

COVID-19 REOPENING & RECOVERY

Downtown New Jersey (DNJ) is a statewide member-supported non-profit providing education and advocacy in support of revitalizing New Jersey's downtowns. Our members include municipalities and counties, business improvement districts (BIDs), lawyers, developers, and design professionals. Through our web resources and quarterly newsletter, we provide our members with information about policy initiatives, real estate and retail trends, and best practices that could impact their downtowns. We also hold an annual conference, quarterly downtown management round tables, and forums in partnership with NJ Transit and VTC at the Bloustein School.

Since social distancing protocols were put in place, DNJ have been hosting weekly ZOOM forums on a myriad of issues related to downtown and small business concerns. For example, the ink was barely dry on New Jersey's small business assistance program and the CARES Act when we had representatives from NJEDA and Senator Menendez's office give our members a briefing. We also had a speaker from Jones Lang LaSalle lay out the realities of the retail market upon reopening. Other topics have included BID budgeting, reopening of farmers markets, updating zoning and permitting rules, etc.

As a proven advocate for New Jersey's downtowns, we thank you for the opportunity to provide our input into the approach for re-opening. The following represents a summary of the concerns and ideas crafted in collaboration with our members during a online Downtown Management Forum on May 8, 2020.

Key to Successful Reopening: Consumers need to feel confident that the businesses they patronize are clean and safe, and that employees and fellow customers are able to practice proper social distancing safety protocols to minimize the possibility of transmitting infection.

Immediate Measures: The State can begin with some immediate measures that will ease the strain on NJ's small businesses now, before full reopening begins:

Retail

- We are pleased with the announcement that non-essential retail establishments will be able to provide curbside pick-up and delivery starting May 18.
- In addition, certain non-essential retail establishments should be allowed to open by appointment with strict adherence to social distancing, and protocols to limit consumer contact with products and/or cleaning protocols should contact occur. Customers should not be permitted to try on clothing, sample make-up, etc.

These businesses could be monitored by local law enforcement to ensure adherence to health and safety protocols.

Restaurants

- As Jersey City and other places across the US have done, the State should limit (at least temporarily) the fees charged by online ordering and delivery services (e.g. Uber Eats, GrubHub, DoorDash, etc.)
- The NJ Division of Alcoholic Beverage Control (ABC) should provide leniency with regard to the definition of "premise" for the purpose of expanding outdoor dining to better enable social distancing once they reopen.

General Policy Initiatives

- Enact eviction protections for commercial properties similar to those afforded residential properties by P.L.2020, c.1.
- Extend business interruption insurance coverage, at least partially, to pandemic-related losses.
- Enact a commercial rent assistance program for tenants, and/or deferment assistance program for landlords.
- Re-institute the [DBIZ Program](#) to provide additional resources to downtown management corporations to assist their small businesses (more info below).

Responsible Reopening: We anticipate a phased approach to re-opening based on location within the state, and ability of a business to implement sufficient social distancing protocols.

Transparency

- Businesses need clear and concise reopening timelines and guidance by sector and location within the State.
- NJ should implement physical distancing guidelines. For example, California has implemented a staggered reopening approach with industry specific guidance. (<https://covid19.ca.gov/roadmap/#guidance>) Before reopening, all facilities must:
 - ◇ Perform a detailed risk assessment and implement a site-specific protection plan
 - ◇ Train employees on how to limit the spread of COVID-19, including how to screen themselves for symptoms and stay home if they have them
 - ◇ Implement individual control measures and screenings
 - ◇ Implement disinfecting protocols
- Similarly, Maine created a staggered reopening

approach and provided checklists for businesses to follow. (<https://www.maine.gov/decd/covid-19-prevention-checklists>)

- Businesses are already falling victim to social media trolls saying that they are “unclean”. Businesses need succinct guidelines they can rely on to support their own actions.
- Since the initial shut down, towns and district managers have been spending a lot of time interpreting closure rules and assistance program information as it comes out piecemeal. They feel like they are spinning their wheels to get the right information to their businesses and consumers.

Enforcement

- There needs to be a balance between sufficient regulation for safety and over-regulation such that it is difficult for the business to meet the standards and re-open.
- Will inspections be necessary prior to re-opening? Will it differ by business type (e.g. food handling businesses vs. personal care services vs. retail)? Who will be responsible for doing the inspections?
- Municipalities are already instituting furloughs due to mounting economic concerns, while at the same time feeling the burden of enforcing the closure order. If they have to inspect and/or enforce re-opening protocols, they will need the resources to do so.

Safety First

- Need reliable and readily available virus and antibody testing before consumers will feel truly safe; and even still, we likely will not return fully to pre-COVID consumer habits.
- Need clear and concise protocols related to employee testing and reporting/tracing. Businesses are concerned about liability if an employee contracts COVID. Can they be sued by employees? consumers?
- Need clear written standards for safety protocols, e.g. thickness of plexiglass, access to hand sanitizing stations, signage, etc.
- Most businesses are already hurting financially – the cost of adapting their floor plan, increasing safety protocols, etc. will come at an expense. Small businesses, in particular, will need financial assistance to meet new standards, and/or adapt to new expectations from consumers related to:

- ◊ Initial cleaning & regular cleanings
- ◊ Floor plan modifications
- ◊ Contactless entry
- ◊ Contactless pay
- ◊ Modernizing and adding/upgrading e-commerce capabilities
- ◊ Accommodating delivery and curbside pick up
- Safety protocols need to be in place with sufficient lead time so that businesses can acquire and install any necessary safety measures prior to the reopen date. Businesses are concerned about supply shortages and price gouging for these materials.
- Economies of scale savings could be achieved if towns and Business Improvement Districts (BIDs) assist small businesses with reopening through bulk purchases, and/or hiring of industrial hygienist and retail design professionals.
 - ◊ Provide grants or low/no interest loan to towns/ BIDs
 - ◊ Re-institute DBIZ Program: The DCA’s Downtown Business Improvement Zone (DBIZ) Loan Fund provides a 0% loan up to \$200,000 for physical improvements and projects in an Improvement District with a District Management Corporation. The loans have a 10 to 15-year payback, and only those over \$100,000 require a match. This program has approximately \$1.9 million funds to lend, but the program has been active since FY2016.
- An aside, but important – walk signals on all roads (including State operated) should be automatic so pedestrians do not have to touch the pedestrian signal button.

Enabling Businesses to Spread Out

- Many towns are considering expanding restaurant and retail space outside – using the pedestrian and car realms for additional seating and/or “rack sales”. They are considering both the use of parklets and closing streets to cars (temporarily or permanently). They are also contemplating using municipal or private parking lots, and alleyways for this purpose.
- NJDOT discretionary grant funds should allow/prioritize applications that encourage these business supportive strategies.
- NJDOT needs to provide more flexibility on State roads in business districts to enable these strategies (parklets in particular).

- The NJ ABC should, at least temporary, allow extensions of premises to enable restaurants to serve liquor beyond current allowable limits.

Other considerations

- Right now, government and foundations are taking on much of the burden of providing financial assistance to small businesses (e.g. NJEDA grant and loan programs, SBA programs, various national and local foundations). Downtown New Jersey supports the effort to extend business interruption insurance coverage, at least partially, to pandemic-related losses.
- Right now, eviction protections only apply to residential properties. We support expansion of these protections to commercial properties. Additional rent support measures are needed to help minimize the number of vacancies.
- Municipal governments are already realizing real loss in revenue from parking lot and meter fees and enforcement revenues, and expect to be hit again with non-payment and appeals of property taxes. We understand that the State has similar revenue concerns. When federal support is received, we hope that some portion is allocated to assisting municipalities fill budget gaps.
 - ◊ Related, BIDs are primarily funded through a special assessment collected by the municipality and redistributed to the Improvement District. BIDs provide critical support to their districts related to safety, sanitation, beautification, marketing and other economic development activities. As we start to realize high rates of retail vacancy, BIDs will be at the front line of marketing and business attraction. It is, therefore, important that they continue to receive the resources necessary to provide services to their districts.
- It is anticipated that this economic upheaval will result in commercial vacancies of 25-30% or more. Food and beverage services will be one of the hardest hit, more in the realm of 40-50%. To encourage new restaurant businesses to open post-pandemic, now is the time to reconsider New Jersey’s antiquated liquor licensing laws to give them a leg up.

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