

**Highlands Business Partnership (HBP)
District Management Corporation
Highlands Borough Business Improvement District
Annual Report 2000**

First Year Objective:

HBP Committee Organization and agenda planning were the primary goals for the Board and Executive Committee during the first year of operation for the HBP District Management Corporation. The HBP Board provides oversight and control of the operations of Highlands Business Partnership. The Board is comprised of 17 voting members and four non-voting members. Mayor's designee, Councilman Bob Rauen and the Planning Board Member, Peter Mullen, represent the governing body as voting members of the Board. There are seven commercial property owners and seven business operators that comprise the HBP Board of Directors.

Officers of the Corporation:

Lynn Hunter, Clam Hut, President; Carla Braswell, ShoreGrafx, Vice President; Todd Berkhout, Once Upon A Petal, Secretary; Bill Garcia, Fortuna Enterprises, Treasurer. Jack Davis, NYFF, HBP first Treasurer, resigned September 2000. Jack Davis relocated out of state and was replaced by Bill Garcia, Fortuna Enterprises.

Board Members:

Kathy Armstrong, Cottrell's Lobsters and Fish Market; Larys Cartaya, Bolero Café; Doug Douty, Lusty Lobster; Katharine James, commercial property owner; Michael Kovic, commercial property owner; Dan Hatter, Seastreak Ferry; John Koenig, New York Fast Ferry; Henry Moyer, Off The Hook; Roger Mumford, commercial property owner; Joan Wicklund, Sand Dollar Card and Gift; and Bill Duncan, resident member.

Non-Voting Members:

These members bring institutional, and corporate private-sector talent to the Board. These members bring an added outside viewpoint to the board that assists in their decision making process. Patti Baxter, Executive Director of the Northern Monmouth Chamber of Commerce; Jeff Flimlin, Rutgers University Cooperative Extension Services; Tom Laverty, Twin Lights Historic Site; Larry Novick, Brookdale Small Business Development Center; Roberta Sheridan, GPU Energy.

Committee Chairs

Board Members Roger Mumford, commercial property owner; Bill Duncan, resident; Lynn Hunter, Clam Hut; Carla Braswell, ShoreGrafx; Kathy Armstrong, Cottrell's Lobsters all took leadership roles to Chair and Co-Chair HBP Committees. This ensures linkage to the objectives of the Board.

HBP Administration:

Several professionals were hired after soliciting quotes. HBP Attorney, Ron Reich was retained for HBP business for the year 2000. Mr. Reich provided legal assistance for the first election and the Re-Discover Event. Legal publication notices, as outlined in the state statute for BIDs, announced HBP meeting schedule for four regular meeting in 2000. State of New Jersey filing fee, dues for membership in Downtown New Jersey, postage, stationery, and conference were administrative expense line items. As required by the state statute, an audit was completed April 2000 and filed with the Department of Community Affairs, Division of Local Government Services, Borough of Highlands and with HBP corporate records. HBP Insurance is provided through a partnership with the Borough and the Monmouth County JIF, Joint Insurance Fund. Total expenses for these HBP administrative line items were \$3,566.66. Professional management services are provided through the Bayshore Development Office (BDO). Kathaleen Shaw serves as HBP Business Advocate. Offices are located at 945 State Highway 36 Leonardo, NJ 07737 (732-291-4713). HBP has a contract with the BDO for 20% of the HBP BID Assessment Budget. Contract for professional services with the Bayshore Development Office fees totaled \$16,282.

Marketing & Communications/Events Committee:

Co-Chaired by Lynn Hunter and Carla Braswell, also HBP President and Vice President, this committee has set an aggressive agenda for HBP's first year. Destination marketing is the objective of the marketing initiatives. Create - Highlands as a destination. Having so many visitors in the surrounding area - Sandy Hook, Twin Lights and Shore areas - Highlands desires a greater share of the visitors to discover our restaurants and businesses.

Marketing Consultant

Marketing Consult, Allen Consulting, was hired after soliciting several event planning and sponsorship professionals. A search committee for this professional was made up of Bob Adamec, John Tedesco, Committee Co-Chairs, and Business Advocates. A recommendation was made to the Board and with Board approval a contract was signed for one year - April 2000 until April 2001. A \$30,000 commitment to Marketing includes all public relations, media contacts, event calendar development and solicitation of corporate sponsorship to promote events that will showcase Highlands as a destination. It is important that corporate sponsorship be secured from outside of Highlands, as the community is small and new partnerships need to be developed to undertake destination marketing for Highlands. The contract stipulates that HBP must receive an equal return on our \$30,000 investment by April 2001.

Events 2000/2001

Chairpersons for HBP events are being developed during this first year. The 2001 event calendar provides greater sponsorship opportunities for our consultant to broker. A comprehensive event schedule is packaged and our consultant serves as a broker between corporate and media partners who will provide sponsorship in return for media exposure. Planning for the Twin Towers to Twin Lights Bike Tour is underway. Both ferry companies will cooperate with bringing bike enthusiasts to Highlands for a multi-tour bike event in October or September 2001. Long range planning is required to organize an event of this type. Bike NY is working with HBP and Allen Consulting to plan this new event. HBP has served to pick up the events created under the Neighborhood Preservation Program 1993-1998 and the Highlands Chamber of Commerce. Holiday Lighting and the Clam Festival were continued and plans to expand these events next year are underway. HBP Volunteers decorated Huddy Park and several public areas with the assistance of Tim Hill, Recreation Director and the Highlands Garden Club, Jaime Terrell, President. Clam Festival 2000 maintained entertainment, rides and vendors for a four-day event. Printing, advertising, signs, maintenance, entertainers, and electric supply installations, contribute to the event success and these functions were managed through HBP volunteers, Business Advocate and Allen Consulting. The role of Allen Consulting in Clam Festival 2000 was minimum, as there was not adequate time to expand the event for 2000. Two Cruise Nights were added to the calendar. Re-Discover the Treasures of Highlands was added to the 2000 event calendar at the last minute due to the postponement of Octoberfest. Sponsor issues delayed Octoberfest until 2001 and the Re-Discover event was inserted. This event brought the new block leaders into play and HBP created an on-line map with call-outs of participating businesses as part of the treasure hunt concept. "Print and save" promotions from our website and all printed media brought a new dimension to marketing for Highlands businesses.

Website www.highlandsnj.com

Expansion of the Highlands' web site during HBP's first year has been accomplished. The website enables HBP to provide maximum access to HBP information by all business operators and commercial property owners of Highlands included in the BID, as well as, the general public. Minutes, reports, newsletters, organization chart, mission statement, ordinance, budget, events, photo album, bylaws are accessible and printable from your computer. An online map of Highlands with variable call outs featuring participating businesses was showcased during the October Re-Discover Event and will be used in our 2001 promotions on-line. Linkage to the ferry riders through the Internet is a primary goal for the Marketing Committee. HBP is highlighting the Highlands' businesses and direct marketing to ferry customers through the web site and our other complementary marketing initiatives. HBP requested and received brochures or printed promotional information from business operators that are showcased on board the ferry. The Highlands/HBP web site is promoted on the ferry and in all HBP media contacts reinforce the destination marketing objective activities.

www.bayshorenj.com

As a business improvement district in the Bayshore Region, HBP is taking advantage of a newly developed regional marketing tool for absolutely free. www.bayshorenj.com web site, provides a proprietary database of Highlands' businesses, and is searchable with HBP members' noted and special e-coupon offerings. HBP members can access their listing on bayshorenj.com and utilize custom options including the design and posting of e-coupons absolutely free. The Bayshore Development Office created www.bayshorenj.com, which contains a nine town searchable, proprietary database of Bayshore businesses, events and municipal information. www.bayshorenj.com promotes the Bayshore Region as a destination and region center for living, business, transportation and tourism.

Advertising/Media

Area Map

Working with our partner and non-voting member of the Board of Directors, Patti Baxter, Executive Director, HBP placed a full-page ad in the Northern Monmouth Area Guide Map published by the Northern Monmouth Chamber. The County of Monmouth Economic Development Office/Tourism and NMCOC mail out this Area Guide and Map to inquiring tri-state region and beyond visitors. This area map and guide represents our Bayshore Region Aberdeen to Highlands. HBP's ad promotes Highlands as a destination along with our largest event the Highlands Clam Festival.

Media Impressions

Since April 2000 in excess of 4,423,878 measured print impressions have been made. That means that Highlands' name is getting out there as a destination. Changing perception and customer habits take persistence and consistency. Allen Consulting prepares all new releases for HBP that are approved through the Marketing Co-Chairs. Any business innovations or news are welcomed topics for a HBP media release.

HBP Newsletter - *On the Move*

The first HBP Newsletter was compiled by collaboration by the Board, Committee Chairs and Business Advocate to communicate the status of organizing the District Management Corporation. Volunteer editor, John Tedesco, published two subsequent issues of the HBP Newsletter - *On The Move*. John Tedesco, a Highlands resident, sponsorship professional for Pace University New York, put his talents to work on the Marketing Committee. This internal communication is mailed to all business operators and commercial property owners in Highlands. Additional copies are distributed to committee volunteers, Borough Officials and staff and extra copies are left at Borough Hall and the Highlands Community Center. The newsletter is printable from the website.

Block Leaders

In the fall of 2000 it became apparent to the Board of Directors and Committee Chairs, HBP needed greater communication between our members. Key business operators volunteered to take a block area near their business to network information and follow up on important initiatives for HBP. It is easy to say I never got my mail but difficult to say you don't know when a personal visit is made. The success of the programs HBP creates is directly linked to participation and communication. HBP needs to know the issues in order to solve the issues. Block Leaders will add another benefit to HBP's communication network.

Marketing Workshops

Two marketing workshops were scheduled this fall. An evening and morning session provided attendees with a marketing manual and a dialog on Highlands' destination marketing. Sylvia Allen presented an overview of marketing issues. It became clear by the input from those in attendance that there was a desire for a "group media buy" to bring down the individual business cost of advertising. HBP issued an offer for a "group media buy" December 10th and it will be included in the 2001 initiatives.

Summary

The hiring of our Marketing Consultant, Allen Consulting, is HBP's largest investment from our budget. Marketing was clearly what the Board of Directors, Committee volunteers and business community at large identified as the most important need for the businesses. Freehold Center Partnership's successes, over the past eight years through Allen Consulting, convinced the search committee and Board that this was an investment that must be taken for Highlands. April 2001 will provide a complete cycle for the Allen Consulting contract for Board evaluation. Sponsorship and event income through December 31 is \$20,000.

Visual Improvement Committee -VIC

Chaired by Kathy Armstrong, this HBP Committee has a wide scope of objectives including Parking, Safety, Beautification, Capital Improvement, Maintenance and Design. During this first year the committee started their agenda development with parking. Parking issues had escalated to an all time high in January of 2000. The Borough created a Parking Committee that was headed by Councilman John Bentham. Kathy Armstrong attended the Borough Parking Committee Meetings and worked with the HBP VIC volunteers. The goal was to ensure recommendations were developed from both the business district and residential viewpoints. Highlands' neighborhoods are a mix of commercial and residential blocks along Bay Avenue and the waterfront. HBP Board members

kicked off this "hot-button" issue with board action to authorize purchase of speed radar equipment. Ferry operators Seastreak and New York Fast Ferry, Highlands Chamber of Commerce and HBP provided a four-way split in the cost to purchase this equipment. The partnership included the Borough to ensure that the speed radar equipment provided by HBP and partners to the police department would be maintained and monitored for placement. HBP requested the equipment be used in a wide range of areas from the Regional High School to Bay Avenue. The equipment is a warning and educational tool not a means to issue tickets. Monthly reports were requested from the Borough for the VIC Committee. These police reports included information on special officer assignments that are paid by Highlands ferry partners, special event police personnel assignments, and locations that speed monitor equipment was placed during the month. HBP will continue to explore planning options and activities recommendations on parking issues. Speed monitor equipment educates the public (residents and visitors) about speed.

Parking Recommendations

Parking recommendations were drafted and approved by the VIC Committee. The HBP Board approved and forwarded the written recommendations to Mayor and Council on June 2000. The recommendations feature three components:

- Borough adoption of a Parking Impact Ordinance
- Borough Line Striping on Bay, and Shore Drive
- HBP serving as a broker to be a catalyst for leased parking arrangements between businesses.

Database Creation

Parking

In order for HBP to implement the parking recommendations the volunteers worked to create a database of parking information. The central business district was broken into eleven (11) districts. Volunteers were assigned areas to inventory and prioritize parking areas fully utilized and parking areas underutilized both for public owned and private owned lots. Borough owned properties were identified in the database for parking utilization. With this database the volunteers could assist in identifying leased parking opportunities. HBP, as a private sector corporation, can facilitate the brokering of leased parking arrangements. Leased parking will improve parking utilization and provide existing underutilized lots with potential income to "pay the bills". This plan will assist the Borough and private property owners to manage the parking issues with a flexible strategy:

- Parking ordinance to create a parking improvement funds paid into by those who impact parking through expansion
- Line striping to account for actual parking areas available in Highlands
- HBP contributing as a facilitator to broker leased parking options between private sector Business operators.

Maintenance

Highlands's neighborhood conditions prompted the VIC Committee to take the same eleven (11) database districts and list property maintenance issues. The second database was created for the VIC Committee to use on an ongoing basis to target issues and to work with the Borough on identifying solutions. Borough owned properties were identified in each district and included in the evaluation of property maintenance standards. Setting standards for property owners can only be effective when the Borough promotes equal property maintenance standards. Life Hazard conditions were identified through the participation of Terrance Fennell and the Committee. Follow-up and legal ramifications were identified as the largest problem to date. Increased meeting and communication with the Borough will be tried to bring the outstanding issue to solutions or conclusions. It was the opinion of the VIC Committee that if all eleven-district areas were brought to the attention of the Borough at once it would be a waste of time. VIC Committee members agreed to bring one district at a time to the attention of municipal officials.

Public Area Maintenance

Clean Communities Entitlement

VIC Committee was presented a proposed public area maintenance plan in early January 2000. The public area maintenance plan was part of an ongoing program funded through a publicly funded entitlement of \$9,394. Highlands' allocation from the Department of Environmental Protection, Clean Communities Grant Program fiscal year 2001. The public area maintenance plan had been approved by the Borough to be administered in partnership with HBP. The program had been administered successfully under the former Highlands Neighborhood Preservation Program, and HBP VIC Committee requested an opportunity to continue the program. Public area debris removal,

maintenance, organization of volunteers and Highlands Adopt-A-Highway area – the Highlands Bridge Ramp are the primary components. During the past seven years there were five areas that this entitlement program served to maintain by a private sector landscape contractor. Highlands Bridge Embankment, Veterans Park Planters, Huddy Park planters, Highway Sign at Linden Avenue and Cornwell Park planters. These are areas of steep slope or areas that were severely neglected.

A scope of work was created and quotes were secured from licensed landscape contractors who could perform herbicide applications. Borough employees have not yet certified for conducting herbicide applications. These areas were cleaned with:

- Debris and litter removal
- Herbicide applications
- Plant replacement and maintenance and replacement mulch

Three times April, July and October. The areas were maintained through the 2000 publicly funded entitlement \$9,394.00.

Flower Planting

The VIC Committee in partnership with the Garden Club planted flowers in all streetscape planters in June prior to the Clam Festival.

Marine Place Improvements

VIC committee identified Highlands' new bulkhead area along Marine Place as a critical area in need of maintenance and improvements. After meeting with the Borough Administrator, Paul Shaffery, a plan was presented to hire a licensed landscaper to apply herbicide and remove overgrowth of weeds and dead plants. Kathy Armstrong discussed the concern from residents and the perspective buyer for Captain Cove's Marina on Washington Street for the conditions along the new bulkhead. Damaged lighting problems were to be repaired by the Borough and HBP would take on the overgrown weeds. After Board and Borough approval, the project was completed and new mulch was installed. This clean up process is known as Phase I. Phase II will be invested from the 2001 budget. It will include indigenous plantings that have been selected and designed by Highlands Garden Club member Marsha Shaya.

Public Area Maintenance Schedule – Electric

VIC Committee created a maintenance schedule to ensure that regular maintenance of public area electric is undertaken. This project was started as a result of Committee attempts to design and purchase new electrical holiday decorations. With our existing improvements suffering from maintenance neglect, the Committee developed a maintenance schedule to bring our existing public area electric up to standard before adding new improvements. Highlands Chamber of Commerce provided Kathy Armstrong with a commitment for banner purchase provided there was utility and Borough approval to complete the project.

Inventory of Way Finding Signs, Utility Poles, Parks and Streetscape

Further inventory records have been created of existing amenities. Kathy Armstrong, VIC Chair completed photo taking and created inventory records with the support of the Committee. The Highlands Garden Club, under the leadership of Jaime Terrell, will further expand the parks inventory for existing conditions, equipment and amenities as well as desired improvements. This base information will allow the VIC Committee to plan and purchase new amenities in the public areas of the central business district.

Sign Projects

Way Finding

VIC Committee has undertaken two sign projects. The Way Finding Signs along Bay Avenue needs to be expanded to allow for additional businesses to appear on the posts. That will mean additional structures added to existing posts and new post locations. Currently, Business Owners pay for their own sign and installation. Expansion will require an investment by HBP in 2001. Removal and installation of old signs have been taken on by HBP to ensure that signs are hung in an orderly fashion. Several signs were hung too low and they posed a danger to pedestrians. HBP is working to ensure a comprehensive program is developed.

Welcome Signs at Bridge Ramps

Plans are developed to install larger welcome signs in new, more visual locations at the Bridge Ramps. The existing "welcome to Highlands sign", installed by the guardrail, is slated to be relocated to the monument area on the eastbound ramp entrance to Highlands. A new welcome sign will be installed at the top of the westbound exist ramp from Highlands. This location has greater visibility to

those driving over the bridge. The proposed sign can also handle changeable sign slates at the bottom area that will promote Highlands events. (Farmers Market, Clam Festival, etc.)

Holiday Decorating Public Areas

VIC Chair Kathy Armstrong, Tim Hill, Highlands Recreation Director and Garden Club Members installed bows, garland and the decorated tree in Huddy Park. Bows and garlands, and the Huddy Park gazebo tree were purchased by HBP from the Highlands Volunteer Fire Department.

Economic Development Committee

Business Recruitment

Business Retention

Sewer Rate Recommendations

Co-Chairs Bill Duncan and Roger Mumford have taken on a Business Retention and Recruitment issue – Sewer Rates. A letter of recommendation was drafted and approved by the Board and forwarded to the government body August 3, 2000. The existing sewer rate structure for commercial properties in the Borough is inequitable and detrimentally impacts our pro-business objectives. Sewer rates affect the ability of Highlands to retain existing businesses and attract new business. Some business operators are actually being overcharged by as much as 500%. Numerous businesses are being negatively affected including small retail businesses with limited water usage, seasonal commercial users, and mixed-use commercial users that are exposed to both a commercial and residential fee that can total \$5,400 per year. This type of combined rate is perceived by business as “the high cost of doing business in town”. HBP identified seventeen (17) commercial businesses that are currently paying \$5,000 fixed fee per year and compared their actual usage at a rate of \$.0031 per gallon. (Rates were defined in detail in HBP’s letter) A reduction in the amount of \$42,000 collected from these seventeen commercial businesses by utilizing a fee \$.0031/gallon based upon actual usage will provide relief and help us in our goal to retain existing commercial businesses in Highlands. In terms of magnitude, \$42,000.00 represents less than 3% of the total sewer revenues received by the Borough. Economic Development Committee volunteers identified Careless Navigator, Bootlegger, Doris & Ed’s Original Oyster, Stewart’s and Vercelli’s Pizza in this fixed rate category paying substantially more than their usage. These businesses should not be burdened with excessive rates that may impact their continued viability in Highlands. The success of Highlands’ established businesses provides HBP with a foundation to recruit new business partners for Highlands. Without these successful business partners, Highlands tax base would be severely eroded and new business recruitment would be extremely difficult.

Technical Workshop Brookdale Small Business Development Center

During October 2000 the Economic Development Committee invited Larry Novick, Brookdale SBA staff to provide technical information to our business operators. Bill Nunnally and Jackie Hoehn. Brookdale SBA Staff, presented options for business plan development, financing, employee issues and a broad range of information that is available free from the SBA Center at Brookdale. Regular referrals and contacts from inquiring new businesses and existing businesses are made through the Business Advocate. SBA works closely with the Monmouth County Small Business Loan Program. This existing loan program assists HBP in filling the financing needs of our business district. The loan program provides business expansion, working capital and acquisitions financing through SBA banks at one percent below prime.

Business Guide

A business guide will be developed during 2001 to assist new and existing businesses in the permit, board and fee process of the Borough of Highlands. In order to undertake the development of the business guide, board meeting and application process has been coordinated through the Business Advocate, Kathy Shaw, Zoning Officer, Jim Morgan, Deputy Clerk, Michele De Luca and the Highlands Board Secretary, Carolyn Cummins. The applicant process has been reviewed during this first year for actual operation and new steam lined recommendations. New merchantile license applications, Zoning applications for all commercial properties are requested from the Borough and they are referred to the HBP Office. Through this process we are assist new businesses through the process and finalize the HBP Business Guide. As Highlands has a flood plain review, which included a large portion of the central business district, this review is included in our business guide. A separate brochure is being finalized to assist the community in working through this technical process for substantial improvements and new construction. Changes in the Borough Building and Construction Office have delayed publication of this guide. Economic Development Committee will

continue to work with applicants needs and continue work to develop a process for a streamlined commercial property review.

Re-Development

Waterfront/Central Business District

The Economic Development Committee began work on identifying projects from the Atlantic Group Waterfront Re-Development Strategy Report, authorized and adopted by the Borough of Highlands in 1994. Michael Kovic brought a Marina project to the committee. Michael believes that Highlands needs a large draw to attract visitors and businesses to Highlands. Roger Mumford, Co-Chair volunteers to further examine the Marina proposal. At no cost to the Borough planning staff studied the proposal and developed a conceptual plan for the proposed Marina at the Fifth Street and Miller Street area. The proposal was reconfigured for larger slips that would attract a customer base that cannot get larger slips in the regional area. Public areas were addressed more comprehensively regarding green space, parking and public restrooms.

Re-Development Base Map

A base map of potential re-development projects will continue to be formulated through the Economic Development Committee. All projects that get identified can be evaluated for how they meet the needs of the business community and the municipality. Developing consensus in the community on the priority of redevelopment projects will be a function of this committee. Economic Development Committee will continue assisting with public meetings and networking within the business community, HBP working committees and the Board.

Designation of Re-Development Area

Paul Shaffery joined the August and September Economic Development Committee meetings as the new Borough Administrator. The designation of a Re-Development Area was discussed as a tool to implement the objectives and projects identified by HBP in concert with the Borough. The Long Branch Re-Development model was discussed. The importance of the underutilized center of town, including the public works area, Shore Drive (from Miller Street east) was presented as another re-development option. The areas without residential units with abandoned lots, vacant commercial properties could be included as a stimulus to re-investment in the central business district. The inclusion of a new municipal facility along with public safety was introduced. A new image for re-investment must be set in order to begin the process. The Committee supported the concept of starting the in center and working out to the waterfront. Economic Development Committee members are looking for the Borough's actions on the re-development area prior to exploring any further options.

Funding Development - HBP

Private Sector Partner Development

HBP Marketing Committee has served as the primary catalyst for attracting private funding to maximize the local assessment investment. Through of professional efforts of Allen Consulting and the Clam Festival Committee from April 15, 2000 through December 31, 2000 there was a corporate sponsorship investment of \$21,777 in HBP objectives and activities. There are a considerable number of addition corporate sponsorship contributions anticipated from Allen Consulting prior to the contract end date of April 15, 2001. Review and renewal of Allen Consulting's professional services contract will be the responsibility of the Marketing Committee and the Board of Directors.

Annual Report 2000 Summary Statement

The development of resources, people, and activities is an ongoing process that has attracted many diverse people during the year 2000. The re-investment by Highlands' business community, of time, talent and money, is a commitment that has and will bring improvements to Highlands. The Borough has experienced the talents and impact of what creating a vehicle for change can have on a community. The re-investment by the business community in their future will bring improvements to Highlands at a steady, systematic pace that will allow all Highlands partners to share in it's continued success.

Submitted by K. R. Shaw 1/26/01

edited 2/7/01 by Highlands Business Partnership Board of Directors