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## **Trenton Gets a New Business Incubator**

*by Scott Morgan*

Elizabeth Faircloth's plan is straightforward — she wants to build and develop business in Trenton. As co-owner, along with her husband, Matt, of the city-based DeRosa Group, Faircloth has made it her mission to develop in urban areas that, like Trenton, show promise, but do not always get a lot of investment.

The DeRosa Group recently announced its first commercial project in Trenton, a business incubator/accelerator at 354 South Broad Street, in the heart of the city's business district near Mill Hill. This is where the firm itself is headquartered, in a 10,000-square-foot space that Faircloth envisions will hold eight or nine small and start-up businesses when it is fully completed.

At the moment, Faircloth says, the building, next to the vacant lot where the Mill Hill Hotel once stood, is broken into a 4,000-square-foot front section that has been finished with recycled carpet and eco-friendly materials and will house the nine offices, and a more open 6,000-square-foot back section designed to house some office suites, and possibly a daycare, gym, or educational facility. The back section is usable, Faircloth says, but not quite finished.

The project is the latest part of the firm's push in the capital city. DeRosa Group first zeroed in on Trenton's residential market a few years ago after the Faircloths attended a real estate seminar and came to understand "the power of real estate to shape an area," she says. The couple, who met in college, started their real estate investing in Philadelphia, where Matt Faircloth is from and where Elizabeth Faircloth earned her master's in social work, from Penn.

The two wanted to do something socially oriented, she says. He was an engineer with an interest in environmentalism and she was an organizational development pro who had an interest in society at large. Together they bought a property in Philadelphia in hopes of renovating it and getting it rented out, but they had no real focus, she says.

Having grown up in New Jersey and been familiar with Trenton, Elizabeth says the capital seemed a good place to build that focus. So the firm started investing in dilapidated residential properties and started working toward commercial development. DeRosa Group now owns some residential and some vacant commercial properties in the city, including the building at 354 South Broad Street.

The plan, says Faircloth, is to think big by thinking small. Because it is an undervalued market, Trenton allows for lower rents. "We didn't want to price this thing out so no one could afford it," she says. Spaces in the accelerator will range from 100 square feet that would rent for \$250 a month to 500 square feet that would rent for \$600 a month. The building will share internet connections and offer opt-in services such as telephone and utilities, all of which will cost extra. But, Faircloth says, the point is to get small and starter businesses into a

space with affordable rent and let them grow from there.

She also plans to have a common meeting room that could be rented out to accelerator businesses (though she says all tenants will likely get four free hours a month) and to outside businesses for “an affordable rate.” This space also is intended to host business seminars and workshops.

One main goal is to get a mix of businesses that could complement other tenants. Faircloth says the incubator is not meant to attract a single type of business, such as the state EDA’s Commercialization Center for Innovative Technologies in North Brunswick. Rather, she hopes to be able to have tenants that can use the services of other tenants — say, a computer tech who needs a lawyer, or an architect who could cross-promote an engineering firm.

Faircloth does face some familiar realities about business in Trenton. While a good many businesses downtown have held on, incubators have run into trouble. In 2008 the Trenton Business and Technology incubator, right down the road at 36 South Broad Street, closed down for lack of renewed business. Most businesses from that incubator relocated and are still in operation, but the center that housed them is no more. The incubator boasted 21 tenants just two years prior.

Faircloth is well aware of the fate of that incubator. DeRosa Group has owned 354 South Broad for some time already, and she says she has spent much time researching and interviewing business people about what has worked and what has not in the city. One major difference, she says, is that the accelerator will be a self-sustaining enterprise that will be kept alive by real revenue, rather than be part of the network of incubators funded at least in part by the state. The NJ Commission On Science and Technology, for example, has founded several incubators at colleges around the state, plus the EDA Commercialization Center.

“We really wanted to know how to do it without outside funding,” she says.

Faircloth is optimistic in any case, and says the accelerator’s location a few blocks from the Trenton train station puts it in a prime location. Then again, she considers Trenton itself a prime location for new businesses to grow. “Princeton has been taken care of,” she says. “There are a lot of spaces there.” She says the accelerator “will offer business opportunities that just simply are not available anywhere else in New Jersey.”

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