



Economic Development and Redevelopment: Techniques, Tools, Programs, Funding and PILOTS

Moderator – Mayor Sheena Collum, South Orange Village

Panelists

- Derek W. Orth, Esq., Inglesino, Webster, Wyciskala & Taylor, LLC
- Courtenay Mercer, AICP, PP, Executive Director, Downtown New Jersey
- Tim Sullivan, Chief Executive Officer, NJ Economic Development Agency
- Darryl Godfrey, Chief Operating Officer, New Jersey Redevelopment Authority
- Wesley Mathews, President and Chief Executive Officer, Choose NJ

THE ROLE AND IMPACT OF THE PILOT

- Attract private sector investment to:
 - Make improvements to property;
 - Locate a project in a distressed or blighted area.
- Enhance employment opportunities.
- Develop vacant or underutilized properties.
- Community benefits
- Create economic opportunity for affordable housing and bridge the gap for shortfalls in conventional lending.
- Eliminate tax appeals and potentially replace or subsidize a failing commercial tax base with residential ratables.

PILOTS, RABS AND PUBLIC IMPROVEMENTS

- Municipalities can also subsidize certain public improvements or bridge gaps in private financing through redevelopment area bonds (“RABS”).
- Since 2001, New Jersey public-finance law has given towns that want to encourage redevelopment the power to assist developers raise upfront cash through bonds backed by PILOTS.
 - Can be recourse or non-recourse.
 - Typically, RAB proceeds are paid over to redeveloper and applied towards construction costs or related improvements, thereby reducing the amount of construction loan required.
- Potentially eligible improvements include infrastructure, environmental remediation, recreational facilities, etc.



CONCLUSION

- PILOTS and RABS are an effective tool for both municipalities and developers to:
 - Create affordable housing
 - Spur economic development
 - Finance public improvements
 - Minimize or address development impacts
 - Replace failing ratables with new sources of revenue



DOWNTOWN

NEW JERSEY

Education

- Technical Assistance
- Quarterly Newsletters
- Quarterly Round Tables
 - (Cultivating Arts - June 24th)*
- Webinars & ZOOM Exchanges
 - (Rethinking the ROW - May 18th)*
- Annual Conference

Advocacy

- Quarterly Policy Watch
- Real Time Policy Advisories
- Legislative Testimony

Recognition

- Annual Awards *(May 24th)*
- Quarterly Member Spotlights
- Social Media Shares

www.DowntownNJ.com

Downtown New Jersey is a member-supported non-profit organization.



ignorance is NOT bliss



Be Flexible
(and Placemaking too!)



New Jersey Economic Development Authority

Tim Sullivan

*Chief Executive Officer
New Jersey Economic Development Authority*

May 11, 2022



About the NJEDA

The New Jersey Economic Development Authority (NJEDA) serves as the State's principal agency for driving economic growth.

The NJEDA is committed to making New Jersey a national model for **inclusive and sustainable economic development** by focusing on key strategies to help build **strong and dynamic communities, create good jobs for New Jersey residents, and provide pathways to a stronger and fairer economy.** Through partnerships with a diverse range of stakeholders, the NJEDA creates and implements initiatives to **enhance the economic vitality and quality of life** in the State and **strengthen New Jersey's long-term economic competitiveness.**

NJEDA

ECONOMIC DEVELOPMENT AUTHORITY

HELPING TO BUILD A
STRONGER AND FAIRER
NEW JERSEY ECONOMY

Economic Recovery Act Programs



The Emerge Program

- Provides **tax credits to incentivize projects to locate in NJ.**
- **Focus on new jobs** with minimum job creation targets for most projects.
- Focus on **communities with the greatest levels of distress and Governor's priority sectors** for economic growth.
- Business must make **minimum capital investment** in eligible incentive area.
- Capped with NJ Aspire at **\$1.1 billion per year over 6 years.**



The Aspire Program

- Provides tax credits to incentivize **strategic real estate projects** in New Jersey.
- Awards are based on a **project financial need** calculation.
- Focuses on **strengthening communities and creating local benefits.**
- Encourages growth in **communities with greatest levels of distress.**
- Supports **commercial and residential** growth.



Historic Property Reinvestment

- Focuses on **historic preservation as a component of community development.**
- Can work in conjunction with **Federal Historic Tax Credit Program.**
- **\$300 Million Over 6 Years** (\$50 million annual cap).
- Awards **40 - 45 Percent of Rehabilitation Costs.**
- Applications are due by a preestablished **deadline** and awards are based on **competitive scoring.**



MAIN STREET RECOVERY PROGRAMS

\$100 MILLION

Small Business Lease Grant

- Provides grant funding to offset a **portion of lease payments for businesses leasing new or additional space**.
- Grants to offset a portion of annual lease payments for leases with a **minimum 5-year term**. Leases must have been executed within 12 months of application to be eligible.
- Open to **Commercial Businesses and Nonprofits**.

Small Business Improvement Grant

- Reimburses business owners for **costs associated with making interior or exterior building improvements**, or purchasing/installing furniture, fixtures, or equipment.
- Provides grant funding equal to 50% of project costs (max \$50,000). **Minimum project cost of \$5,000**.

Asset Activation Planning Grant

- Awards **grants of up to \$50,000** to public, private, or non-profit entities, for early-stage planning and analysis that will demonstrate viability of projects that activate under-utilized public assets that benefit their communities and the regional economy.

Community Development Programs



Food Desert Relief Act

Addresses food security needs of NJ communities by providing **up to \$40 million per year in tax credits, loans, grants, and/or technical assistance to increase access to nutritious foods** and develop new approaches to alleviate food deserts. **Trenton occupies 2 of the 50 slots** on NJEDA's Food Desert Community List.



Child Care Facilities Improvement Grant

To increase equity for childcare providers as the sector rebounds from COVID-19, NJEDA's Child Care Facilities Improvement Pilot Program (Phase I) will provide **grant funding for license child-care centers and registered family child homes in NJ to make facility improvements** that will contribute to high quality early childhood learning environments. The first phase of the program will be funded at \$10M.



Brownfields Impact Fund

The Brownfields Impact Fund provides loans/grants on a first come, first serve basis to assist with the **cleanup of brownfield sites throughout the state by addressing funding gaps**. Loans and grants can be awarded in amounts up to \$350,000.



CLEAN ENERGY PRODUCTS



ELECTRIC VEHICLES

NJ ZIP is a \$45M pilot voucher program to support NJ businesses to purchase medium-duty zero-emission vehicles, funded by RGGI



OFFSHORE WIND

\$350M tax credit program that provide reimbursement for capital investments in offshore wind industry specific facilities located in New Jersey



NEW JERSEY GREEN FUND

\$100M+ institution offering products to reduce GHG emissions and promote an inclusive clean energy economy

- Commercial Property Assessed Clean Energy (C-PACE)
 - Bridge Financing for Energy Efficiency Contractors
 - Open-window facility for Clean Energy Businesses
-



CLEAN TECH R&D / INNOVATION

Programs and initiatives to support the clean technology startup ecosystem, including Seed Grants and R&D Vouchers with our sister agency, Commission on Science, Innovation and Technology (CSIT)

Coming Soon...

Spring/Summer 2022

- Micro Business Loan Program
- Main Street Lenders Grant
- NJ Innovation Evergreen Fund
- NJ Green Fund
- Childcare Facilities Grant

Fall/Winter 2022

- Black and Latino Seed Fund
- Community Anchored Development
- Food Desert Tax Credit
- Innovation Fellows



Visit NJEDA.com/EconomicRecoveryAct for more information.



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NJRA

New Jersey
Redevelopment Authority

PHIL MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor
and
Chairman

LESLIE A. ANDERSON
President and CEO

About the NJRA

The New Jersey Redevelopment Authority (NJRA) is as a comprehensive resource center that focuses on improving the quality of life by creating value in New Jersey's urban communities.

The NJRA invests financial and technical resources into redevelopment projects and plans that will create a positive impact in our eligible communities.

Our primary goal is to ensure that projects are urban-focused, neighborhood-based and investment driven.



WE'RE THERE
FIRST

Impact

- ❖ Approved \$418 million in direct investments
- ❖ Leveraged 3.8 billion in total investments
- ❖ 1:9 NJRA to other investment sources
- ❖ 266 Projects
- ❖ 15,218 Total Housing Units
- ❖ 10 million sq. ft. of commercial space developed
- ❖ 1,490 job created



NJRA
New Jersey
Redevelopment Authority

FINANCIAL RESOURCES

We're there first to invest in real estate finance projects through:

- ❖ Bond Financing
- ❖ Redevelopment Investment Fund (RIF)
- ❖ New Jersey Urban Site Acquisition (NJUSA) Program



NJRA
New Jersey
Redevelopment Authority

NJRA SUBSIDIARY CORPORATION



- Working In Newark's Neighborhoods (WINN)
- \$10 million revolving loan fund
- Investment from the Port Authority of New York and New Jersey
- Can only be used for projects in Newark, NJ
- WINN Board: 5 members- 3 representatives from NJRA and 2 representatives from the City of Newark

New Jersey Redevelopment Training Institute

- Created in 2006
- Since its creation, the Training Institute has trained over 2,000 attorneys, planners, elected officials, developers, and nonprofit professionals
- Nationally recognized and regionally accredited training program
- Courses Offered:
 - Real Estate Trend
 - Project Finance
 - Understanding Real Estate Tax Law

CHOOSE NEW JERSEY

Learn more at choosenj.com

Choose New Jersey is a nonprofit economic development organization with a mission to stimulate job creation and attract capital investment.

The team guides businesses in establishing or expanding operations in New Jersey and helps companies find opportunities for growth and innovation.

Choose New Jersey markets New Jersey - The State of Innovation - around the world as the best place in the U.S. to live, work, play and do business.

What Choose New Jersey can do for you:



SITE SELECTION
ASSISTANCE



STATE
RESOURCES
INFORMATION



INTRODUCTIONS TO
PUBLIC + PRIVATE
PARTNERS

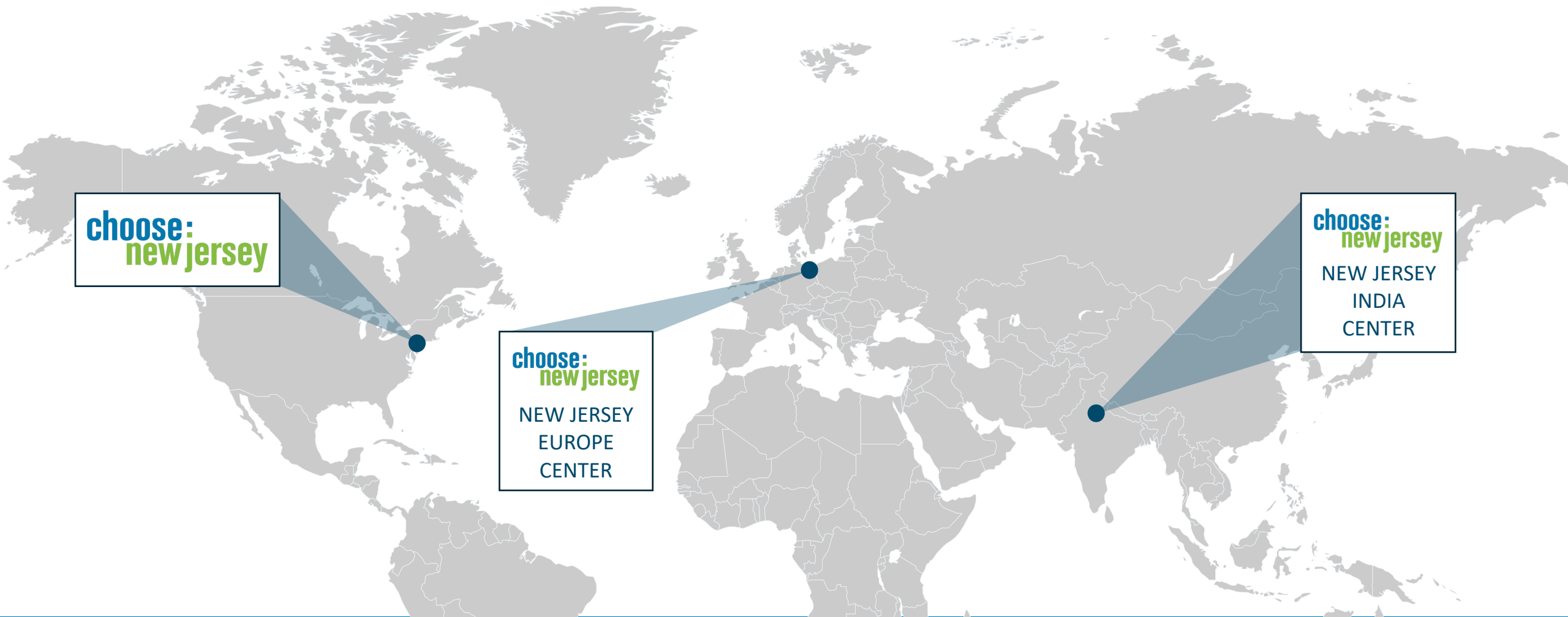


MARKET
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CHOOSE NEW JERSEY OFFICES

A world of opportunity



OUR CLIENTS



LET'S GET STARTED

Ready to take your business to the next level? We're here to help.



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