

New Jersey Partnership for Action

Business Growth and Job Creation in New Jersey
November 15, 2011



THE STATE OF NEW JERSEY

Partnership For Action

Linda Kellner
Acting Executive Director
New Jersey Business Action Center



Making New Jersey a Home for Growth

Tax Environment

- Vetoed income tax rate hike
- Allowed corporate business tax surcharge to sunset
- Signed 2% property tax cap
- Enacted a single-sales-factor formula and provided for loss carry-forwards
- Increased R&D tax credit to 100 percent
- Reduced minimum business tax paid by Subchapter S Corporations 25%

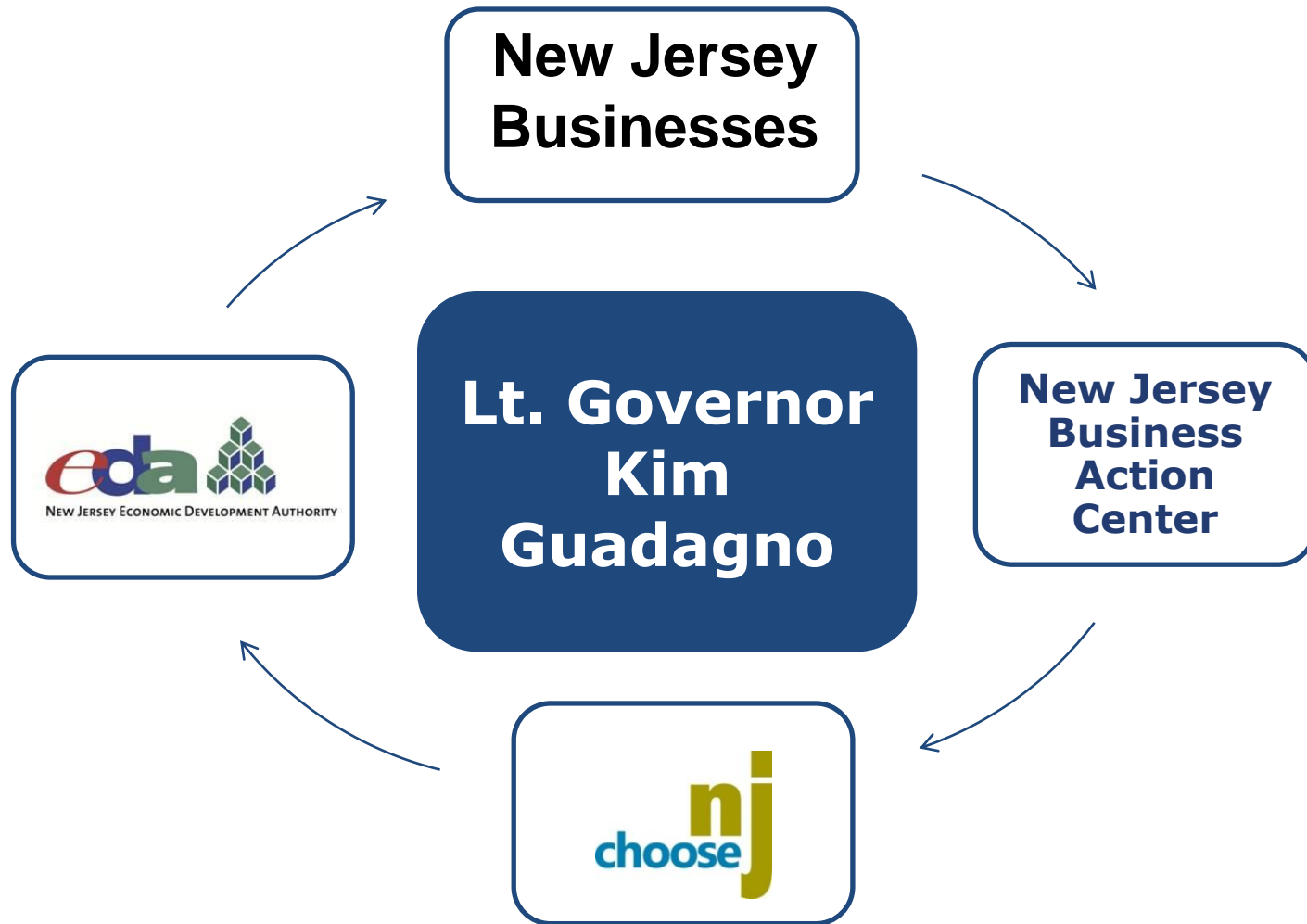
Regulatory and Legislative Climate

- Established Red Tape Review Commission
- Created the Office of Economic Growth and Green Energy at DEP
- Signed BRRAG measure
- Signed law establishing FMERA

Aggressive Outreach

- Signed law to establish a new program specifically to help small businesses navigate the various programs administered by the State
- Launched Aggressive Business Calling Plan
- Lt. Governor Embarked on Statewide “100 Business Tour”
- Talent Network Initiative
- Unveiled the Partnership for Action





Choose New Jersey

Melissa Hensley
Chief Marketing Officer



Marketing and Lead Generation



▶ Choose NJ Mission

- CNJ is an independently funded and operated 501(c)(3) nonprofit corporation created to encourage and nurture economic growth throughout New Jersey, including a focus on making the state's most distressed cities engines for growth and opportunity.

▶ Choose NJ Leadership and Funding

- 16-person Board of Directors
- Leaders of a broad range of NJ organizations, Fortune 500s and privately-held enterprises
- Board pledged nearly \$7 million over three years to launch effort; have begun renewing commitment for subsequent years



Marketing and Lead Generation



- ▶ Choose NJ initiative will attract business to NJ by:
 - Advancing New Jersey's economic prosperity as the voice of industry in the creation and promotion of a more business-friendly New Jersey.





Results

- ▶ Some of Choose NJ's accomplishments so far:
 - Hired CEO and core team with a total of 40 years of economic development experience
 - Hosted several events with a focus on site selectors
 - Commissioned critical data, analysis and strategy
 - Participated in key industry conferences
 - Ventured outside the state for media/business missions in Philadelphia and New York
 - Carried the message of NJ's robust economic incentives to California



Results



- ▶ Some of Choose NJ's accomplishments so far (cont'd):
 - Held a business retention event at NBA Draft
 - Placed urban hub tax credit ad in *Site Selection* and *Business Facilities* magazines
 - Launched robust and growing website including resources such as state and county profiles – www.ChooseNJ.com
 - Placed articles in *Site Selection* and *Business Facilities* magazines demonstrating NJ's thought leadership in economic development





Facility Cost: \$50 Million
Your Cost: \$0*



**Choose New Jersey;
We mean business.**

- *New Jersey provides businesses with superior access to consumers worldwide*
- *Over 100 million people live within a 24-hour drive*
- *The state has one of the most well-educated, highly-skilled workforces in the U.S.*
- *20 of the world's Fortune 500 companies and hundreds of multinational firms are located in New Jersey*

In New Jersey, you may qualify for a 100% tax credit.

With New Jersey's Urban Transit Hub Tax Credit Program, developers, owners or tenants may be able to offset up to 100% of the qualified capital investment. This powerful program has already resulted in \$394 million worth of tax credits supporting 10 major projects in qualified cities** throughout the state.

For specific information about how your project may qualify, please contact **Michael Chrobak** at **609-297-2190** or **mchrobak@choosenj.com**. The deadline to apply is January 13, 2013.



*Taxpayers may apply 30% of the total credit amount per year over a ten-year period. An eligibility criterion applies.

**New Jersey's Urban Transit Hubs are located in close proximity to rail stations within nine of our largest cities: Camden, East Orange, Elizabeth, Hoboken, Jersey City, Newark, New Brunswick, Paterson and Trenton.

Choose New Jersey is an independently funded and operated nonprofit corporation.





Results Summary	*Total as of Aug. 30, 2011
LEAD GENERATION	
New Leads and Prospects	384
Site Consultant Meetings	28
Site Visits	3
MEDIA/MARKETING	
Media Assists (direct contact with media)	43
Media Coverage (Articles covering CNJ)	56
Circulation (approx. circ. of articles above)	5,591,004
Press releases distributed	2
Outlets carrying releases	473

* Reported quarterly



New Jersey Business Action Center

**Linda Kellner
Acting Executive Director**



A “One-Stop-Shop” for Business



STATE OF NEW JERSEY
DEPARTMENT OF STATE

- ▶ Retains and attracts business to New Jersey
- ▶ Identifies and matches State programs and resources to business' needs
- ▶ Provides site selection services
- ▶ Assists with permitting and regulatory issues
- ▶ Advances global competitiveness of New Jersey companies
- ▶ Attracts Foreign Direct Investment (FDI)



Results Summary	Total since August 2010
Businesses Counseled	559
Customers Assisted through Call Center	47,000
Business Proposals Issued	277
Potential New Jobs	52,784
Potential Retained Jobs	27,310
Domestic & Foreign Direct Investments Wins	34
Foreign Trade Delegations Hosted	33



New Jersey Economic Development Authority

Caren Franzini
CEO





State's "Bank for Business"

- ▶ Small Business Assistance
- ▶ Incentives to Retain and Grow Jobs
- ▶ Incentives to Redevelop Communities
- ▶ Clean Energy Financing
- ▶ Assistance to Bio/Tech Firms





Small Business Assistance

- ▶ **Main Street Business Assistance Program:** Direct loans, bank term loan participations and/or guarantees and line of credit guarantees to small or mid-sized businesses or not-for-profits.
- ▶ **Statewide Loan Pool:** Up to a 50% EDA participation or guarantee of a bank loan for fixed assets and working capital for companies or not-for-profits.
- ▶ **New Jersey Business Growth Fund:** Partnership with PNC Bank offering up to a \$3 million bank loan with a 25% or 50% EDA guarantee.
- ▶ **Small Business Fund:** Up to \$300,000 for fixed assets and working capital through direct loans or guarantees.

EDA also provides tax-exempt bond financing to eligible not-for-profits seeking capital to expand community services and manufacturing companies looking to finance capital improvements and expansions.





Incentives to Retain and Grow Jobs

- ▶ **Business Employment Incentive Program (BEIP):** Powerful incentive for encouraging businesses to locate and expand in New Jersey. Approved businesses receive annual cash grants based on the number of new jobs created for up to 10 years; up to 80% of total amount of state income taxes withheld by the company during calendar year from new employees hired.
- ▶ **Business Retention and Relocation Assistance Grant (BRRAG):** Available to businesses relocation operations within New Jersey and retaining jobs. Incentive payable as tax credit against company's corporate tax liability. Minimum 50 jobs retained. Up to \$2,2250 per job is available, for up to six years. Jobs must be retained for a defined period.



Incentives to Redevelop Communities



- ▶ **Economic Redevelopment and Growth (ERG) Program:** Provides reimbursement incentive grants enabling developers to use new state and local incremental taxes generated from a project to fund gap in total project costs (for which they cannot find other financing).
- ▶ **Urban Transit Hub Tax Credit Program:** Provides developers, owners, or tenants making a qualified capital investment within a designated Urban Transit Hub with tax credits equal to up to 100% of the qualified capital investment made within an eight-year period.



Results



	YTD 2011*	YTD 2010
Total Projects Approved	84	56
Total Amount Approved	\$218.4 million	\$66.6 million
Capital Investment	\$691 million	\$271.9 million
Est. New and Retained Jobs	16,641	5,366

**Total Business Incentives Activity through November 9, 2011 EDA Board meeting (BEIP/BRRAG/STX).*

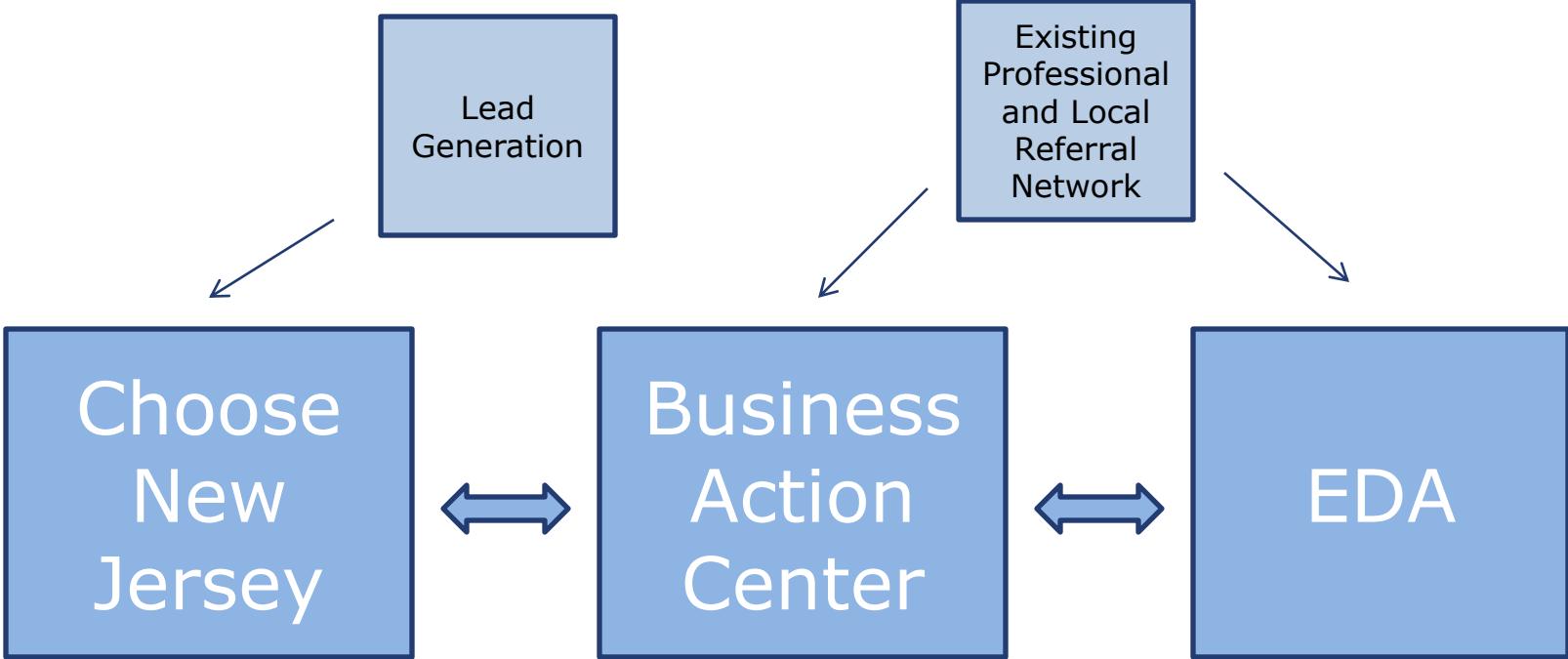


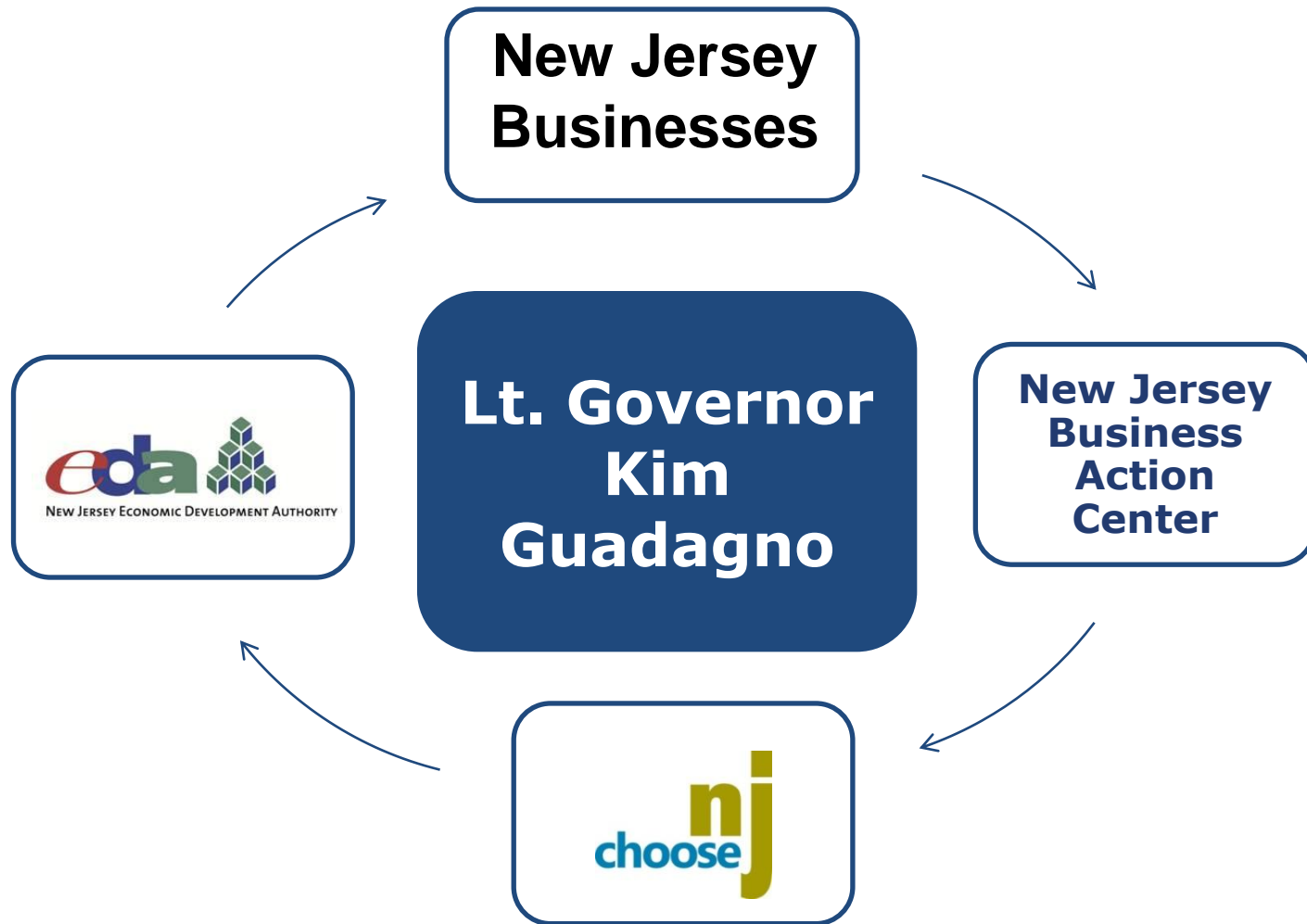
New Jersey Partnership for Action

Project Deal Flow



Project Deal Flow





Christie-Guadagno Administration

Recent “Wins”





Through the New Jersey Business Growth Fund, **Ellis Family Eyecare** was able to expand its optometry practice to a new facility in Tuckerton. The company received a \$160,000 PNC Bank loan with a \$40,000 EDA guarantee. Ellis Family Eyecare expects to maintain its staff of four and create two new jobs.

Global Essence, a Freehold-based importer and exporter of premium flavoring and fragrance ingredients, finalized an \$800,000 TD Bank loan with a 25% EDA participation and a 33% guarantee through the Main Street Business Assistance Program to refinance existing debt. The woman-owned company expects to add three new positions to its existing staff of 11.





Global Compliance Services relocated its corporate headquarters from North Carolina to Red Bank, leading to the creation of an estimated 40 new jobs. The company provides ethics and compliance solutions to public and private corporations, colleges, universities, not-for-profits and government entities. A \$541,000 BEIP grant helped encourage the company to choose New Jersey over competing locations outside of the state.



Revel Atlantic City



Monmouth Mall



- Through the ERG program, **Revel** closed on up to \$261.3 million in tax credits to support its \$2.8 billion project that involves the creation of an entertainment resort. The project is expected to result in the creation of 5,400 construction jobs and 5,500 full-time jobs.
- An ERG of more than \$4 million was recently approved to support a \$24.8 million project that will enhance the retail draw of Monmouth Mall in Eatontown. The redevelopment includes the acquisition of a vacant structure and the construction of a new 50,000-square-foot building for a national sporting goods store. The project is expected to result in nearly 60 new, full time jobs and more than 75 construction jobs.



▶ Choose New Jersey

(609)297-2200
www.ChooseNJ.com

▶ New Jersey Business Action Center

(866) 534-7789
www.NewJerseyBusiness.gov

▶ New Jersey Economic Development Authority

(609) 292-1800
www.njeda.com



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