

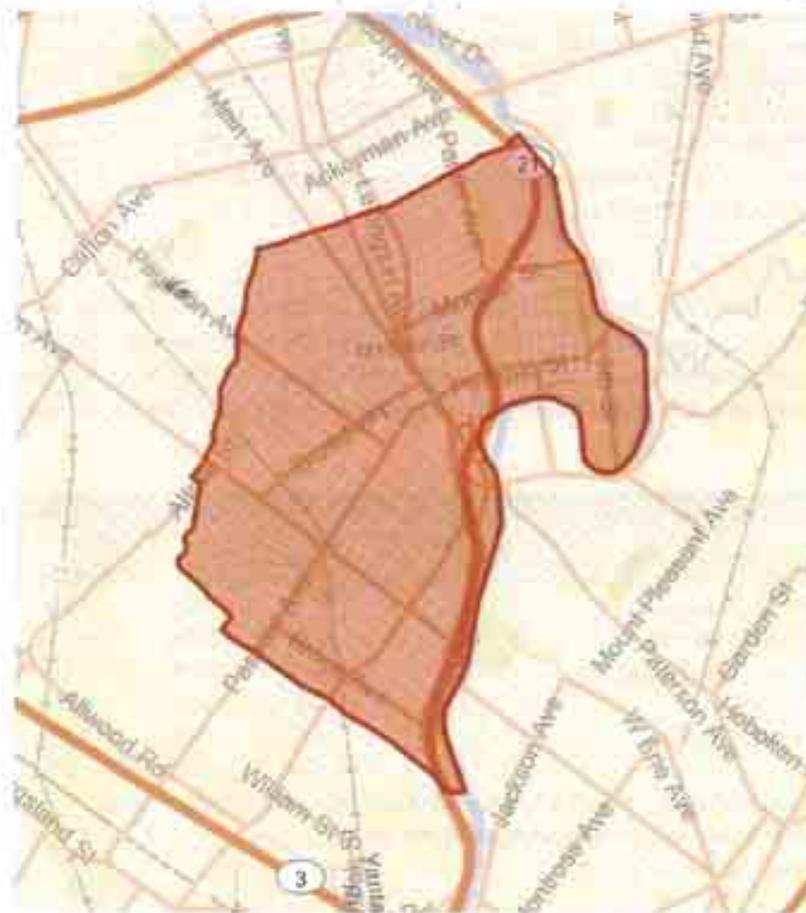
SECTION ONE – ECONOMIC BASE ANALYSIS

The first section of the community profile, we cover basic demographic, economic, industry and occupational data that helps shape the economic base of the community. Key socio-economic data includes population, income, housing, educational attainment and poverty rates. Industry trends are shown at the 2-digit (i.e. high-level) and 4-digit (i.e. detailed level) NAICS codes and include employment by industry, anticipated increase/decrease by industry, and certain competitive indicators based on Location Quotients and Shift Share analyses. Finally, occupational trends are shown at the 5-digit SOC codes for current occupations and increase/decrease by occupation, with the requisite educational attainment. All of these types of analyses are explained in greater detail in Attachment A and we refer the reader to that documentation.

We note here that the socio-economic and demographic information is presented here based on the U.S. Census place boundaries as of 2010 (i.e. how the U.S. Census delineated Passaic for the 2010 round of the census). The industry and occupational trends are shown for the ZIP code or codes that best fit the community. We must use ZIP codes for industry and occupational trends due to how the Bureau of Labor Statistics and Bureau of Economic Analysis collects and reports employment information.

COMMUNITY MAP

Below is a map of Passaic as per the 2010 Census definitions.



Source: ESRI

DEMOGRAPHICS

The table below shows data collected from ESRI Business Analyst Online on the social, demographic and economic characteristics of Passaic. See <http://www.esri.com/software/bao/index.html> for more information on ESRI.

Passaic's population increased similar to the comparison study region and the State of New Jersey from 2000-2010, but more slowly than the U.S. as a whole. Nearly 70% of all housing units are rental in nature, a substantial difference from all comparison groups. Additional socio-economic data is found in Section Two of this community profile.

Population, Housing and Commutation				
	Passaic City	Region*	New Jersey	U.S.
2010 Population	70,494	4,445,195	8,822,373	311,212,863
2000 Population	67,861	4,290,577	8,414,350	281,421,906
% Change in Population 2000-2010	3.9%	3.6%	4.8%	10.5%
Median Age (2010)	29.1	37.9	38.9	37.0
% Owner-Occupied Housing (2010)	26%	53%	59%	58%
% Renter-Occupied Housing (2010)	68%	37%	31%	30%
% Vacant Housing Units (2010)	6%	10%	10%	12%
Median Home Value (2010)	\$269,324	\$321,528	\$316,812	\$157,913
Average Travel Time to Work (in minutes, 2010)	27	31	30	25
Population (2010) within 5 Miles	621,672	n/a	n/a	n/a
Population (2010) within 10 Miles	2,548,815	n/a	n/a	n/a
Population (2010) within 15 Miles	6,885,491	n/a	n/a	n/a

*Defined as Essex, Hudson, Middlesex, Monmouth, Ocean, Passaic and Union counties.

Source: ESRI Market Profile, ESRI Executive Summary

Workforce quality is often described in terms of skills and educational attainment. Below, the latter is shown with percentages of the population (25+ years of age) that fall into each category. We note that higher portions of the population are in the *No High School Diploma* category, with corresponding lower proportions in *BA only* and *Advanced Degree*. Poverty rates are higher than in the comparison groups.

Educational Attainment and Poverty Rate (2010)				
	Passaic City	Region*	New Jersey	U.S.
% with No HS Diploma	37%	15%	13%	15%
% with HS Diploma only	42%	47%	47%	50%
% with Associates Degree only	4%	6%	6%	7%
% with BA only	12%	20%	21%	17%
% with Advanced Degree	5%	12%	13%	10%
Poverty Rate	27%	10%	9%	13%

*Defined as Essex, Hudson, Middlesex, Monmouth, Ocean, Passaic and Union counties.

Note: Education attainment for population age 25 and older.

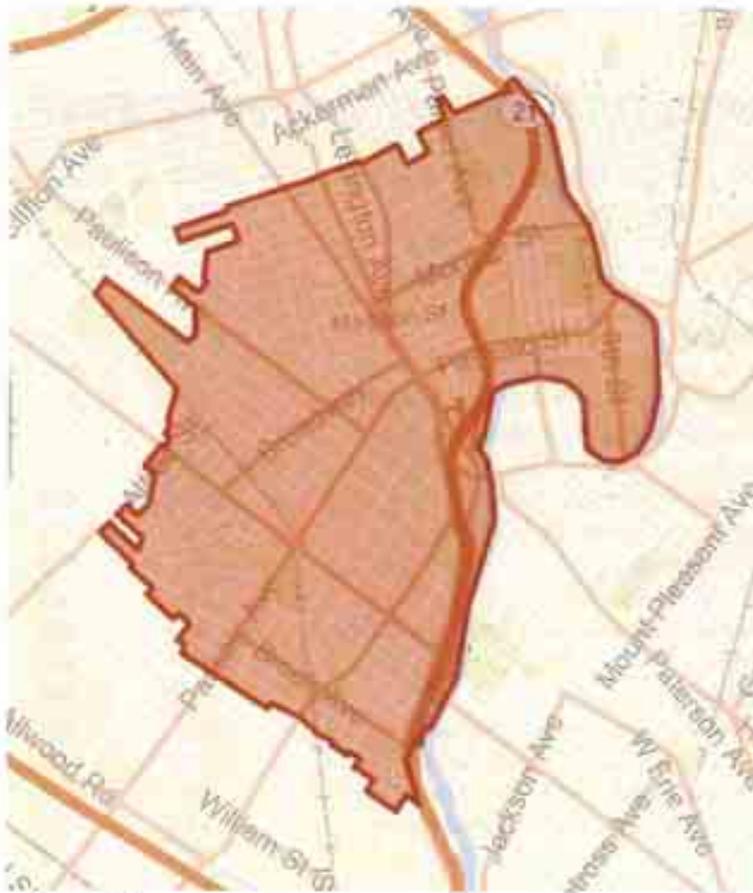
Source: ESRI ACS Population Summary

ZIP CODE MAP

As noted in the introduction to this section, industry and occupational data were collected at the ZIP code level due to data source requirements. The table and map below show the ZIP code for Passaic.

ZIP Codes Used for EMSI Data

07055



Source: ESRI

INDUSTRY TRENDS AND ANALYSIS

In the following tables, various industries are shown via NAICS code. NAICS stands for "North American Industrial Classification System" and is maintained by the U.S. Census Bureau. The classification can be aggregated into the highest level 2-digit codes down to the most detailed 6-digit codes. The data is shown at both the 2-digit and 4-digit level.

Below is a table of all 2-digit NAICS codes for Passaic, sorted by the total level of employment reported for 2010. Of note is that the top three industries, *Health Care and Social Assistance*, *Administrative and Support and Waste Management and Remediation Services*, and *Retail Trade* together make up more than half of all jobs in the community.

All 2 Digit NAICS Codes: Ranked by 2010 Employment				
Rank	NAICS Definition	NAICS Code	2010 # of Employees	% of Total
1	Health Care and Social Assistance	62	4,212	21%
2	Administrative and Support and Waste Management and Remediation Services	56	3,507	17%
3	Retail Trade	44-45	2,719	13%
4	Manufacturing	31-33	2,279	11%
5	Wholesale Trade	42	983	5%
6	Other Services (except Public Administration)	81	976	5%
7	Accommodation and Food Services	72	817	4%
8	Construction	23	778	4%
9	Transportation and Warehousing	48-49	698	3%
10	Real Estate and Rental and Leasing	53	677	3%
11	Educational Services	61	648	3%
12	Finance and Insurance	52	555	3%
13	Professional, Scientific, and Technical Services	54	522	3%
14	Government	90	422	2%
15	Information	51	347	2%
16	Arts, Entertainment, and Recreation	71	193	1%
17	Mining, Quarrying, and Oil and Gas Extraction	21	19	0%
18	Management of Companies and Enterprises	55	<10	-
19	Agriculture, Forestry, Fishing and Hunting	11	<10	-
20	Utilities	22	<10	-
	Total*		20,352	100%

*Total 2010 employment does not include industries with fewer than 10 jobs.

Source: EMSI Complete Employment - 2011.4

In addition to understanding current employment, it is essential to understand historic trends and projections into the future. Below are tables that show the change in employment by 2-digit NAICS code for 2001-2010 and the anticipated change in employment for the period 2010-2020.

As shown, *Administrative and Support and Waste Management and Remediation Services* and *Retail Trade* were the two industries with the greatest historic change in employment for the 2001-2010 period.

Fastest Growing 2-Digit NAICS Codes: Ranked by 2001-2010 Historic Change				
Rank	NAICS Definition	NAICS Code	# Change 2001-2010	% Change 2001-2010
1	Administrative and Support and Waste Management and Remediation Services	56	775	28%
2	Retail Trade	44-45	377	16%
3	Accommodation and Food Services	72	192	31%
4	Other Services (except Public Administration)	81	183	23%
5	Real Estate and Rental and Leasing	53	167	33%
6	Educational Services	61	125	24%
7	Construction	23	61	9%
8	Arts, Entertainment, and Recreation	71	45	30%
9	Professional, Scientific, and Technical Services	54	35	7%
10	Transportation and Warehousing	48-49	29	4%
11	Government	90	19	5%
12	Mining, Quarrying, and Oil and Gas Extraction	21	-	-
13	Management of Companies and Enterprises	55	-	-
14	Agriculture, Forestry, Fishing and Hunting	11	-	-
15	Utilities	22	-	-
16	Finance and Insurance	52	-37	-6%
17	Information	51	-64	-16%
18	Wholesale Trade	42	-80	-8%
19	Health Care and Social Assistance	62	-173	-4%
20	Manufacturing	31-33	-1,892	-45%
	Total		-238	

Source: EMSI Complete Employment - 2011.4

As with the previous table, we note that the top two NAICS codes (*Administrative and Support and Waste Management and Remediation Services* and *Retail Trade*) account for over 75% of the total net job gain anticipated for the 2010-2020 timeframe. Whereas *Manufacturing* is the fourth largest industry currently, it is projected to decline by approximately 23% over the next ten years.

Fastest Growing 2-Digit NAICS Codes: Ranked by 2010-20 Projected Change				
Rank	NAICS Definition	NAICS Code	# Change 2010-20	% Change 2010-20
1	Administrative and Support and Waste Management and Remediation Services	56	786	22%
2	Retail Trade	44-45	366	13%
3	Transportation and Warehousing	48-49	157	22%
4	Finance and Insurance	52	144	26%
5	Other Services (except Public Administration)	81	115	12%
6	Construction	23	99	13%
7	Real Estate and Rental and Leasing	53	91	13%
8	Educational Services	61	75	12%
9	Accommodation and Food Services	72	72	9%
10	Health Care and Social Assistance	62	49	1%
11	Arts, Entertainment, and Recreation	71	37	19%
12	Information	51	30	9%
13	Mining, Quarrying, and Oil and Gas Extraction	21	14	74%
14	Government	90	10	2%
15	Wholesale Trade	42	9	1%
16	Agriculture, Forestry, Fishing and Hunting	11	--	--
17	Utilities	22	--	--
18	Management of Companies and Enterprises	55	--	--
19	Professional, Scientific, and Technical Services	54	-34	-7%
20	Manufacturing	31-33	-520	-23%
	Total		1,500	

Source: EMSI Complete Employment - 2011.4

Employment Services, already the top industry in the area, is expected to grow by 26% over the next ten years. We also see retail represented (*Grocery Stores*) and health care (*Home Health Care Services*).

25 Fastest Growing 4-Digit NAICS Codes: Ranked by 2010-20 Projected Change

Rank	NAICS Definition	NAICS Code	# Change 2010-20	% Change 2010-20
1	Employment Services	5613	742	26%
2	Grocery Stores	4451	104	18%
3	Home Health Care Services	6216	104	32%
4	Warehousing and Storage	4931	100	50%
5	Insurance and Employee Benefit Funds	5251	98	60%
6	Foundation, Structure, and Building Exterior Contractors	2381	80	45%
7	Medical Equipment and Supplies Manufacturing	3391	79	28%
8	Health and Personal Care Stores	4461	77	29%
9	Individual and Family Services	6241	71	33%
10	Furniture Stores	4421	66	49%
11	Nursing Care Facilities	6231	65	19%
12	Child Day Care Services	6244	58	21%
13	Department Stores	4521	54	35%
14	Other Schools and Instruction	6116	50	37%
15	Waste Collection	5621	49	16%
16	Lessors of Real Estate	5311	45	10%
17	Wired Telecommunications Carriers	5171	45	16%
18	Automobile Dealers	4411	40	23%
19	Lumber and Other Construction Materials Merchant Wholesalers	4233	40	95%
20	Building Material and Supplies Dealers	4441	38	14%
21	Personal and Household Goods Repair and Maintenance	8114	35	12%
22	Offices of Physicians	6211	32	12%
23	Offices of Other Health Practitioners	6213	30	22%
24	Miscellaneous Durable Goods Merchant Wholesalers	4239	28	17%
25	Residential Building Construction	2361	25	13%
	Total		2,155	

Source: EMSI Complete Employment - 2011.4

INDUSTRY COMPETITIVENESS INDICATORS

Below, we present two types of analyses that are meant to show the relative competitive strengths of industries in Passaic. We refer the reader to Attachment A for a detailed description of each and for information on how to interpret the results of the analysis. A very brief description of each is provided below.

Location Quotient Analysis – This shows the current concentration of a particular industry (measured by employment) in a community relative to the concentration of that industry in the nation as a whole. So, an “LQ” of 2.00 means that a specific industry has twice as many jobs in the community than would be expected by looking at national averages for that industry. Typically, only values above 1.20 and below 0.80 are considered “significant” findings for an LQ analysis.

Shift Share Analysis – Whereas the Location Quotient is fixed at a specific point in time, the Shift Share Analysis looks at changes in employment by industry over a period of time (in this case, the period between 2001-2011). Using changes in the national economy and changes in each particular industry over that time period, Shift Share comes up with an “expected change” in employment for the local industry. It then compares the “expected change” to the actual change in that time period. The extent to which the actual change exceeds/falls short of the “expected change” is considered the result of the competitiveness/un-competitiveness of that local industry.

In the tables that follow, we show the results of the Location Quotient Analysis and the Shift Share Analysis at both the 2-digit and the 4-digit NAICS code level.

For a finer level of detail, we now examine the same data at a 4-digit NAICS code level. The table below shows only the top 25 NAICS codes (4-digit) in terms of current employment by industry. In line with the 2-digit NAICS code table above, *Employment Services* is the top 4-digit code by employment. This is followed by *General Medical and Surgical Hospitals* and *Grocery Stores*.

For those interested in understanding the composition of these NAICS codes and more detail about what is included, we direct the reader to: <http://www.census.gov/eos/www/naics/>.

Top 25 4-Digit NAICS Codes: Ranked by 2010 Employment			
Rank	NAICS Definition	NAICS Code	2010 # of Employees
1	Employment Services	5613	2,840
2	General Medical and Surgical Hospitals	6221	2,347
3	Grocery Stores	4451	565
4	Elementary and Secondary Schools	8111	507
5	Limited-Service Eating Places	7222	479
6	Lessors of Real Estate	5311	456
7	Nursing Care Facilities	6231	344
8	Home Health Care Services	6216	322
9	Waste Collection	5621	299
10	Personal and Household Goods Repair and Maintenance	8114	289
11	Wired Telecommunications Carriers	5171	284
12	Medical Equipment and Supplies Manufacturing	3391	281
13	Building Material and Supplies Dealers	4441	279
14	Child Day Care Services	6244	278
15	Offices of Physicians	6211	275
16	Health and Personal Care Stores	4461	265
17	Plastics Product Manufacturing	3261	257
18	Other General Merchandise Stores	4529	257
19	Cut and Sew Apparel Manufacturing	3152	229
20	Individual and Family Services	6241	215
21	Chemical and Allied Products Merchant Wholesalers	4246	212
22	Local government	9300	203
23	Warehousing and Storage	4931	201
24	Other Professional, Scientific, and Technical Services	5419	199
25	Clothing Stores	4481	197
Total			12,080

Source: EMSI Complete Employment - 2011.4

Below are two tables showing the fastest growing 4-digit NAICS codes in Passaic for the period 2001-2010 and projections for the period 2010-2020. For the 2001-2010 period, *Employment Services* and *Grocery Stores* are two of the industries where the greatest employment growth occurred.

Fastest Growing 4-Digit NAICS Codes: Ranked by 2001-2010 Historic Change				
Rank	NAICS Definition	NAICS Code	# Change 2001-2010	% Change 2001-2010
1	Employment Services	5613	671	31%
2	Medical Equipment and Supplies Manufacturing	3391	--	--
3	Grocery Stores	4451	186	49%
4	Home Health Care Services	6216	156	94%
5	Limited-Service Eating Places	7222	131	38%
6	Waste Collection	5621	118	65%
7	Insurance and Employee Benefit Funds	5251	107	195%
8	Individual and Family Services	6241	103	92%
9	Warehousing and Storage	4931	102	103%
10	Department Stores	4521	100	179%
11	Child Day Care Services	6244	93	50%
12	Lessors of Real Estate	5311	89	24%
13	Personal and Household Goods Repair and Maintenance	8114	86	42%
14	Foundation, Structure, and Building Exterior Contractors	2381	80	81%
15	Other Schools and Instruction	6116	79	144%
16	Printing and Related Support Activities	3231	71	81%
17	Nursing Care Facilities	6231	65	23%
18	Dairy Product Manufacturing	3115	57	--
19	Furniture Stores	4421	52	63%
20	Health and Personal Care Stores	4461	50	23%
	Total		2,396	

Source: EMSI Complete Employment - 2011.4

The table below shows the "Competitive Effect" calculated through a Shift Share Analysis over the 2001-2011 period. For each of the 2-digit NAICS codes shown with a positive "Competitive Effect", the actual change in employment exceeded the "Expected Change" (which is the change that results simply because of national trends during that period).

We note strong local competitiveness in *Administration and Support and Waste Management and Remediation Services* and *Retail Trade*. However, *Health Care and Social Assistance* showed a strong negative competitive effect in the same time period, which corresponds with the downward trend that has occurred over the past ten years (see "Fastest Growing Industries Ranked by Historic Change" for 2-digit NAICS codes, above).

Shift-Share Analysis at 2-Digit NAICS: Ranked by Competitive Effect 2001-2011					
Rank	NAICS Definition	NAICS Code	Job Change 2001-2011	Expected Change	Competitive Effect
1	Administrative and Support and Waste Management and Remediation Services	56	869	297	573
2	Retail Trade	44-45	437	-56	492
3	Construction	23	57	-68	125
4	Accommodation and Food Services	72	198	81	117
5	Other Services (except Public Administration)	81	170	97	73
6	Transportation and Warehousing	48-49	51	-11	62
7	Information	51	-77	-87	11
8	Arts, Entertainment, and Recreation	71	37	29	9
9	Mining, Quarrying, and Oil and Gas Extraction	21	13	4	9
10	Real Estate and Rental and Leasing	53	177	173	3
11	Management of Companies and Enterprises	55	2	0	1
12	Agriculture, Forestry, Fishing and Hunting	11	1	0	1
13	Utilities	22	-5	-1	-5
14	Government	90	3	24	-21
15	Professional, Scientific, and Technical Services	54	48	82	-36
16	Wholesale Trade	42	-69	-20	-50
17	Educational Services	61	123	188	-66
18	Finance and Insurance	52	-36	139	-176
19	Manufacturing	31-33	-1,943	-1,114	-829
20	Health Care and Social Assistance	62	-96	1,217	-1,313
	Total		-42	974	-1,020

Source: EMSI Complete Employment - 2011.4

There are six 2-digit NAICS codes with an LQ above 1.20 and eight with an LQ below 0.80. As with the industry trends shown above, we see that *Administrative and Support and Waste Management and Remediation Services* and *Health Care and Social Assistance* have a very large presence in Passaic relative to national concentrations in those industries.

2-Digit NAICS Codes: Ranked by 2010 Location Quotient			
Rank	NAICS Definition	NAICS Code	2010 Location Quotient
1	Administrative and Support and Waste Management and Remediation Services	56	2.88
2	Health Care and Social Assistance	62	1.88
3	Manufacturing	31-33	1.58
4	Wholesale Trade	42	1.38
5	Retail Trade	44-45	1.31
6	Educational Services	61	1.31
7	Transportation and Warehousing	48-49	0.97
8	Other Services (except Public Administration)	81	0.92
9	Information	51	0.92
10	Real Estate and Rental and Leasing	53	0.77
11	Construction	23	0.74
12	Accommodation and Food Services	72	0.58
13	Finance and Insurance	52	0.49
14	Arts, Entertainment, and Recreation	71	0.44
15	Professional, Scientific, and Technical Services	54	0.38
16	Government	90	0.15
17	Mining, Quarrying, and Oil and Gas Extraction	21	0.14
18	Management of Companies and Enterprises	55	--
19	Utilities	22	--
20	Agriculture, Forestry, Fishing and Hunting	11	--

Source: EMSI Complete Employment - 2011.4

We show the same two analyses at the 4-digit level below. There are many sub-industries with large LQ's at the 4-digit level in Passaic.

Top 25 4-Digit NAICS Codes: Ranked by 2010 Location Quotient			
Rank	NAICS Definition	NAICS Code	2010 Location Quotient
1	Leather and Hide Tanning and Finishing	3161	--
2	Textile and Fabric Finishing and Fabric Coating Mills	3133	--
3	Waste Collection	5621	16.76
4	Chemical and Allied Products Merchant Wholesalers	4246	14.25
5	Cut and Sew Apparel Manufacturing	3152	11.99
6	Apparel, Piece Goods, and Notions Merchant Wholesalers	4243	9.62
7	Employment Services	5613	8.62
8	Office Furniture (including Fixtures) Manufacturing	3372	8.26
9	Paint, Coating, and Adhesive Manufacturing	3255	8.07
10	Medical Equipment and Supplies Manufacturing	3391	7.56
11	Interurban and Rural Bus Transportation	4852	7.40
12	Fabric Mills	3132	--
13	Apparel Accessories and Other Apparel Manufacturing	3159	--
14	Personal and Household Goods Repair and Maintenance	8114	5.63
15	Household and Institutional Furniture and Kitchen Cabinet Manufacturing	3371	5.29
16	Footwear Manufacturing	3162	--
17	Furniture Stores	4421	4.83
18	Urban Transit Systems	4851	4.64
19	General Medical and Surgical Hospitals	6221	4.57
20	Insurance and Employee Benefit Funds	5251	4.53
21	Elementary and Secondary Schools	6111	4.37
22	Plastics Product Manufacturing	3261	4.23
23	Other Food Manufacturing	3119	3.91
24	Dairy Product Manufacturing	3115	3.62
25	Wired Telecommunications Carriers	5171	3.44

Note: Industries with fewer than 10 workers will not show an LQ
 Source: EMSI Complete Employment - 2011.4

Employment Services, with a very high LQ of 8.62 (see previous table) is the top 4-digit NAICS code in terms of competitive effect for 2001-2011. The same comment applies to *Medical Equipment and Supplies Manufacturing* with an LQ of 7.56.

Shift-Share Analysis at 4-Digit NAICS: Ranked by Competitive Effect 2001-2011					
Rank	NAICS Definition	NAICS Code	Job Change 2001-2011	Expected Change	Competitive Effect
1	Employment Services	5613	758	-330	1,088
2	Medical Equipment and Supplies Manufacturing	3391	283	0	282
3	Grocery Stores	4451	187	-7	195
4	Department Stores	4521	108	-9	115
5	Foundation, Structure, and Building Exterior Contractors	2381	77	-18	95
6	Printing and Related Support Activities	3231	61	-29	90
7	Furniture Stores	4421	59	-19	78
8	Limited-Service Eating Places	7222	133	57	76
9	Wired Telecommunications Carriers	5171	-33	-107	75
10	Warehousing and Storage	4931	105	32	72
11	Personal and Household Goods Repair and Maintenance	8114	69	1	68
12	Child Day Care Services	6244	90	29	62
13	Waste Collection	5621	121	64	58
14	Health and Personal Care Stores	4461	61	5	57
15	Insurance and Employee Benefit Funds	5251	111	55	55
16	Dairy Product Manufacturing	3115	55	0	55
17	Nursing Care Facilities	6231	71	25	46
18	Household and Institutional Furniture and Kitchen Cabinet Manufacturing	3371	-42	-87	44
19	Residential Building Construction	2361	17	-23	40
20	Home Health Care Services	6216	171	131	40
21	Depository Credit Intermediation	5221	39	4	35
22	Chemical and Allied Products Merchant Wholesalers	4246	12	-19	32
23	Lumber and Other Construction Materials Merchant Wholesalers	4233	28	-1	30
24	Other Schools and Instruction	6116	78	48	30
25	Social Advocacy Organizations	8133	30	0	29
	Total		2,649	-198	2,847

Source: EMSI Complete Employment - 2011.4

OCCUPATIONAL TRENDS AND EMPLOYMENT

Whereas the previous section covered employment by industry, what follows is a look at employment by occupation. Occupations refer not to the product or service being provided, but by the function of the employee in question. To illustrate the difference, we point out that the health care industry contains occupations such as doctors and nurses who provide health services to patients. But, the same industry also contains occupations such as management, real estate professionals, information technology professionals, human resource experts, janitors and cleaners and clerical staff.

Occupational data is helpful to understand so as to see how the skills, education and certifications of a particular community's residents match up with the area's occupational needs of the future.

For more detail on occupations and the "Standard Occupational Classification" system (SOC), we refer the reader to <http://www.bls.gov/soc/>. Attachment A also provides additional details on the information shown below and explanations as to its interpretation.

Below is a table that shows the 25 occupational categories that currently employ the greatest number of people in Passaic (data as of 2010). The table also shows median earnings for each occupation.

Top 25 Occupations (5-Digit SOC Codes): Ranked by 2010 Employment				
Rank	SOC Definition	SOC Code	2010 # of Employees	2011 Median Earnings
1	Registered nurses	29-1111	755	\$68,099
2	Retail salespersons	41-2031	678	\$16,931
3	Laborers and freight, stock, and material movers, hand	53-7062	536	\$16,994
4	Cashiers, except gaming	41-2011	513	\$16,411
5	Office clerks, general	43-9061	409	\$16,037
6	Stock clerks and order fillers	43-5081	390	\$15,850
7	Nursing aides, orderlies, and attendants	31-1012	389	\$27,643
8	First-line supervisors/managers of retail sales workers	41-1011	323	\$35,984
9	Sales representatives, wholesale and manufacturing, except technical and scientific products	41-4012	294	\$47,278
10	Customer service representatives	43-4051	276	\$17,763
11	Secretaries, except legal, medical, and executive	43-6014	274	\$23,088
12	Bookkeeping, accounting, and auditing clerks	43-3031	247	\$25,418
13	Real estate sales agents	41-9022	245	\$16,037
14	Packers and packagers, hand	53-7064	232	\$15,163
15	Janitors and cleaners, except maids and housekeeping cleaners	37-2011	223	\$23,358
16	Home health aides	31-1011	222	\$22,693
17	Executive secretaries and administrative assistants	43-6011	222	\$26,728
18	Construction laborers	47-2061	218	\$38,542
19	Child care workers	39-9011	217	\$18,720
20	Carpenters	47-2031	213	\$39,333
21	Combined food preparation and serving workers, including fast food	35-3021	207	\$15,205
22	Physicians and surgeons	29-1069	201	\$122,366
23	Truck drivers, heavy and tractor-trailer	53-3032	199	\$36,088
24	Refuse and recyclable material collectors	53-7081	191	\$36,712
25	Receptionists and information clerks	43-4171	191	\$19,074
Total			7,865	

Note: 2011 Median Earnings derived from median hourly earnings times 2080 hours.

Source: EMSI Complete Employment - 2011, 4

Instead of showing just current employment, the following table shows the anticipated change in employment by occupation for 2010-2020. It also lists the educational attainment required for such a position. Of note is that the top two fastest growing occupations are in the retail and health care sectors and account for just under a quarter of job growth of the listed occupations.

Top 25 Fastest Growing Occupations (5-Digit SOC Codes)					
Rank	SOC Definition	SOC Code	2010-2020 Change in Jobs	2011 Median Earnings	Educational Attainment Required
1	Retail salespersons	41-2031	102	\$16,931	Short-term on-the-job training
2	Home health aides	31-1011	86	\$22,693	Short-term on-the-job training
3	Personal and home care aides	39-9021	68	\$23,462	Short-term on-the-job training
4	Construction laborers	47-2061	66	\$38,542	Moderate-term on-the-job training
5	Stock clerks and order fillers	43-5081	59	\$15,850	Short-term on-the-job training
6	First-line supervisors/managers of retail sales workers	41-1011	58	\$35,984	Work experience in a related field
7	Employment, recruitment, and placement specialists	13-1071	56	\$25,979	Bachelor's degree
8	Cashiers, except gaming	41-2011	51	\$16,411	Short-term on-the-job training
9	Customer service representatives	43-4051	50	\$17,763	Moderate-term on-the-job training
10	Laborers and freight, stock, and material movers, hand	53-7062	47	\$16,994	Short-term on-the-job training
11	Managers, all other	11-9199	44	\$35,214	Work experience in a related field
12	Personal financial advisors	13-2052	43	\$32,323	Bachelor's degree
13	Child care workers	39-9011	41	\$18,720	Short-term on-the-job training
14	Refuse and recyclable material collectors	53-7081	36	\$36,712	Short-term on-the-job training
15	Securities, commodities, and financial services sales agents	41-3031	36	\$29,786	Bachelor's degree
16	Real estate sales agents	41-9022	34	\$16,037	Postsecondary vocational award
17	Carpenters	47-2031	30	\$39,333	Long-term on-the-job training
18	Truck drivers, light or delivery services	53-3033	26	\$29,494	Short-term on-the-job training
19	Automotive service technicians and mechanics	49-3023	24	\$34,778	Postsecondary vocational award
20	First-line supervisors/managers of non-retail sales workers	41-1012	24	\$50,890	Work experience in a related field
21	Taxi drivers and chauffeurs	53-3041	24	\$24,731	Short-term on-the-job training
22	Teachers and instructors, all other	25-3099	22	\$37,211	Bachelor's degree
23	Property, real estate, and community association managers	11-9141	22	\$16,078	Bachelor's degree
24	Truck drivers, heavy and tractor-trailer	53-3032	22	\$36,088	Moderate-term on-the-job training
25	Office clerks, general	43-9061	22	\$16,037	Short-term on-the-job training
	Total		1,093		

Note: 2011 Median Earnings derived from median hourly earnings times 2080 hours.

Source: EMSI Complete Employment - 2011.4

From a workforce-preparedness perspective, understanding the educational attainment required for future job opportunities is essential. We therefore, take the occupations from the previous table and re-arrange them by requisite educational attainment. Shown in the table below, of the 1,093 jobs to be added over the next 10 years, approximately 914 will require mostly on-the-job training or vocational education. Around 179 will require an associate's or bachelor's degree and none are projected to require an advanced post-secondary degree.

Number of Jobs by Educational Attainment Necessary for Top 25 Fastest Growing Occupations	
Short-term on-the-job training	562
Moderate-term on-the-job training	138
Long-term on-the-job training	30
Postsecondary vocational award	58
Work experience in a related field	126
Subtotal	914
Associate's degree	0
Bachelor's degree	179
Degree plus work experience	0
Subtotal	179
Master's degree	0
First professional degree	0
Doctoral degree	0
Subtotal	0

Source: EMSI Complete Employment - 2011.4

SECTION TWO – RETAIL AND REVENUE ANALYSIS

The second part of this community profile includes information principally pertaining to retail and non-retail sales occurring and the various socio-economic factors that underpin such sales. Also covered is a brief overview of the various revenue sources that the municipal government collects. We direct the reader to Appendix A of the report, which provides detailed descriptions of each of these subsections and offers definitions, sources and interpretation of this data.

DEMOGRAPHICS AND INCOME

Below is a summary of key demographic and economic information for Passaic. We note that the number of households decreased slightly over the 2000 to 2010 timeframe and is expected to decrease again from 2010 to 2015. Average household size, on the other hand, increased by a small margin from 2000 to 2010 and is projected to increase again from 2010 to 2015. Median household income is also growing and is projected to exceed \$50,000 by 2015. At 21%, the lowest income bracket (less than \$15,000 annually) accounted for more than one in five residents of the City in 2000. As noted above, however, incomes in the City are rising. By 2010, the \$50,000 to \$74,999 income range made up the largest portion of the population (21%) and is projected to account for 22% of all Passaic residents by 2015. In 2010, 71% of Passaic residents identified themselves as being of "Hispanic Origin (Any Race)" and 46% fell into the "Some Other Race Alone" category. From 2010 to 2015, projections show these two groups increasing while all other segments are expected to decrease or remain constant.

Household Demographic and Income Profile			
	2000	2010	2015
Households	19,458	19,433	19,299
Average Household Size	3.46	3.60	3.62
Median Household Income	\$33,655	\$46,174	\$51,423
Households by Income Level			
Income Bracket	2000	2010	2015
<\$15,000	21%	14%	12%
\$15,000 - \$24,999	15%	12%	10%
\$25,000 - \$34,999	16%	12%	10%
\$35,000 - \$49,999	16%	17%	15%
\$50,000 - \$74,999	17%	21%	22%
\$75,000 - \$99,999	8%	13%	13%
\$100,000 - \$149,999	5%	7%	12%
\$150,000 - \$199,999	1%	2%	4%
\$200,000+	1%	2%	3%
Population by Race and Ethnicity			
Category	2000	2010	2015
White Alone	35%	30%	28%
Black Alone	14%	12%	11%
American Indian Alone	1%	1%	1%
Asian Alone	6%	5%	5%
Pacific Islander Alone	0%	0%	0%
Some Other Race Alone	39%	46%	49%
Two or More Races	5%	5%	5%
Hispanic Origin (Any Race)	62%	71%	75%

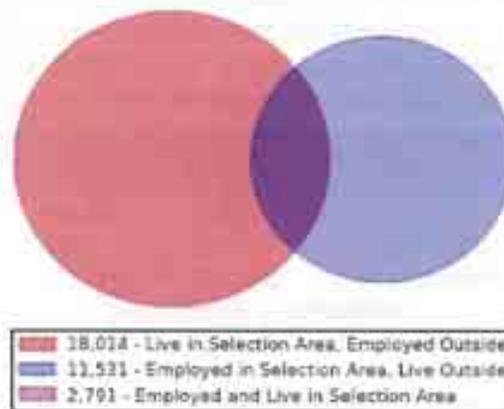
Source: ESRI Demographic and Income Profile

COMMUTATION AND DAYTIME POPULATION

Retail and non-retail establishments can serve either the resident population or the “daytime population”, which is the people who commute into the community for work. To define these two markets, we look at those people who are employed in the community (whether or not they are residents) and those who reside in the community (whether or not they are employed there).

Below is a diagram that shows the statistics relevant to Passaic. Data show that there are 14,322 jobs available in Passaic and that 81% (11,531) of these jobs are held by individuals that live outside the community (signified in blue in the graphic below). The remaining 2,791 jobs (19%) are held by Passaic residents (signified in purple in the graphic below). Given that the City has 20,805 working residents and 2,791 (13%) of them are employed within Passaic, we can conclude that the remaining 18,014 (87%) working residents do so outside the community (signified in red in the graphic below). These figures show a very high level of cross-commuting for Passaic.

Inflow/Outflow Job Counts in 2009



2009 Inflow/Outflow Job Counts		
Employed in Community		
Total	14,322	100%
Live Outside Community	11,531	81%
Live Inside Community	2,791	19%
Reside In Community		
Total	20,805	100%
Employed Outside Community	18,014	87%
Employed Within Community	2,791	13%

Note: Percentages may not total due to rounding
Source: U.S. Census Bureau's OnTheMap Module

Based on the above information, we conclude that the “daytime population” of the community includes about 11,531 non-residents who work in Passaic but excludes 18,014 residents that are employed elsewhere.

RETAIL AND NON-RETAIL SALES LEAKAGE

The following two pages cover a large amount of data regarding the retail and non-retail sales in the community. We again refer the reader to Appendix A for definitions and explanations of the terms used, sources of information and interpretations. However, we briefly restate that this analysis shows us three essential things: (1) the "Demand" for goods and services by category, which is the total amount of purchases made by the community's residents, (2) the "Supply" of these goods, which is the total sales in establishments located in the community by category, and (3) the "Gap" of sales, which is the difference between Demand and Supply. We note that a negative Gap number is a Surplus, indicating more sales occurring in the community than purely resulting from demand by residents (i.e. likely the result of people entering the community to make purchases). Conversely, a positive Gap number is a Leakage of sales, whereby residents are spending more on goods and services than is occurring in establishments within the community (i.e. likely the result of residents leaving the community to make purchases elsewhere).

As shown in the table and accompanying graph, Passaic has a significant sales surplus in the "General Merchandise Stores" category, due to a large surplus in the "Other General Merchandise Stores" subcategory. Spending in the "Food & Beverage Stores" category also shows a significant sales surplus, including large surpluses in the "Grocery Stores" and "Beer, Wine, and Liquor Stores" subcategories. The subcategory "Used Merchandise Stores" also has a surplus that represents a substantial portion of demand for these items in Passaic.

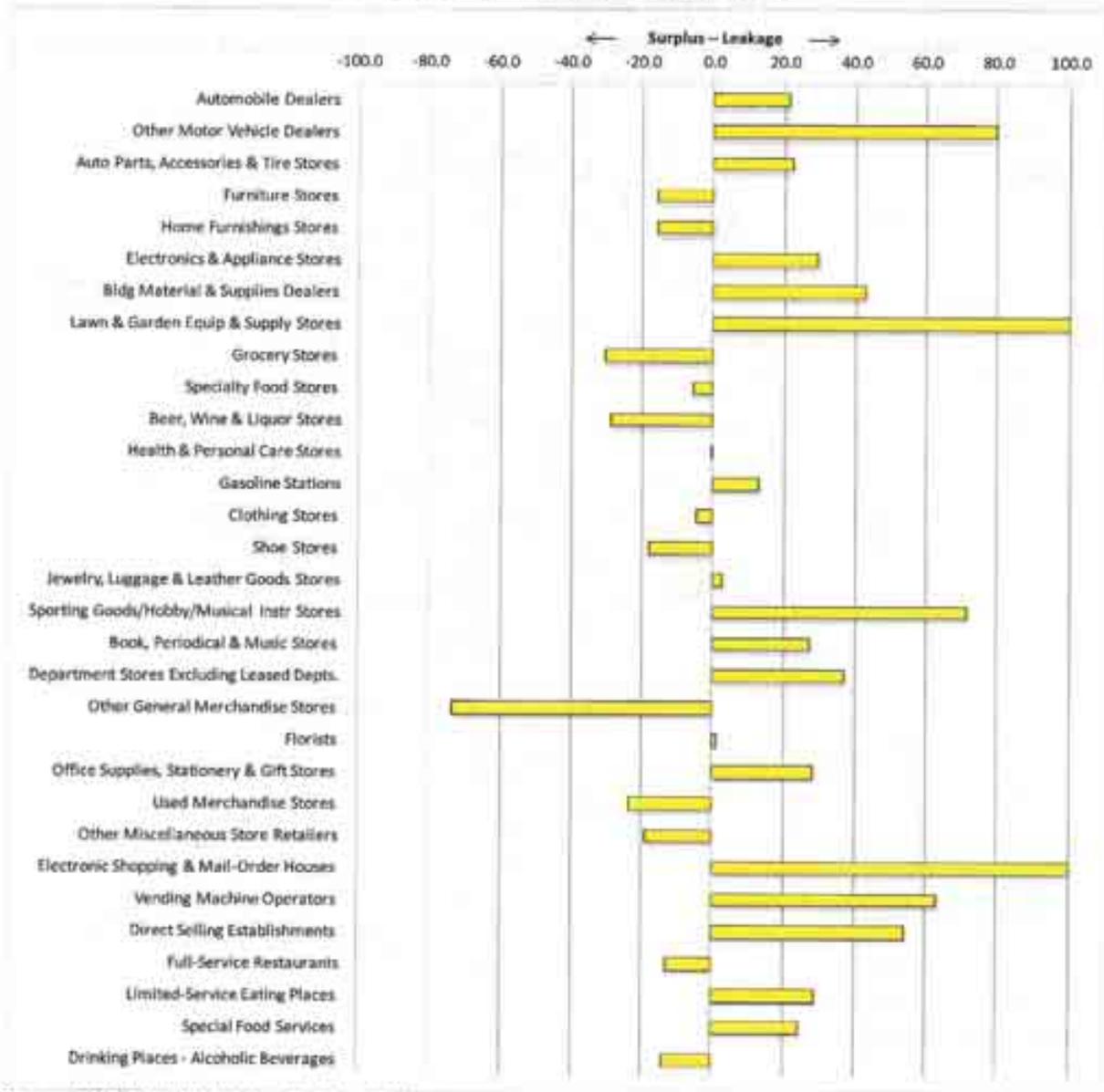
For the majority of all other categories and subcategories, there exists a substantial sales leakage, indicating that the citizens of Passaic are, by-and-large, leaving the community to shop elsewhere. This is particularly noticeable in the categories and subcategories that include nonstore retailers (e.g. electronic shopping), sporting goods and music stores, building materials and lawn care suppliers, electronics and appliance stores, and automobile and parts dealers.

2010 Retail Supply, Demand and Gap				
	Demand (Potential Sales)	Supply (Actual Sales)	Gap (Surplus or Leakage)	Number of Businesses
Motor Vehicle & Parts Dealers	\$80,501,209	\$49,840,981	\$30,660,228	35
Automobile Dealers	\$69,991,338	\$45,063,287	\$24,928,051	19
Other Motor Vehicle Dealers	\$3,574,425	\$400,477	\$3,173,948	1
Auto Parts, Accessories, and Tire Stores	\$6,935,446	\$4,377,217	\$2,558,229	15
Furniture & Home Furnishings Stores	\$11,481,547	\$15,724,111	(\$4,242,564)	21
Furniture Stores	\$6,203,759	\$8,490,577	(\$2,286,818)	11
Home Furnishings Stores	\$5,277,788	\$7,233,534	(\$1,955,746)	10
Electronics & Appliance Stores	\$13,044,856	\$7,052,624	\$5,992,232	21
Bldg Materials, Garden Equip. & Supply Stores	\$13,831,860	\$4,928,577	\$8,903,283	19
Building Material and Supplies Dealers	\$12,347,921	\$4,928,577	\$7,419,344	19
Lawn and Garden Equipment and Supplies Stores	\$1,483,939	\$0	\$1,483,939	0
Food & Beverage Stores	\$83,883,357	\$152,735,916	(\$68,852,559)	135
Grocery Stores	\$73,244,846	\$136,667,239	(\$63,422,393)	96
Specialty Food Stores	\$4,513,964	\$5,024,185	(\$510,221)	22
Beer, Wine, and Liquor Stores	\$6,124,547	\$11,044,492	(\$4,919,945)	17
Health & Personal Care Stores	\$16,121,897	\$16,154,680	(\$32,783)	31
Gasoline Stations	\$50,717,377	\$38,992,847	\$11,724,530	9
Clothing and Clothing Accessories Stores	\$21,427,765	\$23,666,189	(\$2,238,424)	85
Clothing Stores	\$17,782,315	\$19,350,717	(\$1,568,402)	62
Shoe Stores	\$1,792,951	\$2,566,138	(\$773,187)	7
Jewelry, Luggage, and Leather Goods Stores	\$1,852,499	\$1,749,334	\$103,165	16
Sporting Goods, Hobby, Book, and Music Stores	\$9,633,721	\$3,093,707	\$6,540,014	18
Sporting Goods/Hobby/Musical Instrument Stores	\$5,923,334	\$981,230	\$4,942,104	11
Book, Periodical, and Music Stores	\$3,710,387	\$2,112,477	\$1,597,910	7
General Merchandise Stores	\$38,296,125	\$190,792,216	(\$152,496,091)	33
Department Stores Excluding Leased Depts.	\$9,314,265	\$4,280,737	\$5,033,528	8
Other General Merchandise Stores	\$28,981,860	\$186,511,479	(\$157,529,619)	25
Miscellaneous Store Retailers	\$6,479,775	\$5,926,720	\$553,055	60
Florists	\$511,803	\$497,919	\$13,884	8
Office Supplies, Stationery, and Gift Stores	\$3,666,554	\$2,050,176	\$1,616,378	23
Used Merchandise Stores	\$180,915	\$291,663	(\$110,748)	10
Other Miscellaneous Store Retailers	\$2,120,503	\$3,086,962	(\$966,459)	19
Nonstore Retailers	\$6,932,790	\$1,347,214	\$5,585,576	2
Electronic Shopping and Mail-Order Houses	\$2,196,469	\$0	\$2,196,469	0
Vending Machine Operators	\$719,680	\$160,982	\$558,698	1
Direct Selling Establishments	\$4,016,641	\$1,186,232	\$2,830,409	1
Food Services & Drinking Places	\$61,849,146	\$56,955,549	\$4,893,597	196
Full-Service Restaurants	\$28,855,071	\$37,253,729	(\$8,398,658)	134
Limited-Service Eating Places	\$23,241,259	\$12,787,098	\$10,454,161	35
Special Food Services	\$8,310,158	\$5,023,064	\$3,287,094	8
Drinking Places - Alcoholic Beverages	\$1,442,658	\$1,891,658	(\$449,000)	19

Source: ESRI Retail Marketplace Profile

The following chart details the degree to which area industries have a sales surplus or leakage. The bars represent the leakage/surplus as a percent of potential sales.

Chart of 2010 Sales Leakage by Subcategory

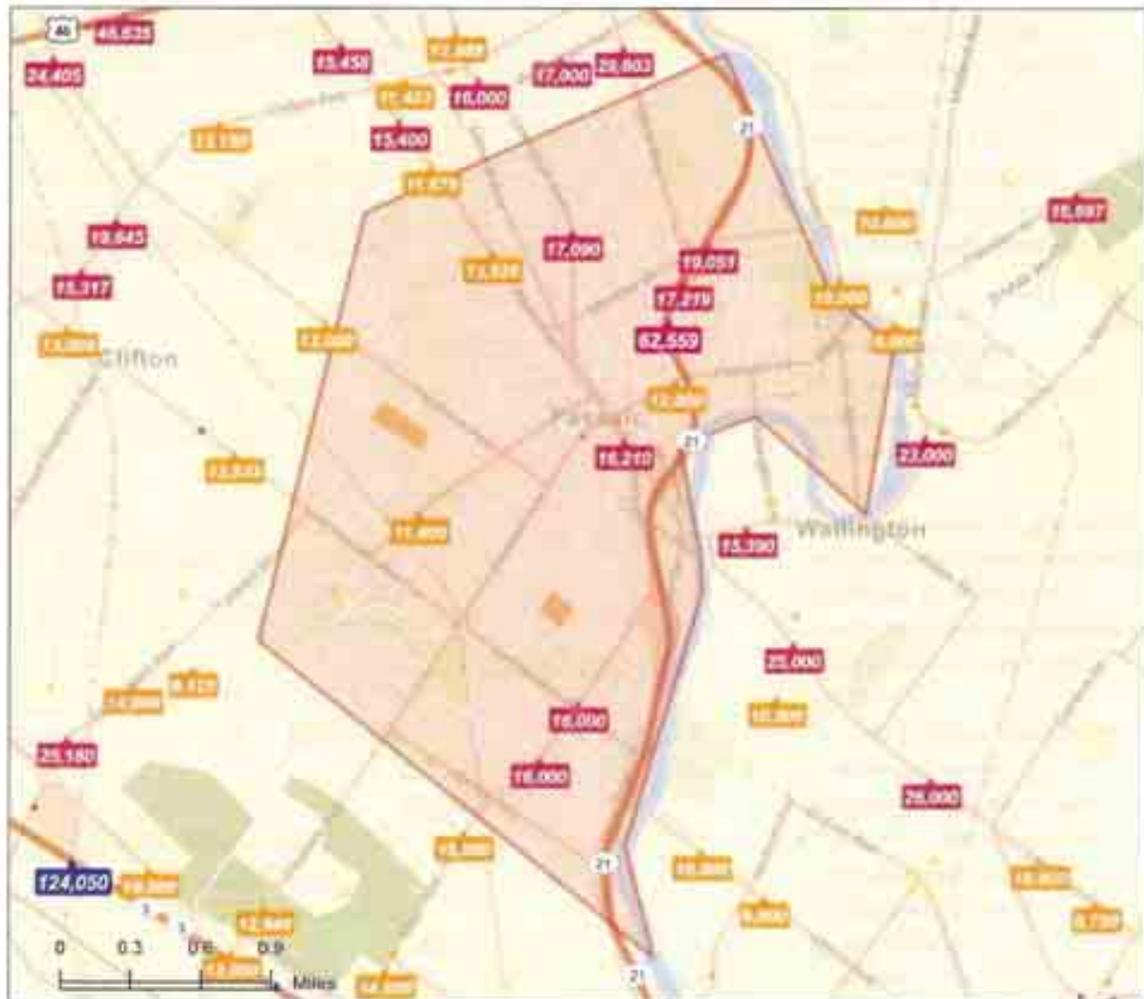


Sources: ESRI Retail Marketplace Profile and Infogroup

TRAFFIC COUNTS ON MAJOR ROADS

Of importance to retail and non-retail sales establishments is the proximity to customers, especially as evidenced through traffic counts on nearby roadways.

As shown in the image below, significant traffic flows occur mostly on Route 21, with Exits 10, 11, 11A, 11B, 12, and 13 providing access to various parts of the City.



Source: ESRI Business Analyst

TAPESTRY MARKET SEGMENTATION

Market segmentation is one way to group people from a community into categories based on spending preferences. According to ESRI's "Tapestry" market segmentation system, it operates:

"[...] on the theory that people with similar tastes, lifestyles, and behaviors seek others with the same tastes [...] These behaviors can be measured, predicted, and targeted [by combining] the "who" of lifestyle demography with the "where" of local neighborhood geography to create a model of various lifestyle classifications or segments of actual neighborhoods with addresses—distinct behavioral market segments."

Major retailers have their own specific set of criteria to define their key target markets. Using the ESRI Tapestry segments, we can mimic how a retailer might view the local market in your community. Below are the five most prevalent segments found in Passaic.

Top Five 2010 Tapestry Segments in Community			
Rank	Segment	Percent	Cumulative Percent
1	35. International Marketplace	39.3%	39.3%
2	47. Las Casas	23.2%	62.5%
3	58. NeWest Residents	16.4%	78.9%
4	20. City Lights	11.8%	90.7%
5	61. High Rise Renters	2.3%	93.0%

Source: ESRI Tapestry Segmentation Area Profile

The number to the left of the segment name corresponds to the description of that segment, which can be found at http://www.esri.com/data/esri_data/tapestry.html. However, for ease of reference, we note the preferences of each segment below:

International Marketplace - Because family is a top priority, "home and hearth" products aren't important to these folks. They buy groceries, diapers, and children's clothes. They keep in touch with overseas relatives by long-distance calls or traveling to visit. They shop at Marshalls and Costco. Their favorite drug store is Rite Aid. They pop in to 7-Eleven or am/pm for quick purchases such as a gallon of milk.

They watch TV and listen to Hispanic, urban, and contemporary radio instead of reading newspapers and magazines. They drink domestic or imported beer. They show no brand preference between foreign or domestic cars.

Las Casas - The large size of Las Casas households limits their discretionary income. The presence of children influences their spending habits. They live modest lifestyles. Many drive older vehicles. This is a strong market for purchases of baby and children's products. They typically shop for groceries at Ralphs, Vons, and the am/pm convenience store. They eat fast food frequently. Improving or remodeling their homes isn't important to them.

Typically, households own one TV set and do not subscribe to cable. They watch daytime or sports programs on TV, particularly soccer and weight lifting. Hispanic radio is, by far, their favorite radio format; however, they also listen to variety and contemporary hit radio programs. They play soccer and baseball or go to the movies.

NeWest Residents - Putting their children first, NeWest Residents lead a strong, family-oriented lifestyle that, from a consumer perspective, emphasizes buying groceries and baby and children's products. They usually buy only the essentials such as baby food and supplies, car seats, and children's clothing. They shop for groceries at Vons and Ralphs but will stop at local convenience stores for milk, juice

drinks, and nonprescription drugs. To save money, they prepare meals from scratch at home; however, they still occasionally enjoy eating at fast-food restaurants. They pay with cash; few have or use credit cards. Because most of them rent, they don't garden or buy big-ticket furniture pieces. Few have Internet access; they own one TV set and don't consider cable TV a necessity. To help their children become more fluent in English, parents will buy word and sound games. In their free time, they read magazines. Soccer is part of their culture; they watch it on TV, play it, and attend matches. They listen to Hispanic radio.

City Lights - City Lights residents lead an urban lifestyle and take advantage of big-city opportunities. They buy household furnishings, groceries (including fast food and takeout), personal goods, and entertainment. They are more likely to buy household furnishings than home maintenance items. They shop for clothes, shoes, jewelry, and toys at stores such as Target, Macy's, and Costco. They buy groceries at stores such as Kroger and Stop & Shop.

City Lights residents take vitamins, practice yoga, and do aerobics to stay fit. They travel domestically and abroad, take cruises, go to the movies, and watch family and classic movies on DVD. They visit Atlantic City to gamble and play the lottery. They read two or more Sunday newspapers and listen to news, soft adult contemporary, and classical music radio. Many households in large cities subscribe to digital cable service; HBO is a favorite cable channel.

High Rise Renters - These residents watch cable TV often, particularly prime-time news programs and movies. Professional basketball is their favorite sport to watch on TV. Digital cable is popular because of its wide availability. To reach these residents, TV and radio are more effective than newspapers. They listen to urban, Hispanic, all-news, and variety radio. Internet access or owning a personal computer is unusual; those who have internet access are likely to download music.

They shop for groceries at their local Albertson's and Stop & Shop. They buy household items and apparel at discount stores and affordable department stores and will also search the clearance racks at Macy's. They do not dine out regularly; even their fast-food purchases are limited. They buy necessary baby and children's clothes; however, tight budgets limit spending in these categories as well.

COMMUNITY REVENUE PROFILE

Below is a summary table of the major sources of revenue for the community, both local and non-local. For Passaic, we note that 17% of revenues come from state aid, namely in the form of energy receipts tax (9%) and property tax relief aid (6%). Local revenue sources account for another 5% of the City's revenues. In particular, fines and costs related to Municipal Court provide 3% of Passaic's income. Public and private revenue sources contribute an additional \$1/57 million in revenue. Also of importance, we note that two-thirds (66%) of the revenues come from the imposition of the local property tax.

SFY 2011 Major Sources of Revenue		
	Dollars	%
1. Surplus Anticipated	\$3,000,000	4%
2. Surplus Anticipated (w/ LGS Consent)	\$0	0%
3. Miscellaneous Revenues	\$24,998,082	30%
A: Local Revenues	\$4,113,753	5%
B: State Aid w/o Offset	\$13,995,482	17%
C: Construction Code Fees Offset	\$584,000	1%
D: Interlocal Service Agreements	\$0	0%
E: Additional Revenues	\$2,485,682	3%
F: Public and Private Revenues	\$1,570,836	2%
G: Other Special Items	\$2,248,329	3%
4. Receipts for Delinquent Taxes	\$40,000	0%
5. Subtotal	\$28,038,082	34%
6. Amount to be Raised by Taxes	\$55,615,070	66%
7. Total General Revenues	\$83,653,152	100%
Miscellaneous Revenues >2% of Total Budget		
3.A: Fines and Costs - Municipal Court	\$2,800,000	3%
3.B: Property Tax Relief Aid	\$5,361,172	6%
3.B: Energy Receipts Tax	\$7,184,310	9%

Source: SFY 2011 Budget Summary

The following table shows key information about 2010 property taxes for Passaic. On average, each residential unit in the community pays \$8,955 in annual property taxes.

2010 Property Tax Metrics	
Calendar Year Total Rate	6.846
Average Residential Property Value	\$130,792
Property Tax on the Average Residential Unit	\$8,955

Source: New Jersey Department of Community Affairs Division of Local Government Services

SECTION THREE – CONSTRAINTS AND OPPORTUNITIES

The third and final section of the community profile covers more general and subjective information on the community with respect to economic development-related strengths, weaknesses, opportunities and constraints. Whereas the other sections of the profile used independent, third-party data, this section primarily focuses on a self-assessment by the community. This self assessment includes two primary components:

- 1) A questionnaire was completed by representatives of the community through an interview process with Camoin Associates (see Attachment A for a copy of the questionnaire). The interview and questionnaire covered all of the major site selection criteria such as physical infrastructure, cost drivers, public support for economic development, quality of life indicators, etc.
- 2) Each community was asked to provide a recent community strategic plan that covers economic development topics. Camoin Associates reviewed the plan for any specific opportunities and constraints that the community identified as priorities.

The purpose of this section is to enhance the hard data that were collected and analyzed in Sections One and Two with the “on-the-ground” perspective of economic development officials in each community. This section also provides an opportunity to call attention to specific local priorities with respect to economic development planning.

INTERVIEWEE

Camoin Associates interviewed Ricardo Fernandez (hereafter, the “interviewee”), Business Administrator for the Passaic Enterprise Zone Development Corporation, on December 5, 2011. Also present on the call was Joseph Buga, Program Manager.

QUALITY OF LIFE INDICATORS

Below is a table showing the responses to questions related to housing, education, public safety, parks and recreation, and other municipal services. With respect to housing, the interviewee rated the condition and availability of both owner-occupied and renter-occupied units as “fair”. However, the interviewee noted that there is a divergence in owner-occupied properties: single-family homes tend to be in good condition whereas two-family units (where one is occupied by the owner) tended to be in poor condition. For both renter- and owner-occupied units, affordability was rated as “good”.

K-12 education was a concern, particularly with respect to the elevated “dropout rate” of high school students. In particular, facilities seemed to be a major issue: the interviewee noted that the development authority had promised more facilities in the past but has not delivered on that promise. The result has been severe overcrowding and the need for approximately six elementary school buildings, one middle school and one high school. However, post-secondary options were both rated as “good”, with the presence of Passaic Community College in the City.

The interviewee noted a problem with perceptions of public safety both by residents and by outsiders. Public safety manpower levels and funding support have not been sufficient to resolve these concerns completely. However, the interviewee said that actual public safety and crime rates compare favorably to nearby communities such as Patterson and Newark.

With respect to recreation, Passaic does hold concerts, festivals and other cultural events and serves approximately 4,000 children with community-organized activities. Fully one third of the City’s land area is devoted to open space, including parks, which is seen as a significant quality of life strength. The interviewee also noted that the community is becoming more diverse, especially with a thriving Hispanic population. The City is currently exploring how to take advantage of this demographic trend.

General Quality of Life Indicators*		
Housing	Renter-Occupied	Owner-Occupied
Condition	3	3
Affordability	4	4
Availability	3	3
Education	K-12	Post-Secondary
Quality	3	4
Availability	-	4
Perceptions of Safety		
The Community’s Perception		3
Outsider’s Perception of Community		3
Parks, Open Space, Culture		
Parks		3
Open Space		5
Cultural and Recr. Opportunities		4
All Other Services		
Perception of All Other Services		3

*Rating scale: 1=very poor 2=poor 3=fair 4=good 5=excellent

Source: Interview With Community

BUSINESS ENVIRONMENT INDICATORS

The next part of the questionnaire covered certain business environment indicators such as labor and business networks. The interviewee rated both labor cost and availability as "good", but rated training/education as "fair". The community has strengths in many blue-collar industries and skill sets but is weak in white-collar fields. The interviewee noted an encouraging relationship between the hospital and Passaic Community College with respect to workforce education and preparedness; however, it was also noted that two of the community's three hospitals have recently closed due to bankruptcy, causing workforce disruption.

Business Environment Indicators*	
Labor	
Cost	4
Availability	4
Training/Education	3
Networks and Programs	
Connection to Local Post-Secondary	4
Business Retention Program	3
Business Attraction Program	3
Business-to-Business Network	4
Government-to-Business Network	4
Access to Financing	4

*Rating scale: 1=very poor 2=poor 3=fair 4=good 5=excellent

Source: Interview With Community

Business networks were rated as "good" and the interviewee noted the presence of several business groups such as the Hispanic Chamber of Commerce and the Mexican Chamber of Commerce. Business retention and attraction programs, though, have suffered from a decrease in funding through the UEZ program. Among other cuts, the City has had to reduce its expenditures for graffiti removal and street cleaning, which has adversely affected appearance.

INFRASTRUCTURE AND REAL ESTATE INDICATORS

With respect to infrastructure and real estate, the interviewee rated all indicators as “good” with the exception of the availability of commercial and industrial land. The interviewee also reported that, in general, the condition of commercial properties is quite good; however, industrial properties tend to be much older and in poorer condition.

Rail service is sufficient for local needs and access to a major airport is very good. Industrial space is available very cheaply but, as noted above, is generally of poor quality. There are some Class B properties available and the going rate is approximately \$19 per square foot.

Infrastructure and Real Estate Indicators*		
Infrastructure	Availability	Affordability
Broadband	4	-
Fiber Optics	4	-
Local Roadways	4	-
Freeway	4	-
Water/Sewer	4	4
Electric Power	-	4
3-Phase Electric	4	-
Natural Gas	4	4
Industrial/Comm. Space	4	4
Industrial/Comm. Land	2	4
Other Indicators		
Condition of Existing Industrial/Comm		Mixed
Drive Time to Major Airport (Min.)		15
Access to Rail Service?		Yes
Costs and Vacancy	\$/SF	% Vacant
Industrial Space	\$5	n/a
Class A Office	n/a	n/a
Class B Office	\$19	n/a
Class C Office	n/a	n/a

*Rating scale: 1=very poor 2=poor 3=fair 4=good 5=excellent

Source: Interview With Community

ENTREPRENEURSHIP SUPPORT INDICATORS

The final part of the questionnaire focused on the community's existing support structure for entrepreneurs and small businesses. The interviewee rated all the categories related to access to capital as "good", but noted that there is a general lack of programs to support entrepreneurs and small businesses. As most of the employment in the community is in smaller businesses, the interviewee indicated that there is a concern that growth is not being optimized due to a lack of small business support. One program the City does operate is a loan fund that had a very successful first round. The City is launching a second round and anticipates that it will be fully subscribed.

Entrepreneurship Support Indicators*	
Financial Support	
Seed Capital	4
Venture Capital	4
Bank Financing	4
Public-Supported Financing	4
Programs	
Entrepreneur Support	3
Incubators	2
Small Business Assistance	3

*Rating scale: 1=very poor 2=poor 3=fair 4=good 5=excellent

Source: Interview With Community

OPPORTUNITIES AND CONSTRAINTS NOTED IN THE COMMUNITY'S PLAN

As mentioned in the introduction to this section, each community provided Camoin Associates with a recent strategic plan that covered economic development topics. For Passaic, Camoin reviewed the Passaic Urban Enterprise Zone: Zone Development Plan and the City of Passaic Master Plan Reexamination Report.

Passaic Urban Enterprise Zone: Zone Development Plan

The Passaic Enterprise Zone Development Corporation is a nonprofit organization that oversees and administers the New Jersey Enterprise Zone Program in the City of Passaic. They use a long-range (5-year cycle) planning process that began in 2006. An environmental assessment by the planning committee identified the following strengths, weaknesses, opportunities, and threats regarding business entities and the overall business climate within the Zone:

Strengths

- Good location - close to markets, access to transportation, etc.
- Diverse labor force that is growing
- Competitive lease rates

Weaknesses

- Older, often obsolete manufacturing space
- Environmental issues on various industrial properties
- Relatively low skill level of labor pool

Opportunities

- Obsolete industrial buildings can be converted to other mixed uses
- Partner with the community college and workforce training programs
- Niche businesses (ethnic specialties)

Threats

- Immigration reforms and regulations could impact labor force
- Consolidation of health service providers decreases available jobs
- Statewide property tax increases in New Jersey enhances attractiveness of moving from New Jersey

Based on the above SWOT analysis, the plan identifies several goals. Each of the goals is summarized below; however, we note that each goal is fully defined, including a complete list of supporting objectives and a matrix with implementation strategies, in the plan.

1. **Infrastructure Improvement** - To increase the capacity and enhance the condition of major systems including roads, sidewalks, sanitary and storm sewers.
2. **Development/Redevelopment** - Foster an aggressive development/redevelopment program with a specific focus on key commercial and industrial properties, including brownfield sites, thereby contributing to the retention and expansion of employment.
3. **Aesthetics** - To make the business areas more attractive through promoting the use of façade improvements, enhanced lighting, signage, sidewalks, and other improvements.
4. **Public Safety** - Continue assistance in anti-crime/security issues through both innovative technology and force enhancement.
5. **Business Support** - Recruit and retain businesses with an emphasis on attracting employers who offer higher-paying skilled job opportunities. Promote businesses that address the needs of the diverse populations in the City of Passaic, with the added objective of cultivating special niche opportunities for ethnic specialties.
6. **Public Awareness** - Enhance visibility of the strides being made by Passaic generally and Passaic businesses in particular through marketing and public relation efforts that provide useful information to prospective businesses and current business operators in the City.
7. **Training and Employment** - Facilitate efforts at enhancing the supply of skilled, qualified labor by interacting with those entities that are responsible for education and training, including high school, community college, and workforce training programs.

City of Passaic Master Plan Reexamination Report

The reexamination report, which was completed in June 2007, outlines the following policies and objectives pertaining to economic development:

- To increase the number of jobs in the City so that the number of jobs more closely matches the number of residents employed.
- To strategically replace or reuse obsolete industrial buildings with other users.
- To rehabilitate 663 Main Avenue.
- To infill all vacant lots in the commercial corridors with in line stores

- To rehabilitate the Peoples Bank Building
- To improve the appearance of the business districts through streetscape and façade improvements and enforcement of property maintenance standards.
- To complete the redevelopment of the ten remaining acres of the Eight Street fire site.
- To encourage more efficient usage of upper story commercial space in the C-Commercial district.
- To aid in industrial relocation by marketing the City, focusing on attracting businesses in growing industries.
- To continue to upgrade infrastructure to accommodate existing and proposed businesses.
- To provide litter clean up and graffiti removal services to businesses.
- To assess sites for commercial redevelopment in areas such as Market Street, Monroe Street, Main Avenue, and other commercial corridors.
- To attempt to have government better understand business issues through techniques such as surveys, participation in business events, and public/private partnerships.
- To assess and implement the utilization of Passaic River frontage as an attraction rather than a nuisance.