed municipal downtown areas to establish a SID, or a self-help, self-financing district. Essentially, they are designed to help revitalize downtown dis-

tricts that have lost business to nearby shopping malls.

To fund the SID, business owners, and sometimes residents, must pay a levy toward the improvements and programs that benefit the district. A private, non-profit management corporation — in this case Hoboken Advantage — administers the SID.

Increasingly popular tool

SIDs have become a commonly used urban improvement tool in New Jersey. So far, nine municipalities have created SIDs, most recently Bayonne. The others include Cranford, which has the oldest SID in the state, Trenton, Englewood, Elizabeth, New Brunswick and Freehold.

In Cranford, which created a SID in 1985, a number of improvements have been made. During the first year, the district installed new underground facilities, recontoured the paved sidewalks, Victorian street lights, benches and trash receptacles. New trees, shrubs and planters were also added.

Ten other communities, including Hoboken, will receive \$10,000 loans from the state Department of Community Affairs this year. The loan is designed to foster the creation of the SID.

In Hudson County, several towns and municipalities are undertaking improvement plans. "People are recognizing that downtowns need to be taken seriously in terms of maintaining or restoring their competitive advantage with the region, Smartt said.

In Jersey City, SIDs were tried twice but failed due to a lack of consensus. But the city is one of 10 in the state to be declared an Urban Enterprise Zone, which provides the city with a number of tax incentives. Those include tax credits for employing local people and a 50 percent lower sales tax. Not only do merchants collect just 3.5 percent on many goods and services, but the state gives back the other half for the city to reinvest.

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Donald R. Smartt
Principal, The Community Advocates

sector. "Hoboken Advantage must build a consensus among many constituents to accept the imposition of a self-help tax," said Smartt. What's necessary is a public information campaign, he said, which would consist of a series of meetings and focus groups with business owners and residents.



Don Smartt and The Community Advocates