

**Regional Center Partnership of Somerset County  
Special Meeting of February 3, 2021  
Approved  
Meeting Minutes**

The meeting was convened by means of video conference.

**Name/Organization**

**Voting Members**

Troy Fischer, Chair, RCP  
Victoria Allen, RWJBarnabas Health  
Anthony Tufaro, Ethicon Somerville  
Matt Moench, Mayor, Bridgewater  
Filipe Pedroso, Bridgewater Twp. Council  
Michael Pappas, Bridgewater Administrator  
Andrew Fresco, Bridgewater  
Zachary Bray, Mayor, Raritan Borough  
Angela Knowles, Raritan Borough Planner  
Nick Zamora, Raritan  
Dennis Sullivan, Mayor, Somerville  
Rick St. Pierre, Somerville  
Paul Drake, Somerset County (SC) Board of County Commissioners  
Sara Sooy, SC Board of County Commissioners (Alternate)  
Bernie Navatto, SC Planning Board  
Walter Lane, SC Planning Division  
Geoffrey Soriano, SC Park Commission  
Chris Edwards, SC Business Partnership  
John Maddocks, SC Business Partnership (Alternate)

**Non-voting County Support Staff**

James Ruggieri, SC Planning Division

**Non-Voting Guests**

Colleen Mahr, Somerset County Administrator  
Barry Ableman, NJ Office for Planning Advocacy  
Phil Decker, Somerville Resident  
Rich Reitman, The Reitman Group

The meeting commenced at 5:00 PM.

**Business Items**

**Call to Order**

RCP Chair Troy Fischer called the meeting to order.

**Attendance Roll Call**

Principal Planner James Ruggieri read through the roll call and noted for the record the voting members that were in attendance.

Somerset County Administrator Colleen Mahr introduced herself as the new Administrator for Somerset County and noted that she is pleased to attend and listen to what the Regional Center Partnership is doing.

### **Chair's Remarks**

Chair Fischer welcomed Somerset County Administrator Mahr to the meeting.

### **Action Item**

#### **Strategic Initiatives: Grant Proposal, NJ Economic Recovery Act of 2020**

Chair Fischer turned the meeting over to Somerset County Director of Planning Walter Lane. Mr. Lane noted that the newly adopted NJ Economic Recovery Act of 2020 in relation to the Regional Center and Somerset County was discussed in great detail at the January 20, 2021 meeting including discussing about potentially engaging the Somerset County Business Partnership to work with consultant Murphy Partners (now known as Murphy Schiller & Wilkes LLP) to review and provide comments regarding the new legislation that was adopted and the proposed rules to promulgate the new programs. At the January 20, 2021 meeting the Regional Center Partnership (RCP) membership agreed to hold a special meeting to review the Business Partnership's proposal and to have the full body act on it.

Mr. Lane provided a background summary of what transpired since 2018 that have led to where we are now. In 2019 the RCP was aware that the legislation at that time was about to expire and that there appeared to be no movement at the state level. The legislation did expire with no new legislation in place. At the end of 2019, RCP set aside the current funding of \$30,000 to enable RCP to act and intervene at the proper time when the new legislation was moving. As it turned out, new legislation was introduced and moved extremely quickly at the end of 2020 and has now been adopted; the objective now is to make sure the new legislation and the rules governing the new legislation do not put the Regional Center at a disadvantage as was done with the previous legislation. Mr. Lane then turned the meeting over to Somerset County Business Partnership President & CEO Chris Edwards and Somerset County Business Partnership Vice-President for Economic Development John Maddocks to go over the proposal which was shared with everyone electronically prior to the meeting.

Mr. Maddocks provided an overview of the background information pertaining to the proposal including how Somerset County first became aware of how the previous Grow NJ program created a "suburban disadvantage" and how this impacted the Regional Center and Somerset County and the Business Partnership's subsequent efforts on behalf of RCP and Somerset County to engage the state legislators and the Governor's office to try and get legislative reform adopted before the 2013 Economic Opportunity Act and Grow NJ expired. As previously noted, no new legislation was proposed until December 2020 and adopted by Governor Phil Murphy in January 2021. Mr. Maddocks summarized the Grant Proposal submitted by the Somerset County Business Partnership to the RCP for work related to the newly adopted legislation known as the New Jersey Economic Recovery Act of 2020. Mr. Maddocks then summarized the findings based on an initial review of the new legislation. The recommendations put forth in the Suburban Disadvantage report have been incorporated into the new legislation; however, there remains some question as to how the legislative language will be interpreted during the rule making process and that the type of language used or not used really needs a legal review. Mr. Maddocks summarized the deliverables and the desired outcome as described in the Grant Proposal.

Mr. Edwards added that we are at a unique crossroads heading into a post-COVID world and the Business Partnership is trying to understand what this means to all our main employers in the Regional Center and throughout the entire County and analyzing this new legislation and being part of the rule making process will benefit us not only by helping retain our major employers but also to attract businesses into the County as well.

Mr. Lane noted that the proposal is for a not to exceed amount of \$30,000.00 which is the budgeted amount and that, if approved, RCP would execute a contract with the Business Partnership and make a half payment up front

and a half payment upon project completion which is similar to how the previous contract between RCP and the Business Partnership was administered.

Much discussion followed. There was discussion about how the funding would be used, the amount of funding involved, the expected work products, the desired goals and objectives of the project, and why this is of such importance to the Regional Center's economic interests as well as Somerset County. In response to several questions raised during the discussion regarding if this should be a County led effort or a Regional Center Partnership led effort, several members noted how the \$30,000 funding being considered for the project had already come out of the 2019 budget for this purpose and therefore would not impact the current budget. Also, it was noted that in 2020 RCP awarded \$120,000 in Resiliency and Economic Recovery Challenge Grants (\$40,000 per town) out of the 2020 budget to undertake activities intended to help offset the COVID-19 pandemic's impact on the local economy. Another point made was that, now that the new Economic Recovery Act of 2020 has been adopted, in view of the long-term economic interests of the Regional Center, the RCP needs to complete the task of this strategic initiative by undertaking an in-depth assessment of the provisions of the new legislation and determine their impact on the Regional Center and Somerset County and follow through on implementing the anticipated recommendations to ensure we do not end up with another "suburban disadvantage" in the rules that will promulgate the new legislation. Also, the Regional Center stands to benefit the most from the desired results. This would also help build upon the Regional Center's 2013 achievement of attaining Plan Endorsement from the State Planning Commission which is intended to ensure the Regional Center gets priority consideration when applying for state resources consistent with the objectives of the State Development and Redevelopment Plan; therefore, it is critical that the provisions of the new legislation not be inconsistent with this and that now is the time to identify and seek to resolve unintended discrepancies in the law. The intention is to use the same consultant that prepared the Suburban Disadvantage report since they are already familiar with the issues and objectives for that initiative. Also discussed was how the state relies so heavily on a municipality's total population as a determining factor in awarding state aid with the result being that smaller towns are not even able to compete against urban centers like Jersey City and that one possible way to help increase the competitive standing of smaller population centers like the Regional Center is to make population density a criterion and that this should be considered as part of the analysis of the new legislation.

At the conclusion of the discussion, Somerset County Planning Board Chair Bernie Navatto moved to accept the Grant Proposal submitted by the Somerset County Business Partnership to perform work related to the New Jersey Economic Recovery Act of 2020 for a not to exceed amount of \$30,000.00 and funded from the \$30,000.00 previously allocated for Strategic Initiatives; Vicky Allen, VP, Strategic Marketing, Southern Region, RWJBarnabas Health, seconded the motion.

A roll call vote was taken resulting in the following voting record:

Ayes: Troy Fischer, Vicky Allen, Anthony Tufaro, Zachary Bray, Angela Knowles, Nick Zamora, Dennis Sullivan, Rick St. Pierre, Paul Drake, Bernie Navatto, Walter Lane, and Geoffrey Soriano

Nays: Matt Moench, Filipe Pedroso, Michael Pappas, and Andrew Fresco

Abstentions: none

(Mr. Edwards recused himself from the action that was taken.)

The motion was approved.

### **Public Comment Period**

There were no public comments regarding any item not on the agenda.

## Adjournment

Bridgewater Mayor Matthew Moench moved to adjourn the meeting and Mr. Navatto seconded the motion.

A voice vote was taken resulting in the following voting record:

Ayes: Troy Fischer, Vicky Allen, Anthony Tufaro, Matt Moench, Filipe Pedroso, Michael Pappas, Andrew Fresco, Zachary Bray, Angela Knowles, Nick Zamora, Dennis Sullivan, Rick St. Pierre, Paul Drake, Bernie Navatto, Walter Lane, and Geoffrey Soriano

Nays: none

Abstentions: none

The motion to adjourn was approved.

# REGIONAL CENTER PARTNERSHIP OF SOMERSET COUNTY

## Business Meeting of January 20, 2021

Join Zoom Meeting  
<https://us02web.zoom.us/j/89783968613>

Meeting ID: 897 8396 8613  
One tap mobile  
+1-929-205-6099 Access Code: 89783968613#

### AGENDA

#### BUSINESS ITEMS

1. Call to Order
2. Roll Call
3. Chair's Remarks:
4. Adoption of Meeting Minutes: November 12, 2020
5. Adoption of Treasurer's Report for November-December 2020

#### ACTION ITEMS

*"Public comments will be entertained at this time regarding any action item. All comments shall be directed to the Chair and limited to three (3) minutes per speaker."*

6. Adoption of 2021 Meeting Dates
7. Adoption of 2021 Budget and Work Plan

#### INFORMATION ITEMS

8. Marketing Update
9. Strategic Economic Development Activities Update
10. Municipal and Other Reports

#### PUBLIC COMMENT PERIOD

*Public comments will be entertained at this time regarding any items not on the agenda. All comments shall be directed to the Chair and limited to three (3) minutes per speaker.*

**Next Meeting Date: Wednesday, March 17, 2021 at 5:00PM**

# REGIONAL CENTER PARTNERSHIP OF SOMERSET COUNTY

## Special Meeting of February 3, 2021

Join Zoom Meeting

<https://us02web.zoom.us/j/86949514608>

Meeting ID: 869 4951 4608

One tap mobile

+1-301-715-8592 Access Code: 869 4951 4608#

### AGENDA

#### BUSINESS ITEMS

1. Call to Order
2. Roll Call
3. Chair's Remarks

#### ACTION ITEMS

*"Public comments will be entertained at this time regarding any action item. All comments shall be directed to the Chair and limited to three (3) minutes per speaker."*

4. Strategic Initiatives: Grant Proposal, NJ Economic Recovery Act of 2020

#### PUBLIC COMMENT PERIOD

*Public comments will be entertained at this time regarding any items not on the agenda. All comments shall be directed to the Chair and limited to three (3) minutes per speaker.*

**Next Meeting Date: Wednesday, March 17, 2021 at 5:00PM**



February 1, 2021

Walter Lane  
Regional Center Partnership of Somerset County, Inc.  
c/o Somerset County Planning Board  
20 Grove Street  
PO Box 3000  
Somerville, NJ 08876

RE: Grant Proposal, Economic Recovery Act of 2020

Dear Mr. Lane:

The Somerset County Business Partnership Foundation, Inc. is pleased to submit the attached Grant Proposal in continuation of our previous efforts to ensure statewide job creation and private sector economic investment incentives serve the interests of the Somerset County Regional Center.

Our proposal builds upon previous successful work in analyzing the impacts of Grow NJ as part of the Economic Opportunity Act of 2003 as the business attraction and retention program in New Jersey.

We look forward to discussing the Proposal with members of the Regional Center Partnership of Somerset County.

Best regards,

A handwritten signature in blue ink, appearing to read 'John Maddocks', is written over a light blue circular background.

John Maddocks

## GRANT PROPOSAL

Submitted by  
Somerset County Business Partnership Foundation, Inc.  
to the  
Regional Center Partnership of Somerset County, Inc.  
for  
Work related to the Economic Recovery Act of 2020  
Submitted on February 1, 2021

### BACKGROUND

Throughout 2018 and 2019 the Somerset County Business Partnership Foundation, Inc., under an agreement with the Regional Center Partnership of Somerset County, Inc., conducted research and analysis related to the impacts of the Economic Opportunity Act of 2013.

This strategic effort was designed to ensure that the job creation and private sector economic investment interests of the Somerset County Regional Center (Regional Center) were represented at a time when the NJ Legislature was preparing to renew or replace Grow NJ as the business attraction and retention incentive program in New Jersey.

Our report: “The Suburban Disadvantage”, documented the impacts of the Grow NJ program and formed the basis for discussions with state elected and appointed officials, including the delivery of testimony before NJ Senate and NJ General Assembly committees as well as consulting with partner organizations on behalf of the Regional Center

While the Legislature and Administration ultimately allowed the Economic Opportunity Act of 2013, and thus Grow NJ, to expire on June 30, 2019 we continued to represent the interests of the Regional Center based on the findings and recommendations contained in the Suburban Disadvantage report.

On December 21, 2020 both the NJ Senate and NJ Assembly passed the Economic Recovery Act of 2020, which had been introduced and referred to the Assembly Appropriations Committee on December 16, 2020. The Economic Recovery Act of 2020 was subsequently signed into law on January 7, 2021.

The Economic Recovery Act of 2020 is comprised on 12 separate programs, principle among them being the Emerge Act, which replaces Grow NJ as the business attraction and retention incentives legislation.



## **FINDINGS**

An initial review of the Economic Recovery Act of 2020 finds that many of the recommendations put forth in Suburban Disadvantage report have been incorporated in the new legislation, although there remains some question as to how legislative language will be interpreted during the rule making process.

There may also be an opportunity to pursue legislative fixes for provisions of the Economic Recovery Act of 2020 that do not benefit the Regional Center. In fact, there was similar legislative amendments to the Economic Opportunity Act of 2013 after its passage.

In summary, the Economic Recovery Act of 2020 was somewhat hastily approved by the New Jersey Legislature in a 5-day period at the end of the year. The likelihood of conflicting legislative provisions and less than clear legislative intent remains high.

## **DELIVERABLES**

The Somerset County Business Partnership Foundation, Inc. proposes to provide services to the Regional Center Partnership of Somerset County, Inc. in order to ensure that the Economic Recovery Act of 2020 in general, and the Emerge Act in particular, serve the job creation and private sector economic investment interests of the region.

1. Within 30 days of execution of this Agreement the Somerset County Business Partnership Foundation Inc. will deliver to the Regional Center Partnership of Somerset County, Inc. primary research related to the Economic Recovery Act of 2020 (the “Act”) including a comparative analysis of the Act to that contained in the Suburban Disadvantage Report, which focused on awards for projects under the Grow New Jersey Assistance Program (“Grow NJ”) (the predecessor program to those created under the Economic Recovery Act). Specifically, the Memo will focus on the Emerge Program – the successor to the Grow NJ program – the State’s new job attraction and retention program.
2. Following the analysis performed above we will make recommendations for proposed legislative and/or regulatory changes to the Economic Recovery Act, suggest strategies for engaging lawmakers and other public officials regarding changes, and draft statutory and regulatory language related to the same. In addition, we will monitor all proposed legislation, regulations, and/or policy changes throughout the term of this agreement.

Grant Proposal  
Economic Recovery Act of 2020  
February 1, 2021

## **FUNDING**

We propose a not to exceed grant in the amount of \$30,000 of which \$2500 will be reserved for administrative purposes. Further, the Somerset County Business Partnership Foundation, Inc. estimates that we will provide approximately \$9800 worth of in-kind program management, research, marketing, communications, presentation, graphic design, and facilitative services throughout the term of the project.

## **TERM**

We propose a term of February 1, 2021 to June 30, 2021 to complete this project, which coincides with the Economic Recovery Act of 2020 requirement for the New Jersey Economic Development Authority to promulgate rules and regulations within 6 months.

## **ATTACHMENTS**

The following are attached for reference:

- December 23, 2020 Memorandum analyzing the Economic Recovery Act of 2020.
- September 23, 2019 Presentation: Ensuring the Economic Competitiveness of Somerset County, NJ

December 23, 2020

To: Chris Edwards  
Walter Lane  
Fr: John Maddocks  
Re: Initial Review of the Economic Opportunity Act of 2020 (Assembly, No. 4; Senate, No. 3295) and Connections to the Suburban Disadvantage Analysis and Recommendations

On Monday December 21, 2020 the New Jersey Senate approved Senate, No. 3295 (S3295); the Economic Opportunity Act of 2020, whose companion bill, Assembly No. 4, had been passed earlier that same day by the New Jersey General Assembly.

An Assembly Appropriations Committee Statement to Assembly, No. 4, is attached to this Memorandum.

The Economic Opportunity Act of 2020 (EOA 2020) has been of interest to the Somerset County Board of Chosen Freeholders, the Regional Center Partnership of Somerset County, and the Somerset County Business Partnership since March of 2018 when the parties anticipated a June 30, 2019 expiration of the Economic Opportunity Act of 2013.

A resultant analysis and report; “The Suburban Disadvantage: An Overview of the Grow NJ Program” analyzed provisions of Grow NJ, as the business attraction and retention incentives program in New Jersey, and its impacts, or lack thereof, on Somerset County, NJ.

In seeking to improve any future statewide business incentives legislation, the Suburban Disadvantage report formed the basis for extensive outreach and advocacy with partner organizations and state elected officials. Outreach and advocacy efforts focused on the 18 state elected officials representing parts of Somerset County, NJ, legislative leadership- including special advisors appointed by the Senate and Assembly, legislative committees, local elected officials, and, as mentioned, partner organizations.

Outreach and advocacy efforts included one-on-one briefings, testimony before legislative committees, regular communications with elected and appointed officials, and collaboration with partners.

Based on our extensive review and analysis of the Grow NJ program, communications with interested parties focused on the following 4 principles as recommendations for improving statewide business incentives programs:

- Business assistance programs should be linked directly to job creation and/or retention and private sector economic investment.
- Business assistance programs should be available to every community in NJ seeking a better economic future for its residents
- Business assistance programs should be tied to the NJ State Development and Redevelopment Plan; specifically recognizing Planning Areas and Designated Centers
- Business assistance programs should recognize proper land use, master planning, and economic development strategies at the local and county levels including:
  - Locally designated areas in need of redevelopment
  - Brownfields redevelopment areas
  - Main Street NJ designated communities
  - Transit Village designated communities
  - Priority growth areas in County Master Plans
  - Opportunity Zones

As there are 10 separate “Acts” that comprise the EOA of 2020 a direct comparison with the Economic Opportunity Act of 2013 is difficult, with the latter being comprised on two programs; Grow NJ and Economic Redevelopment and Growth (ERG). The two primary programs within the EOA of 2020 that can be viewed as replacement legislation for Grow NJ and ERG are the Emerge Program Act and the New Jersey Aspire Program Act (Aspire Act) respectively.

Both the Emerge Program Act and the New Jersey Aspire Program Act take steps to recognize State Planning Areas 1 and 2, Designated Centers, Transit Villages, and Opportunity Zones consistent with our communicated principles, although certain other exclusionary provisions may impact the effectiveness of these two programs in Somerset County, NJ.

The Emerge Act will require further analysis, and perhaps mapping, to determine exactly which geographies in Somerset County, NJ will benefit from program provisions. While the Emerge Act establishes “Employment and Investment Corridor[s]” that recognize sound local planning, these corridors must intersect with “portions of...a qualified incentive tract” as defined at line 23 on Page 93 of S3295.

The remaining 8 Acts of the EOA of 2020 establish varying eligibility criteria. One notable provision that seems to be consistent throughout the various Acts of the EOA of 2020 is qualifying criteria for “transformative projects”. For instance, under the Historic Property Reinvestment Act transformative projects are limited to those located in a “city of the first class”.

As a final observation, there may be an opportunity for Somerset County, NJ to lead efforts in connecting multiple EOA 2020 programs with local priorities. For instance, it may be possible to link the New Jersey Community-Anchored Development Act with the New Jersey Innovation Evergreen Act with a focus on emerging technologies of

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MEMORANDUM

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**Overview:**

The economic recovery package that the Governor and Legislature have agreed upon contains jobs, place, and sector-based, innovation and main street-focused programs that are designed to lift New Jersey out of the deepest recession of our lifetime and build towards a more equitable and prosperous future.

**Reformed programs include:**

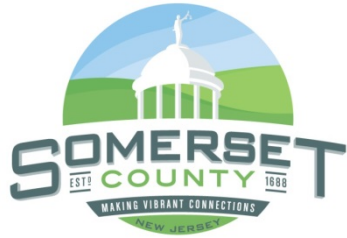
- **Emerge Program:** Replacing the GROW program, this is a job creation tax credit focused on bringing new high-paying jobs to our communities, with base and bonus structure for targeted industries and geographies.
- **New Jersey Aspire Program:** Replacing the ERG program, this is a gap financing program to support commercial, industrial, mixed use, and residential real estate development projects, with an emphasis on higher need communities.
  - Emerge and Aspire will split a \$1.1 billion cap per year over 6 years, with a 65% (Northern 13 counties) – 35% (Southern 8 counties) set-aside over the first 3 years. One-half of the remaining balances from Emerge and Aspire will be available to all projects statewide beginning in Year 4.
  - Separate from the Emerge and Aspire program cap is a set-aside for large, transformative projects. There can be a maximum of 10 such projects, capped at \$250M per project.
- **New Jersey Ignite:** \$250k Supporting collaborative workspaces for start-ups through direct financial assistance. Permanent program.
- **Angel Investor Tax Credit:** Expanded to \$35M from \$25M; allows for NJ-focused funds to participate. Permanent program.
- **NOL Program:** Program expanded to \$75M from \$60M; Lifetime company cap increased to \$20M. Permanent program.
- **Film Tax Credit Program:** Program cap expanded from \$100M up to potentially \$300M, depending upon long term commitments to existing studio space or newly developed studio space.
- **Offshore Wind Manufacturing Tax Credits:** Expanded program cap to \$350M; expand geography to statewide.
- **Brownfields Redevelopment Incentive Program:** 40% of total project cost up to \$4M to clean up contaminated sites with a \$50M annual cap. Permanent program.

**New programs include:**

- **Main Street Recovery Finance Program:** One-time direct \$50M appropriation for grants, loans, loan guarantees, and technical assistance to small/micro businesses and CDFIs.
- **New Jersey Innovation Evergreen Fund:** \$300M capped investment via public private partnership to support start-ups and generate returns for the state. Set asides for MWBE enterprises and firms within eligible Opportunity Zone tracts. Funded by the capped sale of \$60M of tax credits per year.
- **New Jersey Community-Anchored Development Program:** Allows the State to be a minority equity partner in developments with anchor institutions, offering a chance for investment returns. \$200M annual cap. This program is also subject to the same regional allocations as Emerge and Aspire.
- **Historic Property Tax Credit:** Paired with federal tax credits, provides up to 40% of total project cost to rehabilitate historic properties with a ramped up annual cap reaching \$50M per year. Permanent program.
- **Food Desert Relief Program:** 40% of total project cost to expand food access in underserved communities. included as well as a \$40M annual cap.

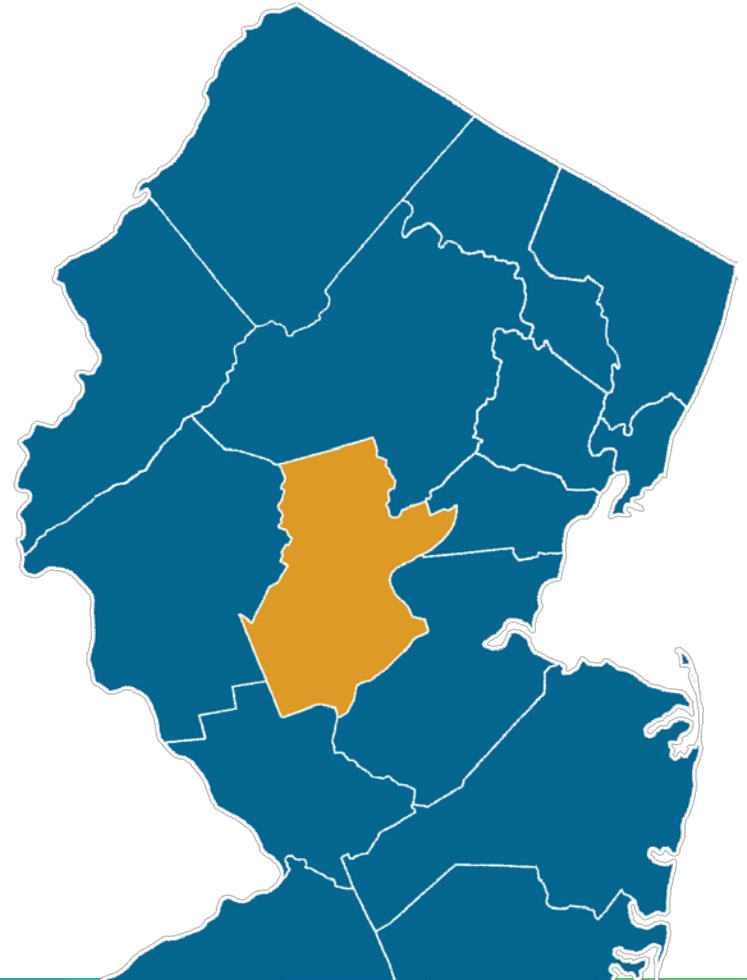
**Governance & Transparency Reforms:**

- Instates lifetime **program caps** to provide certainty and predictability to taxpayers.
- Incorporates critical **good government and anti-corruption reforms**, including an independent Inspector General.
- Expands labor protections to support New Jersey's **building trades** and **building service workers**, including **labor harmony** and **prevailing wage** requirements.
- Expands Community Benefit Agreements and CEO Certifications.



# Ensuring the Economic Competitiveness of Somerset County

September 23, 2019



# Background



**Somerset County  
Business  
Partnership**



**Somerset County  
Regional Center  
Partnership**



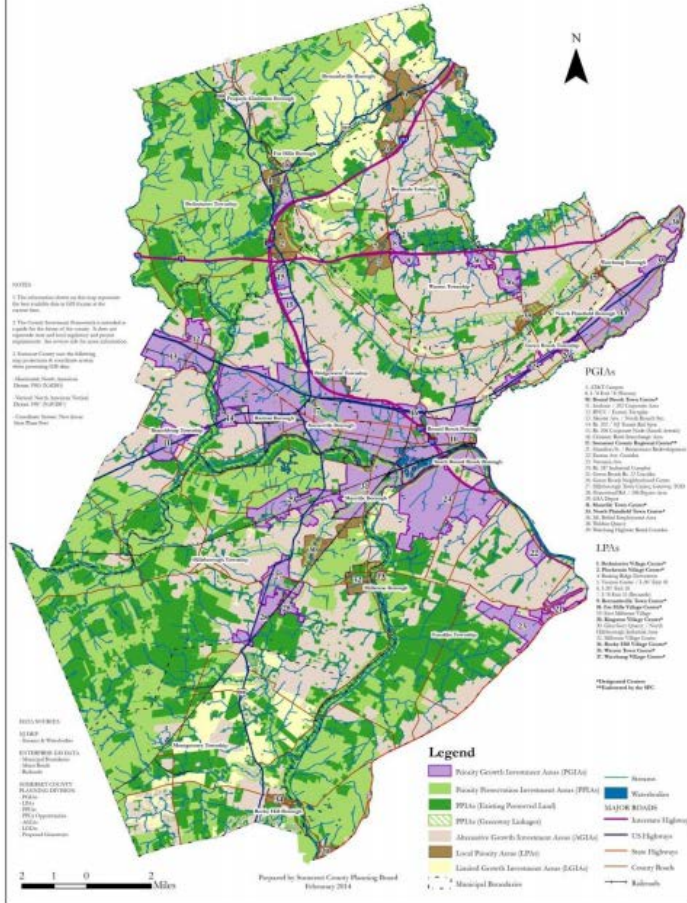
**Amazon and  
LabCorp  
Proposals**

In 2017 the SCBP led the effort on two Regional Center based projects; a major expansion of LabCorp and the site location proposal for Amazon HQ2. These business expansion and attraction efforts highlighted Somerset County's, and the Regional Center's, competitive disadvantage within NJ's Business Incentive Programs.



# COUNTY INVESTMENT FRAMEWORK

## Somerset County, NJ



# INVESTMENT SOMERSET

COUNTY OF SOMERSET  
NEW JERSEY

A Collaborative Blueprint for Economic Growth

**Collaborative Opportunity Reporting Compliance Planning Collaboration**

A COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY FOR SOMERSET COUNTY, NEW JERSEY

With expiration of Grow NJ program there is an opportunity to advocate for business incentive reforms



Document our competitive position within NJ's business incentives programs



Detail specific program changes (requests) that would increase our competitive position



Seek the support of state elected representatives and others in furthering legislative changes to existing incentive programs



# Ensuring Our Competitive Position

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- Grow NJ was the state's key economic business retention and expansion program
- Over the past 5 years Grow NJ has helped stimulate job creation and private sector economic investment throughout the state
- Legislative discussions have begun on reauthorizing an amended version of the Economic Opportunity Act



# Grow NJ: the State's Key Economic Development Incentive Program



**Total Projects**

252



**Retention Projects**

146



**Credits**

\$4.7b



**Private Capital Investment\***

\$4.5b



**New Jobs Created\***

30,000



**Jobs Retained\***

36,000

\*Upon completion

# Retention Incentives Have Been Key for Somerset County



- 10 of 11 Grow NJ awards in Somerset County have been retention projects
- 1 of 11 awards was a job attraction project

# 11 Grow NJ Projects Have...



Helped Somerset County  
**retain 4,877 jobs while  
attracting 50 jobs**



Resulting in over **\$390 million**  
in private capital investment



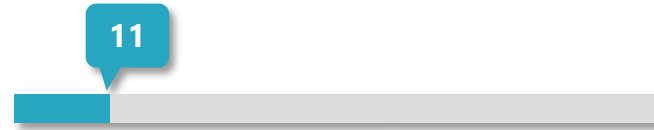
## Somerset County's Competitive Position in a Similar Market Size

	Office Buildings	Existing Office Space
Somerset County NJ	1,056	30,500,000sf
Hudson Waterfront	1,062	29,400,000sf

## ... The programs created a *suburban disadvantage*



Somerset County total Grow NJ projects:



Jersey City total Grow NJ projects:





# Grow NJ Projects are not evenly distributed around the state...

	Somerset County	Jersey City
Grow NJ Projects	11	41
Jobs Retained	4,877	4,391
Jobs Attracted	50	7,566
Private Capital Investment	\$390 million	\$386 million

# Comparative Analysis of Somerset County

## Vacancy Rate



**Somerset:**  
**13.2%**

**Hudson Waterfront:**  
**10.0%**

## Gross Rent per SF



**Somerset:**  
**\$22.45**

**Hudson Waterfront:**  
**\$31.65**

## Months on Market



**Somerset:**  
**21.8**

**Hudson Waterfront:**  
**13.4**

## Case Study Example: Site Facility Search of Two Locations



**Jersey City Waterfront**



**Downtown Somerville**

# Grow NJ Incentives Significantly Disadvantage Somerset County, NJ Projects

200 Full time jobs  
\$2 million capital investment  
20,000 sq. ft. commercial office

	Jersey City Waterfront	Somerville
Base Credit	\$5,000 (distressed municipality)	\$3,000 (priority area)
Bonus Credit (transit oriented development)	\$2,000	\$2,000
Bonus Credit (targeted industry)	\$500	\$500
Annual Credit per job	\$7,500	\$5,500
Total Grow NJ Award over 10 years	\$15.5 million	\$4.12 million

\*For a project located in a priority area, the award will be the lesser of the gross calculated amount (i.e., \$11MM or 90% of the withholding taxes generated at the facility. Based on a median salary of \$75,000, 90% of the withholding taxes for 200 jobs would be approximately \$4.12 as opposed to \$11,000,000.



## Key Findings

Any new business incentives program should not disadvantage 90 percent of NJ Municipalities

Business retention incentives should be a major component of any new state program

Business incentives should be focused on jobs and private sector economic investment

The NJ State Development and Redevelopment Plan, and specifically the designation of Planning Areas and Centers should be recognized as high priority locations for business assistance.

Sound local planning should be supported through statewide business assistance programs, including recognition of areas in need of redevelopment, designated Main Street communities, Transit Oriented Development Areas, and Special Improvement Districts.

Our strategy moving forward includes 4 principle priorities:

**Priority #1:**

Business assistance programs should be linked directly to job creation and/or retention and private sector economic investment.



## Priority #2:

Business assistance programs should be available to every community in NJ seeking a better economic future for its residents



## Priority #3:

Business assistance programs should be tied to the NJ State Development and Redevelopment Plan; specifically recognizing Planning Areas and Designated Centers





## Priority #4:

Business assistance programs should recognize proper land use, master planning, and economic development strategies at the local and county levels including:

- Locally designated areas in need of redevelopment
- Brownfields redevelopment areas
- Main Street NJ designated communities
- Transit Village designated communities
- Priority growth areas in County Master Plans



# Activity and Outreach to Date



## Partners

- Board of Chosen Freeholders
- Regional Center Partnership
- Somerset County Business Partnership
- Bridgewater, Raritan, Somerville



## Target Audiences

- Somerset County Legislators
- NJ Business Action Center/NJEDA
- NJAC/NJSLM



## Outreach

- Presentations
- Briefings
- Marketing & communications – Letter to the Editor

## Contact Us



John Maddocks  
jmaddocks@scbp.org



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Bridgewater, NJ 08807