

SAVE SPRINGBOARD SHOPPES

SPRINGBOARD SHOPPES

Opened November, 2008



Overview

Newton's retail incubator has brought many stores to Spring Street. On the central one way portion, 28% of the active retailers came from SpringBoard Shoppes, or are still in the building.

The weekend before Thanksgiving the building saw two Paint and Sip sessions on Friday night, a Newton High School Art Exhibit opening on Saturday night, a Music Lesson on Sunday, 2 Art Classes for adults and one for kids on Monday. And our 3 retail stores and our Coffee Shop were operating.

On Spring Street, Newton Theatre had a show and restaurants were full.

But rising taxes, falling foot traffic/departing stores in Newton, and loss of a (non retail) tenant have created a cash flow shortfall that threatens our continued operation. This also means the time that our owner and some employees have put into downtown development must stop.

We'd like to find a way to keep SpringBoard alive and contributing to building Downtown Newton. Much more detail is included in the following sections.

Positive Factors Downtown and SpringBoard.

Challenge Factors Downtown and SpringBoard.

Specific future opportunities for Downtown.

Ways you can participate.

Conclusion and Request

Positive Factors Downtown

Our downtown is compact, walkable, physically attractive and charming. It is the only 'typical' downtown in Sussex County. Its historic buildings add to this charm.

The Newton Theatre has become a powerful draw for folks from a wide area. It is continually building number of performances and audience size. Restaurants are full when performances are scheduled.

We have maintained our Main Street Associate status with the State of New Jersey, so we still have access to all of their programs and information.

Newton has invested significantly in paving and decorative hardscape in the Downtown area.

There is a strong core group of intelligent and experienced store/building owners who have invested significant time and money in downtown Newton. Their knowledge and commitment can be a powerful factor in our rejuvenation.

Positive Factors SpringBoard

The ambiance in SpringBoard the past weekend (outlined in the introduction) was wonderful. The activity also provided employment for local residents, including artists and entrepreneurs

28% of present retailers on the one way section of Spring Street are either graduates of or still in SpringBoard Shoppes. Graduates to the street include PB&J, Sensible Addictions, Mother Moon Baby Boutique, Perfect 10 Beauty Salon, Inner Designs, and Adiel Jewelry.

SpringBoard has won a series of awards from local Business Organizations. Mr. Andrews has been very involved in local business groups. He is a Board member of the GNCC

- 2008 Main Street Newton Innovation Award.
- 2009 Sussex Cty Economic Development Business Advancement Award.
- 2010-2011 and 2014-15 Lakeland Andover Sch. Work Training Apprec. Award.
- 2012-present Maintained Associate status with Main Street New Jersey.
- 2012 GNCC Business Person of the Year Award.
- 2012-2014 cofounder, coleader New Spring St. Group
- 2014 GNCC Member of the Year Award
- 2015 cofounder, coleader Downtown Newton Association
- 2015 GNCC Charles Current Award

A Google search on the phrase retail incubator brings SpringBoard Shoppes as the second entry.

A SpringBoard employee designed the informal butt cans on poles throughout downtown, and we have maintained them for two years. In November Newton took over this responsibility.

Our Spring Street Art Center is an active teaching and gathering place for local artists. They have placed Art Works in 3 vacant stores, improving the ambiance of our downtown.

The Table Coffee Shop provides a welcoming, easily accessible meeting place for all members of our local community.

A very energetic experienced retailer operating in a nearby town is in serious discussion about moving to SpringBoard.

Challenges for Downtown

We have had a terrible drain of established retailers in the past 2 years (Flowers in the Attic, Perfect 10, Charm, Andre's, Eaton's, Interplay Couture). These six stores all have moved to other towns, where they continue in business. We must attract businesses to our town and then insure that local economic factors and governmental actions do not drive them away.

An abandoned building (5 years plus) in the heart of our district needs to be revived. NJ DCA has procedures to bring such a building back to productive use. Newton should use these.

Signs are needed to show visitors how to get to our downtown shopping, dining, entertainment district. The one way conversion occurred 4 months ago, and most traffic is diverted past downtown sight unseen. Such directional signs were promised before the project. The lack has hurt merchants significantly!!!

Signs are needed to show what is in our downtown shopping, dining, entertainment district. This strong recommendation was made in Newton's 2009 Circulation Plan and in the 2013 Vision Plan. The only action in the intervening 6 years has been to remove the somewhat outdated signs that existed then!!!

An ever increasing tax burden. All owners and tenants on the street have felt the cost. This includes a 10% increase for 2015. While Council members posit that 'brick and mortar' retail is dead, this loss of value does not decrease taxes. Rather the tax increases are just another nail in the coffin. We think 'brick and mortar' is not dead, but the ever increasing tax burden may prove us wrong.

Difficulty in code enforcement. Getting broken windows repaired, weeds pulled, surfaces painted, litter picked up are tasks which take months and more. Some improvement has occurred, but more needs to be done.

Challenges for SpringBoard

On a recent visit three representatives from the Jersey City Mayor's office met at length with Mr. Andrews to learn how the incubator concept could work for their Main Street and SID programs. One of their first questions was what support SpringBoard gets from Newton. (Answer \$0) Their question recognizes that running an incubator incurs costs a normal business does not.

Maintaining full occupancy is impossible. When we fulfill our function, and stores move out onto Spring Street, we have a period of vacancy which negatively impacts cash flow. Graduates to the street have included PB&J, Sensible Addictions (both with significant building renovations), Mother Moon Baby Boutique, Perfect 10 Beauty Salon (both with significant leasehold improvements), Inner Designs, and Adiel Jewelry.

Some start-up businesses do not continue. Starting a business, especially in retail, is a great challenge. Inevitable closures also leave temporary vacancies.

An ever increasing tax burden. Since opening, our real estate taxes have doubled. This includes a 10% increase for 2015.

The negative feedback to Mr. Andrews as he has tried to bring improvement to Newton has been very wearing and disheartening. He is not the only person to experience this pressure from Town Hall toward those who urge change to improve our town. Specific detail is available to those interested.

Specific Future Opportunities for Downtown

Recruiting of Stores

Active recruiting of new stores is vital. We have far too much vacant space. We have reached out to one interested store in a neighboring community, and also have had positive discussions with an experienced bookseller about the viability of reestablishing a book store here in Newton.

The Main Street New Jersey 162 page "Market Profile Newton" gives great detail on types of retail that are most likely to succeed here. This should be used as a strategic tool to target desired businesses.

It is critical to evaluate why so many viable retailers have chosen to leave Newton for other towns in the past 2 years. Factors causing this outflow must be addressed.

National Geographic Geotourism Project

A new web site DelawareRiver.natgeotourism.com will go live in May. This is similar to a number of previous international tourism sites National Geographic has set up. It is a great opportunity to promote the region, our communities, local businesses and attractions.

Detailed nominations to appear on the initial website are requested by January 16. The Sussex County Chamber was part sponsor of the outreach meetings attended by Sara Megletti and Jonathan Andrews. Time is short to take advantage of this excellent opportunity to put Newton on the map. Contact us for more information about this program.

Newton Jewish Center conversion to Theater

Preliminary conversations have occurred, and positive progress seems highly likely. The Center, on Washington Street, will be closing as the Newton congregation combines with that of Franklin. The 150 capacity nave is ideally suited for conversion to a Theater, and 2 Theater companies are interested. Tri-State Ac-

tors Theater (equity) and Drama Geek Studios have both visited and would like to make this a new home. The Sussex County Arts and Heritage Council is very interested in possibilities as a performance space and gallery space.

This conversion would bring traffic to downtown and keep alive a building which otherwise has limited alternative uses. It certainly fits well with the ArtPlace concept.

ArtPlace America Grant

We submitted an application in November 2014 for this substantial grant program which awards millions of dollars to use arts and culture to transform communities. This year's application is due in January 2016. Broad based support will enhance our chance of obtaining this.

Here is our statement of goal from the last cycle:

"Our traditional downtown has suffered the typical loss of business to malls and box stores. We have a beautiful underutilized historic downtown. Building on Tri-State Actors Theater and the Spring Street Art center, we seek to bring together talented local organizations of actors, artists, musicians and writers in a shared performance/gallery venue. Increased traffic will help reduce 33% retail vacancy. Integrate Section 8 population into community. Improve appearance through murals and plantings."

Impact 100 Grant

SCAHC applied for this grant in 2014. Limited to Morris, Passaic, Somerset and Sussex County, the program is going into its 4th year. It has awarded 5 grants of approximately \$100,000 and hopes to award 4 more in 2016. Part of their goal is: "to highlight unmet needs in the areas of Arts and Culture, Children and Families, Education, Environment, and Health and Wellness."

None of their awards to date have been to Sussex County organizations. The 2016 application will be posted after January.

Ways you can participate.

SpringBoard Shoppes has been deeply involved in many of the efforts referred to above. It is not financially viable for us to continue without outside support.

Since opening in 2008 we have seen Main Street Directors, Consultants, Studies and Reports. All have gone or been shelved. Downtown appearance has improved a bit, but we have lost a significant number and quality of retailers.

As we have been the major source of new businesses, and as our existing businesses continue to bring traffic to the street, we think SpringBoard and Mr. Andrews are the ideal candidates to lead our recovery.

However, we have ruffled a lot of feathers, so perhaps new outsiders will be more accepted. The question is, will they be more effective?

If we get enough expression of support, we will launch a crowd funding campaign to support SpringBoard and Downtown growth. If not, we are ready to fold our tents.

So, here are two key ways to support our effort.

- 1) Lend funds to SpringBoard, secured by a second interest in the building. 2014 appraised value is \$602,000, and first mortgage is about \$470,000. Such loans will be at 5% interest, plus equity appreciation sharing proportional to the investment if the building is sold.
- 2) For those unable to invest in this way, email or write expressions of support for SpringBoard leading the drive to revive downtown Newton. Indicate particular desired types of business you would most like to see here (Bookstore, Arts Classes and activities, Performance spaces, Restaurants, Live where you work opportunities - any other ideas you have).

Conclusion and request

Downtown Newton has great potential, with a beautiful setting, a small number of strong anchor operations, but a recent rip tide of departing merchants has weakened us considerably. A strong downtown will enhance the entire community.

SpringBoard has brought 28% of existing businesses to the district, but can no longer afford to bear the expense of this effort.

We seek the support, both moral and financial, to continue our efforts. This can come from other property owners, residents, government. Please consider supporting us with your investment or written expression of support. (email jonathan@springboardshoppes.com)

Note the potential to develop other properties downtown, as some are affordably valued and ripe for improvement.