

IV. ECONOMIC PLAN ELEMENT

ECONOMIC OVERVIEW

The City of Bayonne has experienced significant economic change since the last Master Plan was prepared in 1990. The City endured the national economic recession of 1989 to 1992, fostered service sector growth to replace manufacturing and made preparations for the redevelopment of the U.S. Army's Military Ocean Terminal (MOT). During this period, the City's economy has been restructured and the large industrial base has been replaced by finance/insurance/real estate, retail and services. The conditions for growth are good and the City is poised on the verge of a long-term economic expansion and revitalization.

Bayonne's economic revival is the product of planning, infrastructure investment and programs initiated by the City over the past several years. These include plans to redevelop major economic activity centers such as the MOT and the Texaco property in Bergen Point. Plans to revitalize the Broadway central business district (CBD) and capitalize on development opportunities in the LeFante Highway/Route 169 corridor are being developed as part of the current Master Plan Update. The City has benefited from recent infrastructure investments such as the improvement of LeFante Highway/Route 169 and the extension of the Hudson Bergen Light Rail Transit System (HBLRTS) into Bayonne. The HBLRTS is expected to increase access to, and boost the redevelopment of, major economic activity centers including the MOT, Broadway CBD and Texaco property. The City has initiated programs to revitalize the Broadway CBD including the creation of a Special Improvement District (SID) from 19th Street to 26th Street. These efforts, many of which are in the implementation phase, are expected to generate significant benefits for the City including employment growth, increased tax rates and an enhanced quality of life.

LEGAL BASIS AND PURPOSE

The New Jersey Municipal Land Use Law, Article 3, Section 40:55D-28(a) states that an economic plan element should "consider all aspects of economic development to be promoted with the characteristics of the labor pool resident in the municipality and nearby areas;" and (b) provide "an analysis of the stability and diversity of the economic development to be promoted."

The purpose of the Economic Plan element is to evaluate the economy of the City of Bayonne and identify trends, strengths, opportunities and constraints. The City's economy is analyzed and compared with the Hudson County economy to provide a comprehensive view of present economic activity and

future economic development potential. It should be noted that employment and labor force data will be updated after the 2000 U. S. Census is completed and information is released.

SUMMARY OF MAJOR TRENDS

1. Private sector covered employment in Bayonne fluctuated between a high of 15,277 in 1989 and a low of 12,059 in 1997. Anecdotal evidence, including the relocation of several firms to Bayonne and a low municipal unemployment rate, indicates that the City's employment base has stabilized.
2. Private sector employment in Bayonne is projected to increase to 26,728 by 2020. The majority of this increase will be generated by the redevelopment of targeted areas including Military Ocean Terminal (MOT), Texaco, Broadway and the LeFante Highway/Route 169 corridor.
3. Annual average wages in Bayonne increased by 64.4 percent from \$18,218 in 1985 to \$29,947 in 1997.
4. Unemployment in Bayonne was 4.8 percent in 1999, which is significantly lower than the Hudson County rate of 7.2 percent and compares favorably to the Statewide rate of 4.6 percent.
5. The labor force in Bayonne is relatively well-educated in comparison to the rest of Hudson County. More than 70 percent of all City residents age 25 and over have a high school, bachelor's or graduate degree compared with 64 percent for the County.
6. Bayonne's economy is increasingly service-oriented with retail trade, finance/insurance/real estate and services accounting for 59 percent of all private sector employment in the City. The City has a high concentration of employment in the retail trade and service sector compared with Hudson County as a whole.
7. Future economic activity in Bayonne will be focused on several large redevelopment areas including the 437 acre MOT and the 64 acre Texaco property as well as sections of LeFante Highway/Route 169 and Broadway. These areas will generate future employment, increase tax ratables and attract private sector investment.

TOTAL PRIVATE SECTOR EMPLOYMENT

The total number of private sector jobs located in Bayonne, known as covered employment,¹ fluctuated between 1988 and 1997. Total covered employment refers to all private sector or non-government jobs located in the City that are held by residents and non-residents. As shown in Table IV-1, the number of jobs decreased from 1989 to 1992, increased from 1992 to 1994 and decreased again from 1994 to 1997. Overall, total private sector employment in the City decreased by an estimated 3,155 jobs or 20.7 percent between 1988 and 1997. In comparison, the County had a decrease of 4,210 jobs or 2.1 percent during this period. The City's recent employment decline can be attributed to the loss of several major employers including Maidenform, Domenico Tours and Kiwi Airlines. The County also experienced an employment decline in 1995 and 1996 due to the loss of several major employers. However, anecdotal evidence such as a low unemployment rate, the relocation of firms such as Imperial Bag and Paper and the approval of 132,000 square feet of non-residential development in 1998 indicate that the City's employment base has stabilized. In addition, the redevelopment of the MOT, Texaco property, LeFante Highway/Route 169 and Broadway is expected to generate several thousand new jobs over the next twenty years.

¹ Covered employment is a monthly count of full and part-time employees who earned wages during the pay period as reported quarterly by employers covered by the New Jersey Unemployment Compensation Law. Basically, any employer paying at least \$1,000 in wages in the current or preceding calendar year is covered. Jobs not covered by the law include self-employed and unpaid family workers or certain agricultural and in-home domestic workers.

Table IV-1
TOTAL PRIVATE SECTOR EMPLOYMENT, 1988-1997*
City of Bayonne and Hudson County

<i>City of Bayonne</i>				<i>Hudson County</i>		
		<i>Difference</i>				<i>Difference</i>
<i>Year</i>	<i>Number of Jobs</i>	<i>Number</i>	<i>Percent</i>	<i>Number of Jobs</i>	<i>Number</i>	<i>Percent</i>
1988	15,214			198,730		
1989	15,277	63	0.4	208,196	9,466	4.8
1990	14,397	-880	-5.8	198,120	-10,076	-4.8
1991	13,840	-557	-3.9	186,047	-12,073	-6.1
1992	13,126	-714	-5.2	180,627	-5,420	-2.9
1993	13,195	69	0.5	183,810	3,183	1.8
1994	14,494	1,299	9.8	192,322	8,512	4.6
1995	13,369	-1,125	-7.8	192,840	518	0.3
1996	12,260	-1,109	-8.3	191,913	-927	-0.5
1997	12,059	-201	-1.6	194,520	2,607	1.4
Change, 1988-1997		-3,155	-20.7		-4,210	-2.1

*Total private sector jobs located in Bayonne and Hudson County.

Source: New Jersey Department of Labor, Covered Employment Trends, 1988-1997.

ECONOMIC BASE

In general, Bayonne has experienced economic stability characterized by low unemployment and service-sector growth since the peak recession year of 1992. Between 1990 and 1997, the City experienced an increase in employment in the wholesale trade, retail trade, finance/insurance/real estate and service sectors of the economy, as shown in Table IV-2. In contrast, there were employment declines in the construction, manufacturing and transportation sectors of the economy.

Both Bayonne and Hudson County experienced significant declines in employment in the goods-producing sector of the economy between 1990 and 1997. Goods-producing industries are businesses that generally produce goods that can be exported elsewhere and include manufacturing and construction. All other industries are considered service-producing industries. Employment in the City's goods-producing sector fell from 3,918 in 1990 to 2,273 in 1997 compared with a decline of from 45,920 in 1990 to 37,962 in 1997 for the County.

During the 1990-1997 period, Bayonne's employment in the service-producing sector declined from 10,479 to 9,675. In contrast, the County's employment in the service-producing sector of the economy increased during this period. This trend is expected to reverse itself as commercial redevelopment in the LeFante Highway/Route 169 corridor, Texaco, Broadway and Military Ocean Terminal commences.

Table IV-2
PRIVATE-SECTOR COVERED EMPLOYMENT BY INDUSTRY, 1990 -1997
City of Bayonne and Hudson County

Industry	City of Bayonne			Hudson County		
	1990	1994	1997	1990	1994	1997
<i>Number of Employees</i>						
Agriculture	N/A	N/A	N/A	161	197	N/A
Construction	711	550	451	6,168	4,308	4,379
Manufacturing	3,207	1,723	1,771	39,752	33,654	28,633
Transportation	1,877	2,719	1,206	24,193	25,560	23,233
Communications and Utilities	N/A	N/A	N/A	4,420	3,672	3,305
Wholesale Trade	1,205	1,755	1,395	26,224	23,301	21,587
Retail Trade	2,456	2,446	2,262	34,623	33,869	32,037
Finance, Insurance & Real Estate	669	721	584	16,144	21,284	25,046
Services	4,095	4,436	4,189	46,163	46,289	52,251
Total ¹	14,397	14,494	11,897	197,854	192,322	190,684
Goods-producing sector	3,918	2,273	2,222	45,920	37,962	33,012
Service-producing sector	10,479	12,221	9,675	151,934	154,360	157,672
Change, 1990 – 1997		-2,500		-7,170		
<i>Percent of Total Employment</i>						
Agriculture	N/A	N/A	N/A	0.0	0.1	N/A
Construction	4.9	3.79	3.79	3.1	2.2	2.3
Manufacturing	22.2	11.8	14.89	20.0	17.5	15.0
Transportation	13.0	18.7	10.14	12.2	13.2	12.1
Communications and Utilities	N/A	N/A	N/A	2.2	1.9	1.7
Wholesale Trade	8.3	12.1	11.73	13.2	12.1	11.3
Retail Trade	17.0	16.8	19.01	17.5	17.6	16.8
Finance, Insurance & Real Estate	4.6	4.9	4.91	8.1	11.0	13.1
Services	28.4	30.6	35.21	23.3	24.0	27.4
¹ N/A indicates that data have been suppressed because there are less than three companies in an industry or where one company makes up 80 percent or more of the industry.						
Source: New Jersey Department of Labor, Division of Labor Market and Demographic Research						

ANNUAL AVERAGE WAGES

The wages paid by employers in Bayonne, known as annual average wages, have grown consistently since 1985. Annual average wages refers to the average compensation for jobs located in the City, whether they are held by residents or non-residents. Unlike per capita per income, which is based on place of residence, annual average wages are determined by work place. As shown in Table IV-3, the annual average wage for jobs in the City increased from \$18,218 in 1985 to \$29,947 in 1997. This represents a gain of \$11,729 or 64.4 percent during this period. In comparison, Hudson County and the State have 1997 annual average wages of \$37,928 and \$37,032 respectively. Anecdotal evidence suggests that the City's relatively large number of jobs in mature sectors of the economy such as retail trade, wholesale trade and manufacturing may contribute to this difference. A positive consequence of this difference is that the City's wage levels are relatively affordable and represent a significant competitive advantage that may be used for economic development purposes.

Table IV-3 PRIVATE SECTOR ANNUAL AVERAGE WAGES, 1985-1997 City of Bayonne, Hudson County and New Jersey			
<i>Year</i>	<i>City of Bayonne (\$)</i>	<i>Hudson County (\$)</i>	<i>New Jersey (\$)</i>
1985	18,218	19,953	20,958
1990	24,214	26,733	28,192
1994	28,827	31,890	32,782
1997	29,947	37,928	37,032
Absolute Change, 1985-1997	11,729	17,975	16,074
Percentage Change, 1985-1997	64.4	90.1	76.7
<i>Source:</i> N.J. Department of Labor, N.J. State Data Center			

MAJOR EMPLOYERS

The City of Bayonne was once the home of major employers including Domenico Tours, Texaco, Maidenform and the Military Ocean Terminal. These and other employers have either closed or relocated out of the City and County over the past 20 years. This trend has continued in the 1990's and is most pronounced in the manufacturing sector. As a consequence, the local economy has experienced a restructuring with service providers replacing manufacturers and industry. At present, the largest private sector employer in the City is Local 2-406 (PACE) with more 1,385 members. Local 2-406 (PACE) is headquartered in Bayonne; however, a significant portion of the jobs are outside of the City.

As shown in Table IV-4, the major employers in Bayonne include Bayonne Hospital, Bayonne Board of Education, Ideal Aluminum Products and Dynamic Delivery Corporation. The City of Bayonne is also a major employer with 902 jobs. The majority of the large private sector employers are in the membership organization, health service, motor freight/transportation/warehousing and manufacturing sectors of the economy. The service sector is the largest employer in the City and currently accounts for greater than 35 percent of all jobs. In the future, the majority of employment growth is expected to occur in this sector and associated sectors such as retail and finance/insurance/real estate.

Table IV-4 MAJOR EMPLOYERS, 2000 City of Bayonne		
<i>Employer</i>	<i>Number of Employees</i>	<i>Industrial Sector</i>
Local 2-406 (PACE)*	1,385	Membership Organization/Union
Bayonne Board of Education	1,147	Educational Services
City of Bayonne	902	Government
Bayonne Hospital	800	Health Services
Ideal Aluminum Products Company	336	Fabricated Metal Products
Dynamic Delivery Corporation	300	Motor Freight, Transportation & Warehousing
Jerhel Plastics Incorporated	300	Miscellaneous Manufacturing
International Matex Tank Terminals	250	Motor Freight, Transportation & Warehousing
H. J. Rashti	225	Wholesale Trade, Manufacturing
Bookazine Company Incorporated	210	Wholesale Trade-Nondurable Goods
Haddad	205	Wholesale Trade – Non-durable Goods
JEM Discount Stores	200	General Merchandise Stores
Shop-Rite of 26 th Street (Inserra Corp.)	192	Food Stores
Imperial Bag and Paper Company	150	Wholesale Trade, Manufacturing
A & P	150	Food Stores
Royal Wine/Kedem	140	Food and Kindred Products
*Local union headquarters are in Bayonne, however, a large majority of these jobs are located outside the City.		
Source: Bayonne Economic Development Corporation, Hudson County Economic Development Corporation.		

LABOR FORCE CHARACTERISTICS

Resident Labor Supply

Bayonne's resident labor force, or the group of residents currently employed or seeking employment, contains 31,464 workers, as shown in Table IV-5. This represents a labor force participation rate of 62 percent for the City's compared with 66 percent for Hudson County and 67 percent Statewide. This difference is primarily the result of the large number of retired senior citizens in the City. Approximately 18.7 percent of the City's population is age 65 and over compared with 12.7 percent for the County. Almost 43 percent of Bayonne's labor force works in the City. This is significantly higher than most municipalities as well as the County and State. On average, only 31 percent of workers in Hudson County municipalities work in their place of residence and only 23 percent of workers Statewide work in their place of residence.

The majority of Bayonne's labor force or 55 percent commutes to work by car, however, 17 percent use public transportation. The percentage of workers from the City who commute via public transportation is significantly higher than Statewide but is less than throughout Hudson County. The number of Bayonne residents who commute via public transportation is expected to increase when the Hudson Bergen Light Rail Transit System (HBLRTS), which includes five stations in the City, is completed. The initial operating segment of the HBLRTS will include station stops at East 45th Street and East 34th Street and became operational in April, 2000.

Table IV-5 RESIDENT LABOR FORCE CHARACTERISTICS, 1990 City Of Bayonne, Hudson County and New Jersey						
	City of Bayonne		Hudson County		New Jersey	
	Number	Percent	Number	Percent	Number	Percent
<i>Labor Force Participation</i>						
Persons 16 and over	50,638		444,338		6,129,923	
Persons in Labor Force	31,464	62.1	295,273	66.5	4,128,789	67.4
Employed	29,613	94.1	269,310	91.2	3,892,814	94.3
Unemployed	1,851	5.9	25,963	8.8	235,975	5.7
Males	16,853	53.6	161,714	54.8	2,239,044	54.2
Females	14,611	46.4	133,559	45.2	1,889,745	45.8
<i>Commuting Characteristics</i>						
Workers 16 and over			262,745		3,812,684	
Percent drove alone	15,902	55.0	111,404	42.4	2,729,882	71.6
Percent in carpools	4,395	15.2	40,463	15.4	472,773	12.4
Percent using public transportation	4,915	17.0	76,984	29.3	335,516	8.8
Percent using other means	260	0.9	3,416	1.3	34,314	0.9
Percent walked or worked at home	3,441	11.9	31,267	11.9	236,386	6.2
Mean travel time to work	25.5		27.4		25.3	
<i>Place Of Work</i>						
Worked in place of residence	12,368	42.8	82,621	31.4	668,911	23.0
Worked outside of place of residence	16,544	57.2	180,124	68.6	2,233,703	77.0
Worked in county of residence	19,633	78.2	141,169	70.8	2,235,202	66.4
Worked outside of county of residence	5,483	21.8	58,245	29.2	1,131,814	33.6
Worked in state of residence	25,116	86.9	199,414	75.9	3,367,016	88.3
Worked outside of state of residence	3,796	13.1	6,331	24.1	445,668	11.7
<i>Source:</i> U.S. Bureau of the Census, 1990						

Resident Unemployment

The City of Bayonne has a resident unemployment rate that is significantly lower than Hudson County, as shown in Table IV-6. The City's 1999 unemployment rate was 4.8 percent, which represents a decline of

2.8 percent from the peak recession year of 1992. In comparison, the County had a 1999 unemployment rate of 7.2 percent. The City is expected to outperform the County in terms of unemployment for the foreseeable future because of the structural unemployment that exists at the County level.

Bayonne's 1999 unemployment rate of 4.8 percent is not only lower than the County's unemployment rate of 7.2 percent, it compares favorably with the State unemployment rate of 4.6 percent. The City's labor force is relatively stable compared to the rest of Hudson County, where unemployment has remained consistently above the State average due to the continuing erosion of the manufacturing base and a skills gap in the labor force. Much of the unemployment problem in the County is concentrated in Jersey City, where the 1998 unemployment rate was 9 percent.

Table IV-6 RESIDENT UNEMPLOYMENT RATE 1990-1999 City of Bayonne and Hudson County				
	<i>City of Bayonne</i>		<i>Hudson County</i>	
	<i>Number</i>	<i>Difference</i>	<i>Number</i>	<i>Difference</i>
1990	4.9	-	7.3	-
1991	5.9	1.0	8.7	1.4
1992	7.6	1.7	11.2	2.5
1993	6.8	-0.8	10.0	-1.2
1994	6.3	-0.5	9.3	-0.7
1995	6.3	0	9.3	0
1996	6.2	-0.1	9.2	-0.1
1997	5.3	-0.9	7.8	-1.4
1998	4.9	-0.4	7.3	-0.5
1999	4.8	-1	7.2	-1
Total Change, 1990-1999		-1		-1

Source: New Jersey Department of Labor, New Jersey State Data Center

Resident Labor Skills

Bayonne's resident labor force is relatively well-educated compared with Hudson County as a whole, as shown in Table IV-7. Approximately 70 percent of all City residents age 25 and over have a high school, bachelor's or graduate degree. In comparison, only 64 percent of all County residents have a high school, bachelor's or graduate degree. The gap between the City and County is most pronounced for high school graduates. Approximately 37.5 percent of all Bayonne residents age 25 and over have a high

school degree compared with 28.3 percent for all Hudson County residents. Although the percentage of City residents with bachelor's or graduate degrees is lower than the County, this gap is expected to narrow as the City's population evolves and new residents move in.

A high quality labor force is needed to support the emergence of sophisticated service industries in which the New York metropolitan region has traditionally enjoyed a competitive advantage. A recent trend that warrants further attention is the development of a bimodal work force, with one group of highly skilled, highly educated workers and another group of relatively unskilled workers. Economic opportunities for this second group are limited because the educational and social system cannot overcome the cultural, monetary and social difficulties that separate the two groups. Preventing this bimodal split, which disconnects one segment of the City from meaningful participation in the work force, is necessary for the long-term economic well-being of the City and its residents.

Table IV-7 RESIDENT EDUCATIONAL ATTAINMENT, 1990 ¹ City Of Bayonne and Hudson County				
<i>Educational Attainment</i>	<i>City of Bayonne</i>		<i>Hudson County</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Less than 9th grade	4,992	11.39	64,096	17.23
9th to 12th grade, no diploma	8,138	18.56	69,652	18.72
High school graduate	16,435	37.49	105,339	28.31
Some college, no degree	5,502	12.55	45,646	12.27
Associate degree	1,493	3.40	13,977	3.76
Bachelor's degree	4,864	11.09	49,687	13.35
Graduate or professional degree	2,418	5.52	23,709	6.37
Total	43,842	100	372,106	100
Percent high school graduate or higher		70.05		64.06
Percent bachelor's degree or higher		16.61		19.72
¹ Persons 25 years and over				
<i>Source:</i> U.S. Bureau of the Census, 1990				

Resident Employment Characteristics

The City of Bayonne has a significant concentration of residents working in the manufacturing, transportation, retail trade and finance/insurance/real estate industries, as shown in Table IV-8. In total, 50.4 percent of all City residents are employed in these industries. Many residents also work in health

services, education and public administration. The City is under-represented in several industries including business services, personal services, professional services and entertainment. Since these are growth industries, there is an opportunity for City residents to capture an additional share of these jobs in the region.

Table IV-8
RESIDENT LABOR FORCE BY INDUSTRY OF EMPLOYMENT, 1990¹
City Of Bayonne, Hudson County and New Jersey

Industry	City of Bayonne		Hudson County		New Jersey	
	No. of Employees	Percent of Labor Force	No. of Employees	Percent of Labor Force	No. of Employees	Percent of Labor Force
Agriculture and mining	71	0.2	1,145	0.4	45,227	1.2
Construction	1,683	5.7	11,557	4.3	231,328	6.0
Manufacturing, non-durable goods	2,967	10.1	33,366	12.4	347,224	9.0
Manufacturing, durable goods	1,707	5.8	18,663	6.9	306,212	7.9
Transportation	3,126	10.6	23,553	8.8	198,877	5.1
Communications & other public utilities	834	2.8	6,428	2.4	134,002	3.5
Wholesale trade	1,508	5.1	15,985	6.0	207,413	5.4
Retail trade	3,761	12.8	38,425	14.3	587,969	15.2
Finance, insurance & real estate	3,250	11.1	28,354	10.6	346,037	8.9
Business & repair services	1,482	5.0	16,405	6.1	204,342	5.3
Personal services	607	2.1	8,303	3.1	107,413	2.8
Entertainment & recreation services	368	1.3	3,794	1.4	66,807	1.7
Health services	2,091	7.1	18,517	6.9	314,897	8.1
Education services	2,014	6.9	15,795	5.9	305,531	7.9
Other professional & related services	1,552	5.3	16,692	6.2	284,950	7.4
Public administration	2,333	7.9	11,834	4.4	180,469	4.7
Total*	28,747		268,816		3,868,698	

¹Employed persons 16 years and over

*Figures may not match employment information in Tables IV-1 and IV-2 due to data collection methods used by U.S. Census.

Source: U.S. Bureau of the Census, 1990

Bayonne has a significant concentration of residents working in executive and managerial, professional specialty, administrative support and precision production, craft and repair occupations as shown in Table IV-9. Greater than 60 percent of all City residents are employed in these occupations. The City also has a greater proportion of resident workers employed in professional specialty, administrative support, precision production/craft/repair and transportation occupations compared to Hudson County. In total, 53.3 percent of all City residents are employed in these occupations versus 46.7 percent for County residents. Many residents also work in sales and service occupations.

Table IV-9 RESIDENT LABOR FORCE BY OCCUPATION, 1990 City of Bayonne and Hudson County				
Occupation	City of Bayonne		Hudson County	
	Number	Percent	Number	Percent
Executive & managerial	3,550	12.1	32,866	12.2
Professional specialty	3,812	13.0	31,992	11.9
Technicians & related support	950	3.2	8,256	3.1
Sales	2,784	9.5	28,309	10.5
Administrative support	7,123	24.3	56,608	21.1
Private household	27	0.1	860	0.3
Protective service	924	3.1	6,392	2.4
Service	2,507	8.5	26,924	10.0
Farming, forestry & fishing	114	0.4	995	0.4
Precision production, craft & repair	3,191	10.9	23,649	8.8
Machine operators & assemblers	1,622	5.5	25,318	9.4
Transportation	1,484	5.1	13,102	4.9
Handlers, helpers & laborers	1,266	4.3	13,545	5.0
Totals	29,354	100.0	268,816	100.0
<i>Source:</i> U.S. Bureau of the Census, 1990				

EMPLOYMENT PROJECTIONS

The employment picture in Bayonne is expected to improve significantly in the long-term with continued economic growth at the State and national levels as well as the redevelopment of key activity areas such as the MOT, Texaco, Broadway and the LeFante Highway/Route 169 corridor. As shown in Table IV-10, the City's total employment is projected to increase to 26,728 in 2020. This represents a gain of 14,669 jobs or approximately 122 percent between 1997 and 2020. In comparison, Hudson County is projected to have an employment increase of 167,751 jobs or 86 percent between 1997 and 2020. Within the

County, Bayonne's projected employment growth is greater than that of all other municipalities with the exception of Jersey City and Weehawken.

The majority of the employment growth in Bayonne will be in the service sector, however, new jobs in manufacturing and distribution may be created as a result of the redevelopment of the MOT. The City's manufacturing sector has stabilized and even added jobs between 1994 and 1997, as shown in Table IV-2. Despite this, the outlook for manufacturing and other industrial employment is uncertain given the long-term decline in this sector at the County and State level. The erosion of the local manufacturing base is an issue to be addressed within the context of the overall economic development strategy for the City. Broad-based service sector growth is expected to compensate for any further contraction in manufacturing employment. In the public sector, government employment will continue to be an important element of the local economy but will provide fewer jobs due to the closure of the MOT. According to the Hudson County Targeted Industries Study (Fall 1998), light manufacturing, food production and printing are projected growth industries in the County.

The employment projections for Bayonne are based on anticipated development in the City through 2020. According to the Hudson County Strategic Revitalization Plan, 656,270 square feet of commercial space and 1,780,000 square feet of industrial space are in the development pipeline. This will result in 14,669 additional jobs and total employment of 26,728 by 2020. The majority of the new jobs created will be in the finance/insurance/real estate, retail and service sectors of the economy. Employment growth may also occur in the wholesale trade sector, which has a significant presence in the local economy.

In contrast, continued long-term decline is anticipated in manufacturing of durable goods and non-durable goods. This trend reflects regional, State and national trends such as the relocation of industry to the south and west as well as lower cost foreign countries. These projections should be used with caution because of the difficulty of anticipating future events, however, they are useful for indicating the direction of change in total employment and identifying long-term trends in specific industries that will generate job growth.

Table IV-10 EMPLOYMENT PROJECTIONS, 1997 TO 2020 City of Bayonne and Hudson County				
			<i>Change, 1997-2020</i>	
	<i>1997</i>	<i>2020</i>	<i>Number</i>	<i>Percent</i>
Bayonne	12,059	26,728	14,669	121.6
Hudson County	194,520	362,271	167,751	86.2
<i>Source: Hudson County Urban Complex Strategic Revitalization Plan</i>				

FUTURE EMPLOYMENT

The City of Bayonne contains several areas with significant redevelopment potential for commercial and/or industrial use. They include the MOT, Texaco, Broadway and the LeFante Highway/Route 169 corridor. These areas, which are described below, offer opportunities for future employment growth.

Military Ocean Terminal (MOT)

The 437 acre Military Ocean Terminal (MOT) is located on the east side of Bayonne along Upper New York Bay. The MOT was at one time the largest employer in Bayonne and is scheduled to be transferred to City ownership in 2001. The facility represents a significant opportunity for redevelopment. The City of Bayonne has formed a Local Redevelopment Authority (LRA) and is marketing the property for redevelopment. The LRA will act as the lead agency for the purpose of planning and implementing the reuse of the MOT.

The MOT is well-served by transportation infrastructure including roads, rails and ports. It will also have access to recent mass transit through the proposed HBLRTS station at East 34th Street, which is located across LeFante Highway/Route 169 immediately to the west.

A mix of uses is recommended for MOT. A goal of the redevelopment plan is proposed to generate employment.

Texaco Property

The 64 acre Texaco property is located in Bergen Point at the southwestern tip of Bayonne and formerly contained an oil refinery which the company has closed. The existing structures on the site have been demolished and an environmental cleanup of the land is currently under way. It is proposed that the site will be redeveloped as a mixed-use planned development project. The property is currently zoned Waterfront-Development (WD) which permits a mix of residential, commercial and health care uses. It is recommended that a portion of the site (at least 10 acres near the Bridge) be developed for commercial use which could capitalize on potential ferry service from the site and the proximity of the future 5th Street light rail station. Heavy industrial uses and uses which generate heavy truck traffic (e.g. distribution centers) are not encouraged.

Broadway Corridor

The Broadway Corridor is currently being revitalized through the efforts of the City, the SID and the merchants. This corridor has economic development potential through the selective redevelopment of underutilized parcels and the upgrade of existing buildings. The Central Business District portion of the corridor is recommended as a retail niche and entertainment core.

LeFante Highway/Route 169 - Constable Hook

The Constable Hook Area is located on the eastern waterfront of Bayonne north of 22nd Street and generally east of LeFante Highway/Route 169. Constable Hook, which encompasses 400 acres of land, contains the largest concentration of industry in Bayonne. Heavy industrial and petrochemical activities are generally located south of East 22nd Street while warehouse/distribution centers are located along New Hook Road. Road access is provided from LeFante Highway/Route 169 which connects to the New Jersey Turnpike. The area is served by rail which connects to former Conrail lines that provide access to regional and national markets.

There are four principal sites under consideration for development, including the municipal landfill/PSE&G site, the Drogin site, South Cove Commons and LeFante Highway/Route 169.

Municipal Landfill/PSE&G Site

The former Bayonne landfill, which consists of approximately 30 acres of uplands, is located along North Hook Road. The landfill has been capped and there are existing gas and groundwater monitoring wells located along the perimeter of the property.

The 88 acre PSE&G site is located directly east of the municipal landfill site. It is presently vacant except for a small substation in the southwestern corner. Between 1940 and 1968, the property was used by the City as part of the sanitary landfill.

The City has an agreement with OENJ Cherokee to fill the site using dredge spoils, and ultimately redevelop the area to create a golf course. The City has zoned the two properties as a Waterfront Recreation Zone. The project will be undertaken in phases and will take several years to complete.

Drogin Site

The Drogin site, at the intersection of New Hook Road and LeFante Highway/Route 169, has development potential for highway commercial or light industrial use.

South Cove Commons

South Cove Commons is a 233,000 square foot shopping center which is located on a 21 acre site near the intersection of North Hook Road and LeFante Highway/Route 169. It is under construction with a supermarket and other commercial uses.

LeFante Highway/Route 169

There is an approximately 45 acre area located along the east and west sides of LeFante Highway/Route 169 that is underutilized and has redevelopment potential. Specifically, this area is bounded by Hook

Road, 30th Street and 22nd Street. It is recommended that this area be evaluated to determine if it is an area in need of redevelopment under State law.

HBLRTS Station Areas

The construction of the HBLRTS creates a unique opportunity to capitalize on this mass transit investment and link it to future economic development in the City. As detailed in the Land Use Plan Element, the area surrounding the proposed stations are envisioned to be redeveloped as high density mixed use nodes of residential and commuter-oriented commercial uses. The creation of neighborhood retail and office uses will provide new employment opportunities.

General Recommendations

It is recommended that the Bayonne Economic Development Corporation (BEDC) coordinate all economic development initiatives in the City.

There are a number of plan elements in the 1999 Hudson County Comprehensive Economic Development Strategy document which are particularly relevant to the City and should be actively supported. These include the following:

1. Continue to support the Hudson-Bergen Light Rail Transit System.
2. Support dredging activity for deep-sea port facilities.
3. Expand the Commercial Revitalization program; intensify downtown beautification and cleanup programs.
4. Encourage the development of niche retail markets.
5. Support the reuse of the Marine Ocean Terminal – Bayonne.
6. Encourage the creation of a new Foreign Trade zone.

