

Downtown New Jersey, Inc.

154 S. Livingston Ave. Livingston, NJ 07039
973-992-8800

Spring Lake - DBAT Downtown Business Assistance Team April 12, 2005

Members of the DBAT Team:

Beth Lippman – Executive Director, DNJ
Michael Redpath – Redpath & Associates LLC
Kathy Shaw – Downtown Network Company
Jayne Carr – Freehold Center Partnership

Study Area

The area of study is the business district located on Third Avenue.

Introduction and Background

The Borough of Spring Lake is a beautiful seaside town located off Exit 98 of the Garden State Parkway. It is known for 2 miles of beach and the longest noncommercial boardwalk in New Jersey. The estimated population of mostly white, Non Hispanics is 3,567 living in a 1.3 square mile area. The median resident age is 47.7 years with a median household income of \$89,885. The median house value is \$638,200 (year 2000).

Spring Lake has a wealth of talent and opportunities that invite Downtown New Jersey's expertise and advice. While many other towns in New Jersey could only wish to be in the position of Spring Lake, however, there are challenges that need to be addressed.

Spring Lake's business district has an inherent charm with an existing image and "cache". Its historic elements have been preserved and the Borough is dealing with the modern issues of the automobile... parking.

Below is listed all of the issues that were discussed in the morning session by representatives of the community:

Strengths:

- Housing Costs are high
- Easy access/roads and train station
- Known name/Image
- Destination town/Summer Resort
- Small town atmosphere
- Committed Volunteers
- Interesting stores

Weaknesses:

- Parking
- Loss of Mom and Pop retailers
- Professional offices taking ground floor retail space
- Professional offices taking up the available parking spaces

- Businesses not servicing local population
- Streets are not maintained
- Lack of ordinance enforcement
- Lack of image/identity for Central Business District
- Needs more destination businesses
- Central Business District businesses not open in the evening
- Loss of hotels
- Less daily visitors
- Summer Rentals are down
- Residents don't want daily visitors/lack of adequate bathroom facilities for visitors

Challenges

The challenges put forth by the business community in attendance included two main issues that they believe has affected business activity on Third Avenue. These issues include the perceived influx on Real Estate companies taking ground floor retail space and the loss of two large hotels that supported the community year round. Business has become increasingly seasonal over the last few years. Prior to this the hotels, specifically the Warren Hotel, brought year round business to the community with weddings, luncheons, parties, etc. Spring Lake has found that there are less daily visitors to their beach and seasonal rentals are down.

The Warren Hotel had over 200 rooms. The only hotel left is The Breakers that has only 65 rooms in comparison. The Warren Hotel housed a restaurant and bar that brought many people to Spring Lake as well. The Warren Hotel was a destination; people drove just to see the historic building. The Hotel was torn down and the land was used to build residential homes. The group perceived the town to be like a "Ghost Town" last summer (2004) in comparison to previous years.

Another problem that caused the loss of daily visitors to the beach was that there were 35 beach closings due to pollution to Wreck Pond which ran off into the Spring Lake oceanfront. It was also pointed out that the local Residents are not supporting the Third Avenue businesses. They are going outside the town for their shopping needs.

The Chamber of Commerce is perceived as representing the interests of the Bed and Breakfasts of Spring Lake and ignoring the needs of the local merchants.

We heard many people at the meeting voicing what is "not" happening and why they believe these things are not happening, there was some finger pointing blame placed on different groups. What needs to happen is how this group can take the information discussed at this session and go forward to assure that the necessary changes are made.

As in many communities, a big issue that needs to be addressed is the lack of adequate parking.

Our day of observation and discussion led us to conclude the following:

- Lack of a shared vision
- No cohesiveness in goals

- No strategic plan on how to accomplish goals
- No single advocacy group

Recommended Action Plan:

- Appoint a Task Force
- Develop a Vision Plan

Issues for Strategic Plan

- Design Standards
- Parking Analysis
- Marketing Analysis of potential mix of goods/services sustainable from a regional demographic area
- Façade/Sign Criteria/Historic Facades
- Develop cooperative programs with B&B's
- Develop marketing & tourism plan

Form a unified Downtown management structure (EDC, SID)

- Amend zoning ordinances
- Require all at-grade spaces to be zoned for retail use only
- Include the development of strict enforcement of codes
- Contract for a professional parking analysis
- Develop a strategy for retail recruitment and retention
- Develop an ordinance that allows outside dining
- Begin developing a Marketing Plan

Vision Plan

The most important undertaking that needs to take place is to form a task force to focus on Economic Development that will include residents, business and commercial property owners, a representative from the Chamber of Commerce, and Bed and Breakfast owners.

The base of activity for the businesses includes the residents that live in Spring Lake all year round and the seasonal visitors that need to make Spring Lake their summer destination. It was obvious to the DBAT team that Spring Lake's beauty, charm and attraction is centered on it being a shore community. The beach is who you are and to ignore that and/or determine that you don't want to promote it is foolish. The most upscale beach communities promote their location and are only successful because of the demand by "outsiders" to flock to their towns as summer destinations. It is your location and seasonal attraction that has increased the property values.

This task force needs to begin at the prime reason for your successes and develop a strategic plan based on Spring Lake's most desirable attribute. There are two tracts that need to be addressed simultaneously. First is to develop a plan that will attract the residents back to Third Avenue. This will entail having a professional retail analysis done to see what businesses will attract the residents and incorporate this information in the strategic plan, including how you will go about accomplishing this. The second tract should include the branding and marketing of Spring Lake as an ideal summer getaway. Once you've accepted that you need to make your prime attraction (the beach) accessible and inviting to the daily beach goers your strategic plan needs to include strategies that will meet this goal. A parking

analysis will have to be an important ingredient of this plan as will providing the basic services (bathroom facilities) and the retailer mix on Third Avenue to make this a destination. We recommend that you hire a professional facilitator to lead this task force. This group will be responsible for planning for this community for now and the future. This group will help to build Community Consensus allowing you to move forward on your plan.

Management Corporation

Once a vision plan is established you will need to establish a forum for developing a strategic plan and the implementation of the goals.

We strongly recommend you creating a management corporation to make sure all of the areas of concern as listed above are addressed in a timely and professional fashion. I am including a table of management corporations and what they can accomplish.

TABLE 1

	Economic Development Corporation	County	Main Street	Redevelopment Authority	Focal Group	Special Improvement District
Reliable Funding Base	POSSIBLY (Created & funded by Borough)			POSSIBLY (Created & funded by Borough)		X
Staff	X		POSSIBLY	X		X
Location	X		POSSIBLY	X		X
Retail Analysis	X	X	X	X		X
Strategic Plan	X	X	X	X	X	X

Based on your concerns and needs, our group is unanimous in recommending that you create a Special Improvement District. A Special Improvement District (SID) is a public/private partnership in which property and business owners elect to make a collective contribution to the maintenance, development and promotion of their commercial district.

The purpose of a SID is to improve conditions for business in a specific area, attract and retain businesses, generate jobs and improve the quality of life for those who use the district. A SID enables stakeholders to decide which services to provide to meet the district’s unique needs.

Services that are generally provided by SID’s include:

Maintenance

- Sidewalk cleaning
- Business Development
- Business recruitment/retention

Landscaping

- Park/open space maintenance
- Tree/flower planting

Marketing

- Branding/Image building
- District public relations
- Develop and distribute promotional materials

Public Safety/Hospitality

- Public Safety Officers
- Visitor assistance

Capital Improvements

- Improved streetlights
- Custom trash receptacles
- Directional street signage
- Flower planters
- Streetscapes

A SID is funded by a special assessment collected from property owners in the defined boundaries of the district. The assessment is billed and collected by the Borough/Township/City and then disbursed to the District Management Association which in turn delivers the district's services. The sum of all the individual assessments that property owners pay comprise the total yearly assessment (operating budget) of the SID. Operating budgets of SID's can range from approximately \$40,000 – millions. There are different ways the assessments are calculated. The simplest formula is by assessing a percentage of the properties of the assessed property value. Some districts assess based on square footage.

Each SID is governed by a Board of Directors that is either appointed by the Borough Council or elected by the members of the district. Most districts in New Jersey incorporate both, the majority being elected by the stakeholders. The Board of Directors has the fiduciary responsibility and hires management to administer the SID on a day-to-day basis. The Board is usually divided into classes that include: commercial property owners, commercial tenants, residents and public officials.

Marketing Plan

The Third Avenue Business District needs to design a marketing plan that will draw people to town and to the businesses. Included in this plan should be branding and image building. You don't need to create something new, you need to market what is already there, an upscale beach community. Tourism guidelines and a visitor's center should be included in this plan.

Retail Recruitment/Retention

The management corporation using a retail analysis needs to actively seek businesses that will serve the year round community and those that will attract visitors and keep them returning. Restaurants are lacking at this time. Restaurants serve both visitors and residents and help draw consumers to the area, which in turn helps the other retailers. Outside dining is very important to a shore community. People want to spend as much time outside and that includes eating. Outside dining is an activity and creates a sense of being part of the "action". It is imperative that the existing outside dining ordinance be changed to allow restaurants the additional seating and the diners the added experience.

Regarding professional offices in ground floor space, the best approach is to work with property owners and help them bring in businesses that will pay the rent as well as enhance the area. If the property owners buy into the vision they will be more selective in who they

rent to. The group did not find the existing number of real estate agents to be overly objectionable. However, having said that, it would be prudent to discourage more from opening on the ground floor. Real Estate offices in a resort community offer a window shopping experience for visitors and residents alike. People like to see what is “on the market” in a preferred community. The Borough could create an ordinance that does not allow professional offices in ground floor retail space. I have included a copy of an existing ordinance from the Borough of Collingswood, NJ. The existing realtor’s offices would be grandfathered into any new ordinance created, allowing them to continue to exist, but controlling any further professional office use.

Maintenance/Enforcement

Maintenance issues are key in this downtown. This is an issue that can easily be addressed with management and funding. Clean street programs are being implemented throughout New Jersey. It will be necessary to review local ordinances regarding maintenance, signage and façade issues. Working with the Borough to amend necessary ordinances that would encourage better business participation is important. The Clean Communities program has grant money available for maintaining sidewalk cleanliness. Again, this needs to be handled by some kind of management body. Someone has to be responsible for overseeing the program, which includes scheduling, handling complaints, requests, etc. and supervising a maintenance team.

SUMMATION

The Borough of Spring Lake has all of the ingredients to be a successful year round resort community. What is needed is a management body that will focus on Spring Lakes’ assets and build towards developing a successful business community that supports the needs of the residents as well as the daily visitor.

Recommended Action Plan

Short Term: Years 1 & 2

- **Hire an experienced consultant to help you plan and implement a SID**
- **Put together a steering committee (no less than 11 persons, no more than 15)**
- **Begin developing your management corporation (SID)**
 1. **Hire Staff**
 2. **Establish on-site presence**
- **Begin with 5 main issues that you want to address**
- **Develop goals to accomplish**
- **Develop a time line for accomplishing these goals**
- **Develop a strategic plan (a map) of how you will reach these goals**
 - This plan should include how you will handle the following**
 1. **Maintenance/ordinance review**
 2. **Retail analysis study**
 3. **Image/branding**
 4. **Marketing plan**
 5. **Streetscape design**
 6. **Wayfinding sign system design**
- *****Develop a plan of how you will fund these projects (budget)**
- **Forge positive relationships with Township officials, Township politicians, local newspapers, non-profits, cultural establishments**