NJ Partnership for Action
Noel McGuire
Business Action Center

State of New Jersey
Highly educated, perfectly located.
New Jersey Partnership for Action

Lt. Governor
Kim Guadagno

New Jersey Business Action Center

New Jersey Economic Development Authority

New Jersey Higher Education

Choose: newjersey

State of New Jersey

Highly educated, perfectly located.
BAC Structure

- **International Trade** – export assistance and foreign direct investment.
  - Eddy Mayen. Eddy.Mayen@sos.nj.gov. (609) 633-1182

- **Planning** – Land use planning to guide future growth and redevelopment. Increasing involvement to help municipalities redevelop underused/vacant properties.
  - Gerald Scharfenberger. Gerald.Scharfenberger@sos.nj.gov. (609) 633-8301

- **Call Center** – General Business assistance.
  - incorporations, Licensing, Women/Minority Certifications. (866) 534-7789

- **Small Business Assistance** – Mentoring, Entrepreneurship Training, Access to Micro Lending Community.
  - Donald Newman. Donald.Newman@sos.nj.gov. (609) 984-9834
BAC Structure

- **Business Retention and Attraction** – Mission: Help attract and retain jobs in NJ.
  - 7 Business Advocates managing corporate retention/expansion projects. Over 230 active major projects at BAC.
  - **Meet Face-to-Face with Companies.** Listen to what they want to accomplish (buy a bigger building, new equipment, expiring lease, etc.) then identify, quantify, and coordinate all available forms of assistance to help the business.
  - **One-Stop Shop** for state financing programs; incentive grants, workforce training grants and recruitment, energy incentives, tax credits, etc. Prepare full, detailed written proposals. On pace to produce 200 proposals this year.
  - **Real Estate Searches.** Supplement broker effort with Co-Star and listings from county and local government.
  - **Project Management Approach** to commercial expansion and relocation projects, before, during, and after EDA incentive process.
    - Local Business Climate/Property Taxes and Fees, Workforce Recruitment and Training, Workforce Mobility, Energy Incentives, Higher Education Collaboration, Local Permitting and Building Inspections.

- **Permitting and Regulatory Assistance**
  - Nancy Belonzi, nancy.belonzi@sos.nj.gov, (609) 777-2490
  - State Agencies: DEP, Taxation; County: Planning Depts.; Local: Building Inspectors, Planning Boards, etc.
BAC Partnering with County & Local Gov’t

- Competition from other states is fierce.

- State administers the vast majority of incentive programs but corporate customers are pressing for deeper help and value-added support on all levels – state, county, and local. BAC outreach to county and locals on:
  - Understanding property tax climate.
  - Zoning/Planning Board issues and navigation.
  - Local point person for economic development.
  - Proactive approach to develop relationships with local employers and landlords.

- BAC taking active steps to leverage relationships/create partnerships with county and local government, chambers of commerce, colleges and universities, commercial real estate brokers, bankers, and corporate consultants.
  - BAC always searching for leads – companies moving, expanding, looking for new space, searching in other states, expiring leases, etc. Please contact us.
Primary State Job Creation/Retention Incentive

- The New Jersey Economic Opportunity Act of 2013 merges the State’s economic development incentive programs with the goal of enhancing business attraction, retention and job creation efforts and strengthening New Jersey’s competitive edge in the global economy.

- The Grow New Jersey Assistance Program (Grow NJ) is now the main job creation incentive program and the Economic Redevelopment and Growth Program (ERG) is the State’s key developer incentive program. Both programs have been expanded and will sunset July 1, 2019.

**Grow NJ**
- Base tax credits ranging from $500 to $5,000 per job, per year; bonus credits ranging from $250 to $3,000 per job, per year
- Expanded geographic boundaries
- Reduced capital investment and employment eligibility

**ERG**
- Increased State and local incentive grants - bonus awards to incentivize targeted development goals
- Expanded geographic boundaries
- Tax credits allocated for residential projects
NJ Partnership for Action
Michael Chrobak
Chief Economic Development Officer
Choose New Jersey Role

- The “private” member of the award-winning public-private economic development model

- A 501(C)(3) research-based lead generation, business attraction and marketing organization encouraging growth and investment throughout the state of New Jersey, including making New Jersey’s most distressed cities engines for growth and opportunity.

- Leverage strategic and collaborative partnerships to generate awareness and put New Jersey on the map as a premier business location.
Generating Awareness
More than 315 million impressions in 2014

LI, NYC businesses wooed by New Jersey again

How Does Your Garden State Grow?

The New York Times
Tax Break as Not-So Secret Weapon

The Philadelphia Inquirer
Christie off on Mexican trade mission Wednesday

Global Trade
Top States for Global Trade

Frontage Labs to Open New Facility in New Jersey

FOX News Latino
Once Upon a Time in Mexico

New Jersey’s Economic Boost

State of New Jersey
Highly educated, perfectly located.
Generating Conversations

- Target: C-Suite executives and location advisors
- Outreach to top 50 U.S. metros and more than 20 countries.
  - Canada, China, Germany, Italy, Mexico, Taiwan, Turkey, South Korea
- Pipeline of 6,000 projects
- Attract Foreign Direct Investment to New Jersey
New and Enhanced Business Apps
Global Business Interest in New Jersey

North America

Asia

Europe/Middle East

New Jersey Interest:
High
Average
Low

State of New Jersey

Highly educated, perfectly located.
Latin America Lead Generation
2015 BIO International / Philadelphia
June 15-18, 2015

- Planning underway
  - Partnering with BioNJ, HINJ and the State

- Unique opportunity to showcase NJ’s life sciences industry
  - Expanded NJ pavilion
  - Pre- and post-conference prospect and media tours
  - Receptions and events

- Gaging interest in participation from NJ companies and higher ed
  - Exhibiting in NJ pavilion
  - Sponsorships
Provide Business “Concierge” Services

- Research Assistance
- Site Services
- Business Introductions
- Information on Tax Incentives and Business Assistance Programs
- Liaison with State Agencies and Business Connections

CONTACT:
Michael Chrobak
Chief Economic Development Officer
(609) 297-2190
mchrobak@choosenj.com
Grow NJ

Eligibility includes:

- A location in a qualified incentive area;
- Meeting or exceeding the employment and capital investment requirements;
- Demonstrating that the award of the tax credit is a "material factor" in the company's decision;
- Demonstrating that the capital investment and the resultant creation of eligible positions will yield a net positive benefit of at least 110% of the requested tax credit amount (100% in Camden); supported by CEO certification that existing full-time jobs are at risk of leaving the State or being eliminated, and that the job creation or retention would not occur but for the Grow NJ award.

Performance-Based Requirements include:

- Maintaining the project employment for 1.5 times the period in which the business receives the tax credit;
- Maintaining a minimum of 80% of the full-time workforce from the last tax period prior to the grant approval (as evidenced through annual reporting requirements);
- Submitting independent CPA certification of actual capital investment and job creation or retention at project completion.
ERG

Eligibility includes:
- A qualified residential or commercial project with a location in a qualified incentive area;
- Demonstrating a project financing gap *(as determined through a rigorous analysis of the sources and uses of funds, construction costs and projected revenues)*;
- Commercial projects are subject to a comprehensive net benefit analysis to verify that the revenues the State receives will be greater than the incentive being provided (*net benefit of at least 110%*).

Performance-Based Requirements include:
- Submitting satisfactory evidence of actual project costs *(as certified by a CPA)*, and project completion, prior to the disbursement of any funds.
- For grants greater than $50 million, EDA may require negotiated repayment from profits, potentially including cash, equity and warrants.
**Activity**

**Grow NJ**
- 68 projects
- $1.3 billion awarded
- $1 billion capital investment
- 9,200 new, permanent jobs
- 10,300 at risk jobs retained

**ERG**
- 13 projects
- $363 million awarded
- $1.7 billion capital investment
- 4,500 new, permanent jobs
- 7,200 construction jobs to be created

- 40% of approved Grow NJ tax credits support manufacturing sector; 85% support projects in a targeted community
- 77% of approved ERGs are residential projects; 38% of all approved ERGs are located in a GSGZ.
Atlantic City included as a GSGZ, extending various enhanced benefits; would confer additional benefits exclusively afforded to the City of Camden:

**Grow NJ**
- Increased base tax credit amount of $5,000 per new/retained full-time job, capped at $15,000 with total benefit capped annually at $30 million over 10 years.
- Calculation of the net positive benefit resultant from the award of tax credits and the retention and creation of full-time jobs based on benefits generated during a period of up to 30 years following completion of the project.
- For each new or retained full-time job, tax credits equaling 100% of gross amount of tax credits.

**ERG**
- Increased reimbursement of 30% of total project costs and eligible for an additional 10% for total benefit of 40% over 20 years.
- Use of 85% of the projected annual incremental revenues to be pledged towards the incentive grant.
- Access to $175 million specifically set aside for qualified residential projects in GSGZs in eight southernmost counties.

Major Provisions

Grow NJ

- Revises definition of “capital investment” to exclude the cost of acquiring property in a GSGZ.
- Expands the definition of “mega project” to include a project located in an existing area designated in need of redevelopment within Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem counties having a capital investment in excess of $20 million, and at which more than 150 full-time employees are created or retained.
- Revises definition of “retained full-time job” to require a business to count full-time employees filling new eligible positions as retained full-time jobs to the extent needed to fulfill the required number of retained full-time jobs (backfilling) and to include for projects in the City of Camden any employee previously employed in New Jersey and transferred to Camden.
- Revises the definition of “tourism destination project” to mean a qualified non-gaming business facility, including a non-gaming business within an established Tourism District with a significant impact on the economic viability of that District, as determined by EDA.
- Revises the definition of “qualified incubator facility” to reduce the square foot of office space requirement from 100,000 to 50,000 feet, within which at least 50 percent of the gross leasable area, rather than 75 percent, is restricted for use by technology startup companies. Allows for aggregation of technology startups.

Major Provisions

Grow NJ

- For a project in the City of Camden, the net positive benefit determination would include the value of those property taxes that would have been assessed on new construction, improvements or substantial rehabilitation of structures if the structures were not otherwise exempt.

- For all projects approved since the effective date of the Act, the minimum capital investment required to be eligible that currently exists for industrial premises would be extended to warehousing, logistics, research and development premises for similar use in at least 51% of the gross leasable area.

- Allows a non-profit or other organization operating a qualified incubator facility to make an application on behalf of a business meeting program requirements, or a group of non-qualifying businesses or positions located at a qualified facility, for the purposes of being considered a unified project, so that the incentive can be aggregated by multiple tenants.

- Provides that businesses in any project in the City of Camden and Atlantic City that include a retail facility of at least 150,000 square feet, of which at least 50% will be occupied by a full-service supermarket, may assign their ability to apply under the program to the developer, and the application will aggregate the jobs of the businesses and the capital investment of the businesses and the developer.

- Adds a bonus of $1,000 per year for a qualified business facility that includes a vacant commercial building having over one million sq. ft. of office or lab space available for a period of over one year.

Major Provisions

Grow NJ

- Provides that allowed tax credits for retained full-time jobs, other than those that are part of a qualified business facility in a GSGZ, shall be the lesser of the per employee credit or an alternative per employee credit that factors in the amount of capital investment.
- Reduces the minimum amount of credits that may be transferred to $25,000; authorizes transfers within three years of the date of issuance; and provides that the certificate holder may take the credit amount for the tax period for which it was issued or may be carried forward for use in any of the next 20 successive tax periods.
- Provides that credits granted to a partnership shall be passed through to the partners, members, or owners respectively, pro-rata or pursuant to an executed agreement documenting an alternate distribution method.
- Provides that for a project located in the City of Camden with an award under the alternative tax credit calculation, EDA shall recalculate the amount, and apply any applicable greater annual cap, for a business that increases the number of employees at a qualified business facility until the first tax period for which a demonstrated reduction of the number of full-time employees occurs.

**Major Provisions**

**Economic Redevelopment and Growth (ERG) Program**

- Changes the dates qualified residential projects must submit an application from July 1, 2015 to July 1, 2016; and when evidence of a temporary certificate of occupancy must be submitted from July 28, 2015 to July 28, 2018.

**Urban Transit Hub Tax Credit (UTHTC) Program**

- Reduces the minimum amount of credits that may be transferred to $25,000.

**GSGZ Development Entity Tax Exemption**

- Extends measure to a GSGZ Development Entity that leases, in addition to owns, for a period of 30 years, real property with a lease for not less than 30 years, including a lessee that is subject to a statutory obligation to make a PILOT on the improvements equal to the taxes on real and personal property.

- Allows the tax exemption to be transferred upon the sale of a residential unit, as long as the new owner occupies the unit as a primary residence.