

COALITION OF PLANNING ADVOCATES CALLS FOR AMENDMENTS TO NJ ECONOMIC DEVELOPMENT BILL



FOR IMMEDIATE RELEASE

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TRENTON — The New Jersey Assembly will be considering passage of a bill (A4306) that, in its current form, will undermine the goals of the State’s Urban Transit Hub Tax Credit (UTHTC) program and weaken the state’s long-term economic competitiveness. The bill should be amended to avoid the erosion of the UTHTC program’s capacity to level the playing field between urban and suburban markets and ensure that the development the program boosts is truly transit-oriented.

A4306 builds off of the recently passed Senate bill (S3033) and would set aside an initial \$200 million from the UTHTC program to create the “Grow New Jersey Assistance Program,” a new incentive program for wide-ranging growth areas including suburban areas; large, vacant commercial and industrial properties; and former military bases — areas that have long benefited from tax subsidies, but have all too often perpetuated sprawl and auto-dependency.

The bill would also modify the current boundaries of an “urban transit hub” under the UTHTC program by expanding the radius of credit-eligible land from one-half to one mile around a transit station.

To ensure that taxpayer dollars are directed to projects that fuel a prosperous and sustainable economic future in New Jersey, we recommend the following amendments to the bill:

Extend the expiration date for UTHTC commercial projects from January 13, 2013 to July 1, 2014. The expiration date for UTHTC commercial projects should directly coincide with that of the UTHTC residential program and the Grow New Jersey Assistance Program established under

this bill. Nonaligned expiration dates will provide a competitive disadvantage for commercial development in the state's urban areas.

Limit the diversion of funds from the UTHTC program to the Grow New Jersey Assistance Program to \$200 million. If additional funds are desired, the Legislature has the ability to divert them in the future, rather than granting that authority to the EDA. The legislative process provides increased transparency for such an important decision.

Expand the eligibility factors for the Grow New Jersey Assistance Program's \$3,000 per job bonus to include "location in a weak-market municipality." As a program that aims to stimulate economic development and job growth in the state, the Grow New Jersey Assistance Program should ensure bonus incentives for jobs that are created in weaker real estate market municipalities that require incentives to be competitive. Projects in such locations should be a top priority from a state policy perspective, provided they can meet the program's other tests, including the net benefits test.

Eliminate the 1-mile radius amendment for an urban transit hub and maintain the half-mile standard. The intent of the UTHTC program is to stimulate jobs through transit-oriented development in New Jersey's urban centers. A convenient walk, supported by amenable physical conditions, is critical to the success of transit-oriented development. One-half mile is a nationally supported standard for transit-oriented development, as numerous studies have found that people are comfortably willing to walk one-quarter to one-half mile (5-10 minutes) or less between a transit stop and a place of employment or home. Beyond a walk of one-half mile, people will be more likely to choose to drive to work rather than take the train and walk. Other studies have found that there is a greater return on investments made closer to transit stops as property values around transit stations have been found to increase the closer the property is to the station.

These amendments offer a straightforward and pragmatic approach to improve the Grow New Jersey Assistance Program while ensuring the continued success of the UTHTC program. We strongly encourage the Assembly and Senate to adopt these amendments so that taxpayer dollars can be used to incentivize development and investment in New Jersey's cities and in communities that have the infrastructure to support job growth, especially those that require subsidized assistance.

New Jersey's urban and suburban centers hold the greatest promise for the future. They are the places where the next generation will demand to live and work and they will be the launching point for the state's economic recovery. Investing in these areas today will yield the greatest return in the future.