

A Progressive Lens on Policy and Politics in the Garden State

Mike Soszynski

10/3/2014

Road Map

- NJPP's History
- Organizational Overview
- Description of AFE Experience
- Significant Contributions/ Key Projects
- Discussion
- Question

“At NJPP, we’re not running for anything, so we’re not running from anything. Our job is to help set the terms of the debate, to nurture ideas and put them before the public and policymakers – in short, to create the sort of liberal political climate where social justice and economic fairness can prevail.”

-Jon Shure, Founder

Organizational History and Background

- New Jersey Policy Perspective started in 1997 to advocate for and work to advance the progressive policies in NJ
- Affiliations (Anti-Poverty Network of New Jersey; Better Choices for New Jersey; The State Priorities Partnership)



Organizational History and Background

- A small, down-to-earth operation
- Four full-time employees
 - Gordon MacInnes, President
 - Jon Whiten, Deputy Director
 - Ray Castro, Senior Policy Analyst
 - David Rousseau, Budget and Tax Analyst

AFE Experience

Communications and Development Internship

- Part-Time, January – July
- Reoccurring duties/assignments
- Special Projects

Jersey City Tax Abatement Policy Brief



Advancing progressive policy change since 1997

July 2009

ALL THAT GLITTERS ISN'T GOLD:

Property Tax Abatements in Jersey City

By Naomi Mueller Bressler and Carolyn Topp

INTRODUCTION

Across the country, governing bodies often use property tax abatements to attract businesses and jobs to their area. Intended for rundown or otherwise unattractive areas, questions arise: Has their original purpose been subverted as they have proliferated in areas no longer in need of assistance? Does the new development add enough property tax ratables to the municipal tax base to make up for 20 to 30 years of abated property taxes? Are owners of non-abated property in the municipality on the hook for taxes not paid by owners of abated property? Ultimately what is the impact on the municipality itself, neighboring municipalities, school districts, counties and the state?

Jersey City is an excellent case study of long-term tax abatements. Some of the first abatements granted in New Jersey were in Jersey City. Its governing body – regardless of political persuasion – has been enthusiastic about them and has granted nearly all proposed. This report identifies nine problems with New Jersey's long-term tax abatement law and Jersey City's abatement policies and makes recommendations for how to resolve these problems.

NJPP would like to thank Carolyn Topp for her work on this report. She is a senior executive for a national internet cata-

logue retailer and makes her home in the New York area. We are also deeply indebted to Peter Yerkes for his extraordinary editorial skills.

—Mary E. Forsberg
Interim President

BACKGROUND

Jersey City's Gold Coast, where skyscrapers rise above what was recently a wasteland of rundown factories, abandoned rail yards and rotting piers, is a success story in urban redevelopment. Today, Jersey City's waterfront is lined with office buildings bearing some of the proudest names in American business, and with luxury condominiums offering health clubs, restaurants and swimming pools. Almost 18 percent of the city's nearly 242,000 residents live or work in this Wall Street West, enjoying newly paved sidewalks and stunning views of Manhattan, the Hudson River and the Statue of Liberty. This revitalization has earned the city the nicknames of the Gold Coast and Manhattan's sixth borough.

Jersey City officials proudly take credit for much of the area's turnaround. Because they have provided generous property tax abatements to developers building in Jersey City, officials say

2009 Case Study

- Detailed history of tax abatements in NJ and Jersey City
- Reported on the usage of abatements and their effectiveness
- Pointed out shortcomings in current policy
- Made recommendations for improving abatement policies

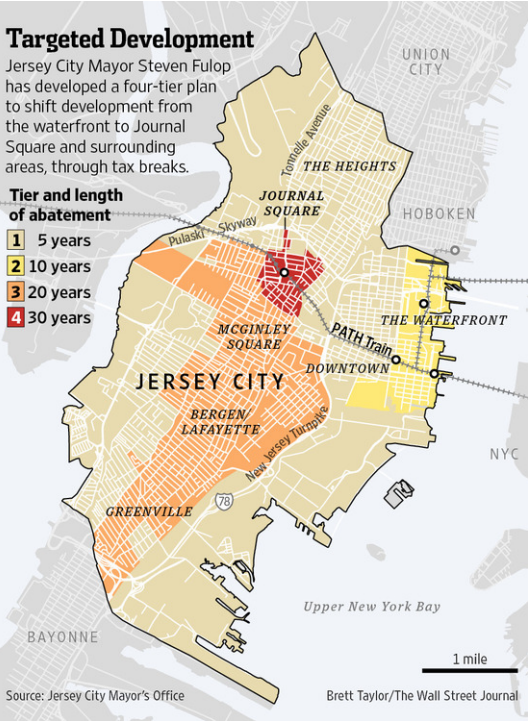
Jersey City Tax Abatement Policy Brief

Targeted Development

Jersey City Mayor Steven Fulop has developed a four-tier plan to shift development from the waterfront to Journal Square and surrounding areas, through tax breaks.

Tier and length of abatement

- 1** 5 years
- 2** 10 years
- 3** 20 years
- 4** 30 years



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CITY CODE PUBLIC NOTICES PUBLIC CON

Residents | Visitors | Government | About JC | Calendars | Businesses | JC1TV

- Home
- City Government
- Office of the Mayor
- Biography of the Mayor
- Resident Response Center
- Mayor Fulop's First 100 Days Accomplishment Highlights
- Mayor Fulop's Stop The Drop Anti-Litter Campaign

Mayoral Executive Orders

An Executive Order represents the manner in which the Mayor exercises his authority to establish policies and procedures and to set the salaries, wages or other compensation for all employees of administrative departments except department directors and employees whose salaries are required to be set by ordinance. Executive Orders issued by previous administrations may be found in [Chapter - A351 – Executive Orders](#) of the Municipal Code.

Number	Mayoral Executive Order	Date
2013 - 004	Tax Exemption Policy & Procedures	2013/12/24

Mayoral Executive Orders 2004 - June 30, 2013

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Key Actions Taken:

- Abatements should be for no longer than 10 years, and phase out abatement as property is transferred to new owners
- Amend long term abatement law so abatements can only be granted in blighted areas where development would otherwise not take place
- Municipalities should be required to continuously evaluate their tax abatement policy to determine if it benefits their residents

Jersey City Tax Abatement Policy Brief

Recommended State Level Reforms:

- Require the state to review and approve all property tax abatements over a certain value
- Limit the percent of a municipality's revenue that can come from PILOTs related to abatements
- Provide County with greater share of money from PILOT agreements

New Jersey Subsidy Growth Report

New Jersey's Surge in Business Tax Subsidies Reaches New Heights

June 11th, 2014 | by [Jon Whiten](#) | Published in [Budget and Tax Policy, Reports](#)

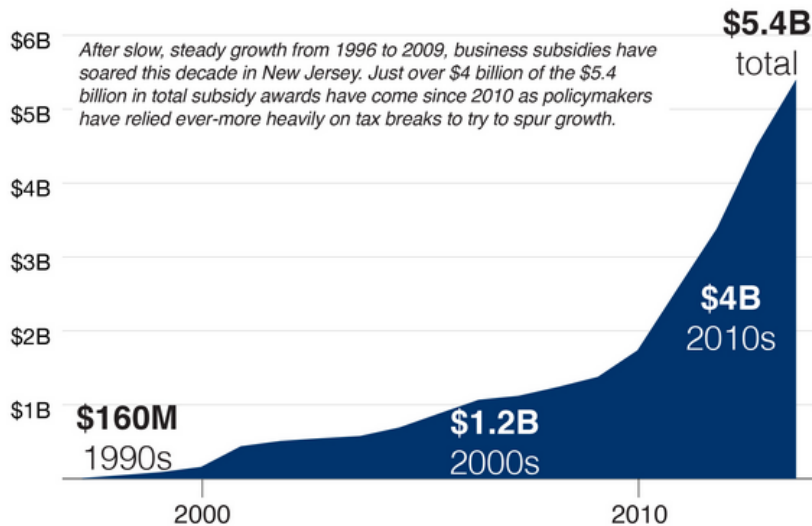


If you'd prefer to read a PDF version of this report, [click here](#).

Research assistance provided by [Mike Soszynski](#)

New Jersey's Surge in Business Tax Subsidies Reaches New Heights Over \$4 Billion in Corporate Tax Breaks Awarded So Far This Decade

Business Subsidies Have Surged This Decade



Source: NJPP analysis of New Jersey Economic Development Authority data

NEW JERSEY POLICY PERSPECTIVE

This Decade Has Seen More Megadeal Subsidies

Eight of New Jersey's ten largest subsidy awards have come since 2010

Company	Year	Program	Award Amount
American Dream Meadowlands	2013	ERG	\$390.0M
Revel Atlantic City	2011	ERG	\$261.4M
JP Morgan Chase	2014	Grow NJ	\$224.8M
Sayreville Seaport Associates	2014	ERG	\$223.3M
Prudential Financial	2012	Transit Hub	\$210.8M
Goldman Sachs	2000	BEIP	\$164.3M
MMC-DB Group	2013	Transit Hub	\$105.6M
Panasonic	2011	Transit Hub	\$102.4M
Verizon	2005	BEIP	\$87.8M
Pearson	2011	Transit Hub	\$82.5M

Source: NJPP analysis of New Jersey Economic Development Authority data

NEW JERSEY POLICY PERSPECTIVE

Future Employment / Courses Discussion

Last Year

- State and Local Finance
- Public Budgeting

This Fall

- Cost/Benefit Analysis
- Program Evaluation
- Saving the Safety Net



Question