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CORPORATE-CITY ALLIANCE HAS HELPED REBUILD NEW BRUNSWICK

NEW BRUNSWICK, N.J.— Atlantic City can find a trove of advice here on how a local government can join with the its major industry to redevelop a depressed city.

The similarities between Atlantic City and New Brunswick are striking. Both have populations of about 40,000. Both suffer from urban blight and substandard housing. Both have large numbers of unskilled unemployed.

Both seek redevelopment that will restore economic vibrancy and quality of life. Both obtained the aid of American City Corporation, the Maryland-based subsidiary of the Rouse Company, to suggest approaches to revitalization.

And of perhaps most importance, each has a highly prosperous single industry - Johnson & Johnson, the giant pharmaceutical company here, and the casinos in Atlantic City - that it has made a partner in the renewal. Company Took the Initiative

Johnson & Johnson, based here since 1886, had considered leaving a decade ago but decided instead to build a new home office and took the initiative in planning the revival.

Two groups were formed to rebuild New Brunswick - New Brunswick Tomorrow to plan revitalization programs, the New Brunswick Development Corporation, to implement them.

John J. Heldrich, corporate vice president for administration of Johnson & Johnson, is chairman of New Brunswick Tomorrow. Richard B. Sellars, chairman of the pharmaceutical company until his recent retirement, heads the development corporation.

New Brunswick Tomorrow is financed by private contributions, about 30 percent of them so far from Johnson & Johnson. For seed money, the development corporation received grants of about \$4 million from the Robert Wood Johnson Foundation, which handles the assets of the former Johnson & Johnson chairman it is named for. Development Company's Work

The development company borrows money, buys land, demolishes buildings and sells or leases to developers. The developers are attracted with the aid of the city government, which provides tax concessions and, if needed, zoning changes and land condemnation.

The New Brunswick Tomorrow board is composed of leaders from neighborhoods, churches, businesses, unions, hospitals and Rutgers University. But New Brunswick Tomorrow's work is guided by Mr. Heldrich, whose company contributes his time and that of others at Johnson & Johnson, including public relations specialists.

The results in the downtown business district are obvious. New structures include a \$50 million Johnson & Johnson headquarters; a \$30 million Hyatt Hotel, partly owned by Johnson & Johnson; luxurious office buildings, and downtown shopping malls. Millions of dollars in additional office and commercial construction are being planned.

And the efforts have won praise. Governor Kean hailed the ongoing redevelopment as "a nationally recognized model of how a true partnership of the private and public sectors can revitalize an urban center." 'Beyond Recognition'

"The downtown has been transformed almost beyond recognition," said H. Briavel Holcomb, chairman of the Rutgers urban planning department.

But she said in a recent interview that there had been "little trickle-down to the residential neighborhoods." The city's shortage of housing remains critical, she said. And other neighborhood leaders said they were concerned that as redevelopment continued, longtime low-income residents would be forced out.

Mr. Sellars said the downtown renovation had to come first to provide a tax base and jobs that would sustain revitalization. He said the housing and a cultural center would follow.

"We have substantially reduced the blight, created job opportunities and markedly improved the tax revenue of the city," he said. "A city on the move attracts developers like a magnet. We have developers seeking us out now."

Professor Holcomb said she was troubled by the way the city is changing. The new and planned construction has enhanced the city's image, she said, but in a fashion that "serves primarily Johnson & Johnson and its desire to have its world headquarters placed in an appropriate physical setting." Restaurants, Not Supermarket

She said the revitalization had attracted gourmet restaurants patronized by suburbanites but not the downtown supermarket that residents need.

"There are many skeptics," said Dr. Edward Bloustein, president of Rutgers, which is based here and has generally approved of the redevelopment. "Some of our faculty and students think this is a Johnson & Johnson rip-off. I disagree.

"One pitfall is that the plan is driving people of low income out of center city and giving them the short end of the redevelopment stick. Nevertheless, there is a marked degree of success. There are tangible signs of people enjoying the city they couldn't enjoy before," Dr. Bloustein said.

"Revitalization has worked at one level," said Clifford Zukin of the Eagleton Institute of Politics at Rutgers. "It's starting to bring the city back economically. The next question is who is the city really for. Socially, the effects of redevelopment are unknown at this point."

New Brunswick Tomorrow, meanwhile, has shifted its focus to deal with "quality-of-life issues," Mr. Heldrich said. These include improving the schools, providing job training and day care and instilling community pride intended to lead to such efforts as neighborhood clean-up programs. Thoughts on Relationship

Is the relationship between the city and Johnson & Johnson too cozy? Mayor John A. Lynch and other local officials say it is not.

The Mayor said it would have been "foolhardy" for the city "not to relate to and deal with such a committed resource" and major employer as Johnson & Johnson when the company sought favorable tax treatment for its new headquarters and the hotel.

"If Johnson & Johnson ever left," he said, "the city government would be blamed."

He said the Johnson & Johnson decision to stay was the key to the revitalization effort because the company "provides credibility, some financial resources and a wealth of human resources to make things work."

"No city could go it alone today," said Mr. Lynch, who is also a State Senator. "Some can't achieve revitalization because they can't get all the right players to the same table.

"If I were Mayor of Atlantic City, I'd get the representatives of industry and the city together. I'd include legitimate representatives of neighborhood groups and social-service agencies. The government makes the final decisions."

photo of construction in New Brunswick, N.J.