

## Business Better (Season 3, Episode 1): Investing in Communities: A Conversation with Marcus Randolph, CEO of Invest Newark

Speakers: Krishana Pleasant and Marcus Randolph

Steve Burkhart:

Welcome to Business Better, a podcast designed to help businesses navigate the new normal. I'm your host, Steve Burkhart. After a long career at global consumer products company BIC – where I served as Vice President of Administration, General Counsel, and Secretary – I'm now Of Counsel in the Litigation Department at Ballard Spahr, a law firm with clients across industries and throughout the country.

In today's episode, we're joined by special guest Marcus Randolph, CEO and President of Invest Newark. Invest Newark is a nonprofit development agency who work to propel the City's strong and diverse economy, build vibrant communities, and create opportunities for all residents of Newark. Speaking with Mr. Randolph is my Ballard Spahr colleague Krishana Pleasant, Of Counsel in our New York office. So now let's join Krishana and her guest Marcus Randolph.

Krishana Pleasant:

Hi, I'm Krishana. And Marcus, thank you for joining me. Marcus, I know that you are CEO and President of Invest Newark and I'm just looking forward to an exciting conversation with you. I know that Invest Newark has a strong presence in the city of Newark and is in partnership with a number of wonderful organizations. I'm wondering if you can just share with us a little bit about the inception of Invest Newark? I know it was founded back in 2007 and is in close partnership with the city, and maybe you could share a little bit more with us about that?

Marcus Randolph:

Sure, sure. Well first, thank you so much for thinking of me and inviting me to talk with you this afternoon. I know we both have a love of Newark and for Newark and so I can get into that a little bit, but certainly thank you and the folks at Ballard. You're absolutely right. It was founded in 2007. Invest Newark is Economic Development Corporation for the city of Newark and we have operated under a couple different names, but we currently do business as Invest Newark, and we work really, really closely with City Hall. We have tremendous support from Mayor Ras J. Baraka, here in the city of Newark, as well as his Deputy Mayor, Allison Lad and the Department of Economic and Housing Development. And it's just a fantastic time to be in the city. Mayor Baraka's very progressive. He wants to do a lot of great things for the city and we're just happy to be playing a part.

Krishana Pleasant:

I wanted to just start off, Marcus, with you sharing a little bit more about your background and specifically what was the catalyst for your career in community economic development?

Marcus Randolph:

I guess for me, probably the defining moment that got me on this path was when I was in graduate school at Northeastern University in Boston, and this is early to mid '90s. And one thing, I'm a big proponent of education. I love, loved being a student. So I was in graduate school getting an MBA, but I will admit that many of my classmates had very, very lofty goals. They wanted to be CEOs, big time business folks. And I was just like, I really wasn't motivated by that. So I was really feeling a bit puzzled, but I just knew something wasn't sort of clicking.

So as it turns out, about two blocks away from campus, there was a young minister who I actually knew as a kid and someone said, "You remember that guy? He's right around the corner." I said, "Oh, I should stop in." So I did. And then I went one day just sort of for chop it up a little bit, but slash counseling, he's like, "Something's on your mind?" I said, "Well, yeah." And I explained to him, I'm in business school but I don't think I really want to do any of this stuff that folks are doing. I somehow want to help the community. And he said, "Hey, look at this. I just got this in the mail, you should go." And it was a flyer for a two-day session about community and economic development, but really from the focus of faith-based communities. And I was like, "Well, that sounds interesting."

He said, "Yeah, why don't you register? We'll pay for it. Just go over there. Sounds like it might be a good fit." And so I did. And I had never been more excited in my young life at that point about this is a possibility for a vocation, not just a job, but a vocation. Of course, the question was how does one get started in that? Because it wasn't necessarily sort of a defined path. So many people just decided they just going to pick up the mantle and make a difference in their community. Community organizers back in the '60s and into the '70s and then other groups got involved and faith-based groups got involved about wanting to change their neighborhoods.

But I was just so excited about housing for seniors and get in better schools and healthcare centers. And I guess probably what motivated me to do that, I mean thinking back on as I did grow up in a church going family, there's always a component of service though at the time I'm not sure that I would've really been able to tell you that, but it really was a component of service and I think that just sort got inside of me and I always felt like I wanted to be of service.

So that was really the defining moment for me. And then I just sort set out to figure out now how can I do this stuff, this great stuff that these people are doing and what's going to be my avenue into it? So that's the beginnings.

Krishana Pleasant:

So it sounds like you were business minded and pursuing your MBA in grad school and there's just this underlying sort of curiosity, maybe a sense that there was just something more and there wasn't necessarily a problem, but you just weren't finding the same connection with the ambitions of your fellow classmates. And so this reconnection with this minister and this conversation kind of lit the fire, so to speak, and got you exploring what was essentially a family value of service and giving back. It got you exploring that as a vocation and as a career. And I definitely find that certain aspects of your story resonate with me. I am the daughter of a preacher and certainly got that sense growing up that what I do for a living should be connected to the greater good. And that kind of brings me to my second question for you, which is why Newark?

I know for me my catalyst for wanting to be involved in economic development, and particularly as it focuses on urban centers, it came down to an internship that I had in the city of Newark. I was early in my college career and New Jersey Performing Arts Center, we call it NJPAC. It was basically a hole in the ground. And there was all this construction and community leaders and bankers and educators and those from the faith-based communities coming together talking about how NJPAC would just spur economic revitalization in Newark. And that was my first time seeing that, wait a minute, real estate, and economic growth in these very under-invested communities, it can all come together. And so I'm curious, how did you land on Newark in particular?

Marcus Randolph:

Yeah. So New Jersey native and I came back to New Jersey 17 years ago. I had been living in Virginia. I came back here, and I started working actually for a community development finance institution. As you kind of pointed, right? I've always sort of guess I've been business minded, but also with a bit towards service. So much of my career really has been in finance. I've done little bit of real estate development, worked for government, but that's where I was in New York, and I worked in New York for.. until I started working here six months ago.

But I will say that probably the last five years I spent in New York, there was sort that maybe a similar feeling of what I experienced years ago as a younger graduate student, something's not quite adding, it's not sitting well with me. I'm doing all these affordable housing projects, but the need for affordable housing is never ending it seems. And so maybe there needs to be a different approach to this. I'm trying to do good, I'm trying to benefit communities, maybe I need approaches a little bit differently. And I talk to people about maybe shifting over to policy or somehow advocacy. But then every day I'm riding through Newark and Well, this is our city, right? This is our city. There's tremendous opportunity here. I've met so many

wonderful people, particularly the last six years or so, doing more things in New Jersey with my being active in my fraternity, doing some volunteer work and then just hit me.

So when the opportunity came to come to Invest Newark, I thought, well this is actually the opportunity I've been asking for or saying I want for the last few years. It's part advocacy, but it's also the ability to actually get some things done. Newark is... I don't want to say Newark is on the rise because this work's been happening here for a long time. It's not just starting. But it is amazing the amount of work that is going on and all types of people are getting involved. I think it's very easy to look at the real estate because that's the visible part, but there's people contributing here, you wouldn't believe.

So I thought, okay, this is my opportunity to jump in to still try to work on behalf of communities, approach a little bit differently, still doing some real estate work, but also hoping to bring jobs into the city, hoping to get internet access to people at affordable rate by working with the city. There's a few things we were working on, but as the position was unfolded before me, I started thinking about all the good that I could try to do in this spot. And so it just seemed like a natural move.

Krishana Pleasant:

So that's interesting because it seems like in your former roles, the focus was on affordable housing, finance, and banking, and that's certainly one way to add resources and bring attention to communities. But it sounds like in Invest Newark, your capacity is its policy focused, but it's also focused on empowering individuals and entrepreneurs and just everyday citizens to recognize the opportunities that are there, but maybe just out of reach. And so I'm curious to know just the goals and the missions to sustain economic growth. You mentioned about Newark having a focus on generating jobs and also creating wealth for citizens of Newark. Those are very lofty objectives. And I'm curious to know, as we look ahead to 2023, how will Invest Newark define success? And just on a practical level, how do you measure whether or not the impact that you're expecting is happening?

Marcus Randolph:

Yeah, that's a great question. So because I have worked in financing for finance for a number of years and just generally gravitate toward numbers and data, I really like that question. And one of the things I've been doing since I got here is trying to quantify the work that we do. We could count things, we can also try to put a value on things as well. Some of it, I think helping someone become a homeowner for the first time, that the value in that is probably much more than we ever could calculate. But certainly, we could start with that. So we here at Invest Newark, we manage the Newark Land Bank on behalf of the city. It is the only Land Bank in the State of New Jersey. And we just were approved to get some additional properties transferred over here where we'll do a number of things to try to get those properties active again.

And one way that we can count our success there is just, okay, how many of these properties did we sell that perhaps get them back into the tax rolls for the city? And also to help them make that one less of an eyesore perhaps in a certain community. We can also count how many of these houses that we're developing and then selling to someone who is a first-time homeowner, Newark resident who's never owned a house before, have opportunity to become a homeowner. So we can count that. And again, we could probably put some kind of value on that. We know what they're selling for. They'll be in most cases it'll be below market, but so we could count that. We could also count the number of businesses that we serve. And at this moment where not number of businesses in Newark are struggling a little bit because their rent has gone up so much now that we're sort on the backside of the major COVID crisis, I'm not sure how we want to say that.

And so some of them are struggling and need assistance, how they can stay afloat. So we want to help them stay in business and help them stay in Newark. We're working with a number of partners to come up with a strategy about how we play a part in bringing new business in. But really to bring jobs into the city of Newark so that people can live and work here. And so we can try to put a number on that or we can set a goal for that, I say as far as our business development and an attraction. We also are able to do some financing. We have some funds for that. So we can set a number on that, which we are in the process of doing to make loans to help businesses stay afloat, to encourage growth.

And then the other big piece for now, again, I mentioned this at the top of the top of the call, but we are involved in this expansion of a offering wireless internet service to residents of Newark at an affordable rate. We know that there is a pocket of people out there in Newark that don't have any access in their home. So there's a couple different ways that we can help

them with that. But one of them is to offer a product that's reliable, that's affordable, and we can count that as well. We literally can figure out how many people are subscribing to that.

Krishana Pleasant:

I just wanted to backtrack a little bit to the Land Bank that you mentioned. So that's pretty significant. I mean, Newark is the largest city in New Jersey, and this is something that is common across cities and urban centers throughout the country. And so maybe unpack that a little bit. It sounds like there are properties that have been abandoned or condemned and you are basically finding a way to create value there. So can you just tell us a little bit more about how it works and what it looks like just on a practical level?

Marcus Randolph:

Yeah, so you're right, there's properties all across the city and in all five wards that are underutilized, some have been vacant for years and there's weeds up to your waist and trash. Some of the houses are in such bad repair, we can't save those. But the bones of the house are still good or good enough for us to get in there and bring those back to life. So with the Land Bank, a few things that we're trying to do, we are trying to create home ownership opportunities for Newark residents and for those outside of Newark as well. If you want to come in here and invest and set down roots and be a part of this community, but also we're trying to clean up light. A lot of the streets just don't look good. People are trying to do their share. And we hope that sort of happens organically when we come on a certain block and start to make improvements.

But we're trying to do that. And frankly, I mean these houses, these pieces of property, if it's abandoned, it costs the city money. Eventually someone's got to go and cut down that grass because the owner didn't do it, or someone's got to go. Maybe police have to go to a site where someone's squatting or doing something they shouldn't be doing in this house. That's all money that it costs the city. So for us to help reverse that, we take that away for the city, but then also make it useful again and whoever owns it contributes to the tax role, so that's sort of bigger picture. But then I guess going down another level, so the city is able to transfer a group of properties at one time, so they'll identify 85, 90 properties in the city. And with the approval of municipal council, those begin to get transferred over to Invest Newark as we manage the Land Bank.

And then we can figure out which ones you really could develop a house on it, which houses you can save. And frankly, some parcels probably too small for development. Well, they are too small for development, but also means that someone who lives next door can buy that property for really, really nominal amount of money and suddenly have a place to plant a garden, park their car, get a place set for their kids, mean that becomes their property. And all this we just think makes communities better and just the stronger they look better, people feel, sense of pride. I love it when you go down a street and you see there's a house, someone's doing work on the house and you come back a couple weeks later and then you realize, oh, the person across the street started doing improvements on their house. And so we're hoping that comes out of this Land Bank initiative too.

Krishana Pleasant:

I know that doing construction work in an inner-city environment presents its own set of challenges. And so I'm just curious to know the developers that are taking these projects on, is there special training or skills that they need or just insight for what they need to know to work on one of these projects in the Land Bank?

Marcus Randolph:

Yeah, so far, I believe every contractor that we have hired to do rehab has been an MWBE and I think maybe one not-for-profit that trains young people in the trades and they do just fantastic work. Most are smaller operations, so there's frankly probably one or two people and they get their subs. But we hope that something else that comes out in Land Bank is, so a contractor that was once considered small and hadn't done much now does two or three houses under the Land Bank program and then can go and say, "Hey, I've got a track record." So then that they can move up to a bigger job. And we're trying to help them get to that point.

We don't officially formally have a training program, but because we do have so many community partners where we're sort of aware of where there's trainings going on, there's some groups that have organically coming together to figure out, "Okay, we know people want to get into this business, so we help us identify those opportunities for them." And so I've been on some of those calls, which has been great. I feel like we're putting a lot, sometimes it seems that we're putting a lot on the land bank, but the reality is this is just how we're doing it, right? There's a lot of good that's going to come out of this, but this is how we're progressing and it's going really well.

Krishana Pleasant:

Are you seeing any trends towards more green space for the city? I know you mentioned that as part of the Land Bank that sometimes neighboring property owners have an opportunity to create a garden or add in some play space. I guess just on a broader scale, how much of a priority is green space and does your organization connect with that in any way?

Marcus Randolph:

So we have some partnerships with some other not-for-profits. One in particular is actually going to, probably the first one that gets a Land Bank property and puts some gardening plots on it. The sites in a great location, but it's just too small for a house. But I think it's going to be a wonderful asset to that street, and I'd like to see more of that. The city recognizing the seriousness of climate change and if you were here over the summer, was a very hot summer. So there's definitely some initiatives to get more trees planted. I personally want to make sure that all of our Land Bank homes have trees, encourage some gardening as well on those properties. I think we'll see more of that once we get a few of these sorts of out there and people see how well it works. I think we'll get more interest from the folks that want to do gardening and other green spaces.

Krishana Pleasant:

That's great. So I'm just wondering, in terms of significance and legacy, I imagine that there are community workers and folks that are focused on economic growth. It can be daunting. I was speaking to someone recently, I'm a Chicago native, and I was there traveling over the weekend, and I was speaking to someone and they said, let's just fix it. Let's just make it all better. And it's not for the faint of heart. This work requires a certain inner strength. And I'm just wondering for you personally, what would you say to someone who's listening, and maybe they're in Newark or another city and they're thinking, I want to do something great, I want to make a difference, but it's just such a huge challenge to tackle. What would you say to them?

Marcus Randolph:

Yeah, I think it's about coming from a good place where you're doing the work, what your motivation is, which is oftentimes not self-serving at all. It's really just to try to help people in the neighborhoods in which they live. But that takes an incredible amount of tenacity. Someone wants to, you'll never accept no for an answer when you need a yes. But I think a lot of that is true though. Okay, maybe you didn't like this proposal. I'm still trying to get to this place. Maybe I got to approach it a little bit differently.

And I think that people will get on board with you. It takes a lot of partnering it and let's not kid ourselves, it takes money as well. And that can often be a challenge, but you got to stick with it. One of my favorite things is at first you dose to see, try again. But I've modified that to try, try again. And then sometimes you got to try, try one more time to get things moving. So if anybody's listening and maybe having one of those days where they think that things aren't going to progress, it will just keep chipping away at it.

Krishana Pleasant:

I definitely want to ask about, you touched on it takes tenacity, it also takes money and other resources. What is the driving fundraising engine, if you will? I know Invest Newark is a nonprofit and there's a lot of good to be done, but obviously it takes resources.

Marcus Randolph:

Yeah. So we're always looking for financial support for some of our programs. We have a business training program really for people just starting out, but we're able to customize that actually. And we do partner with some financial institutions to do that. Our Land Bank program, similarly, we want to scale up and so we have some groups that are interested in working with us, but not just that, but they're putting money into it to allow us to move a little bit faster on that, which is fantastic. And we're having other conversations too about our business support and retention work funding, some special initiatives there. I will say that we're fortunate in that we are a 501c3, but we were started by the city, so we are largely funded by the city of Newark, but that doesn't let us off the hook as far as continuing to look out there for other funding sources.

And we're starting to see some success. We have a number of people who, they're Newark supporters and so we've been in front of them, and they've been very gracious and meeting with us and want to see what's happening next and want to be our partners in this work.

Krishana Pleasant:

Yeah, I noticed that one of the hats that you wear is as an organization is a business incubator. I saw that you have some upcoming training on MWBE certification and that's a series. I'm just wondering what else is in store for business owners or entrepreneurs. What's in the pipeline?

Marcus Randolph:

Yeah, so yes, MWBE training. I think it kicks off on the 30th for Newark based businesses. And we're really excited about that to get these businesses certified. I think some of them don't always understand the benefit of getting that certification, and so we want to offer that to them and that next to nothing. It's a serious discount on what we're charging, but because we do believe in the importance of getting that done, and then as we move into 2023, we will be rolling out our lending programs in a more formal way to support some business initiatives and letting people know we do it and we have been doing it, but we're going to make that a little bit more public. And we get a lot of inquiries and so we sort of have an idea of what the business community needs. And so we'll be packaging up some opportunities for us to provide some loans and some grants as well. We can do a little bit of grant making out of this organization.

Krishana Pleasant:

That's excellent. I do find, when I consider my life's work, I've been on the lender side in my role as a real estate attorney. I've represented quite a few lending institutions, and I just find that there's a real need to make the lending process more transparent and to remove the curtain and allow business owners and new real estate developers a peek inside of what's involved in getting a loan approved and getting your transaction funded. And so I'm excited to hear that's something that's a part of the upcoming programming. That's great. Thank you so much, Marcus, and Invest Newark for sharing with us. It's really been an honor to speak with you and hopefully it's not our last conversation like this.

Marcus Randolph:

I hope not. I hope not. Let's check in again about some progress and on what's going on here and in the city, as well. Love to do that.

Krishana Pleasant:

Great. Thank you.

Marcus Randolph:

Thank you.

Steve Burkhart:

Thanks again to Krishana Pleasant and Marcus Randolph. Make sure to visit our website, [www.ballardspahr.com](http://www.ballardspahr.com) where you can find the latest news and guidance from our attorneys. Subscribe to the show in Apple Podcasts, Google Play, Spotify, or your favorite podcast platform. If you have any questions or suggestions for the show, please email [podcast@ballardspahr.com](mailto:podcast@ballardspahr.com). Stay tuned for a new episode coming soon. Thank you for listening.