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CONTACT:

Press office
(609) 292-7065

SWEEPING STATE ECONOMIC STIMULUS MEASURE **CLEAR ASSEMBLY BUDGET PANEL**

*Would Place Moratorium on Nonresidential Development Fee,
Expand Transit Hub Tax Credit, Fuel Redevelopment,
Allow Colleges to Partner with Private Firms To Build Infrastructure*

(TRENTON) – Landmark legislation that would maximize New Jersey’s federal stimulus investments, promote economic growth and development efforts vital to pulling the state out from the current recession and positioning it for long-term prosperity was released today by the Assembly Budget Committee and sent to the full Assembly for a floor vote.

The measure (A-4048) – sponsored by Assembly Speaker Joseph J. Roberts Jr. and Assemblymen Albert Coutinho, Patrick Diegnan and John Wisniewski – represents a broad approach to jumpstarting local economic development projects and creating new jobs.

“We need to give communities and businesses the tools they need to work together to redevelop for the future and create new jobs and economic opportunities,” said Roberts (D-Camden). “Growing New Jersey out of this recession requires new approaches. This multi-faceted effort sends the clear message that New Jersey is open for business and looking to the future.”

Under the measure, a temporary moratorium would be placed on the 2.5 percent nonresidential development fee established under state law signed last year.

“A temporary hold on the nonresidential development fee does not mean we are going to allow towns to back away from their responsibilities to provide housing choice and opportunity to all working families,” said Roberts. “This simply recognizes that we are in extraordinary economic times.”

The Urban Transit Hub Tax Credit program would be overhauled to promote corporate capital investment and development near mass transit centers. Created in 2007, the program offers a 100-percent corporate business tax credit to companies planning capital projects that invest at least \$75 million and create or relocate at least 250 jobs to within a half-mile of mass transit stations in Trenton, Newark, New Brunswick, Paterson, Elizabeth, Hoboken, Jersey City and East Orange. In Camden, that radius would be one mile.

The investment threshold would drop to \$50 million – businesses that lease space would see their investment floor reduced from \$50 million to \$17.5 million.

“An investment tax credit is an important tool to luring new jobs and taking full advantage of our transportation infrastructure,” said Assemblyman Albert Coutinho (D-Essex). “Luring new investment to transit hubs would perfectly balance the investment we are making in vital transportation projects with our federal stimulus dollars.”

The bill also aims to spur local redevelopment by replacing the state’s unwieldy and largely unused Revenue Allocation District program – only one district has been created since the program’s inception in 2002 – with a new Economic Redevelopment and Growth Grant program (ERGG). The ERGG system would be modeled off the state’s successful Brownfields Site Reimbursement program, which allows for the financing of redevelopment through revenues derived from a site’s redevelopment – including sales and corporate business taxes – rather than solely through local borrowing.

“Giving towns a new tool that will help them smartly redevelop and is based on a highly successful model makes common sense,” said Assemblyman Louis Greenwald (D-Camden).

State colleges and universities also would be permitted to partner directly with private developers to build new campus infrastructure – such as dormitories – that would be paid-for through revenue generated by the facility. Such agreements would curtail the need for higher education institutions to self-finance the costs of construction. Over the past two decades, many colleges and universities have found themselves at or near debt capacity in trying to keep up with the needs for additional development.

Under the bill, all public colleges and universities would be required to develop long-range facilities plans and update those plans every five years. Plans would be subject to review by the Commission of Higher Education.

“In the race to meet the needs of growing student bodies, too many state colleges and universities have been forced to rely on borrowing and tuition hikes,” said Assemblyman Patrick Diegnan (D-Middlesex). “Allowing schools to work directly with the private sector will not only create the modern campuses needed to keep more students in New Jersey, but will also do so in a more financially sound way.”

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