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NEWS RELEASE

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GOVERNOR WHITMAN UNVEILS 1998 BUSINESS RELOCATION REPORT; 116 COMPANIES PICK NEW JERSEY FOR NEW FACILITIES

The State's Metropolitan Centers Emerge as Premier Business Addresses

In the state's largest city, Newark, Governor Christie Whitman today announced that 116 companies-the largest number to date-decided to relocate to New Jersey and create over 10,500 jobs. Nearly half of the relocating businesses chose the state's metropolitan centers for their new location.

The 1998 Business Relocation Report, which is published annually by the New Jersey Commerce & Economic Growth Commission, the state's lead economic development agency, found that the number of businesses committed to relocating to New Jersey last year, represents the highest annual number reported since the state first published the report in 1984. The companies have agreed to relocate new divisions, subsidiaries or operations to New Jersey, moves that are expected to add approximately 10,500 direct jobs and thousands more indirect jobs.

"It is clear that New Jersey is the choice for more and more companies," said Governor Whitman. "We have cut taxes and created a business climate that helps New Jersey's companies succeed. We have transformed New Jersey's business environment into one that is very competitive and attractive compared to other states. I am particularly pleased that so many companies have recognized the benefits of locating in our cities."

"I'm proud that I have signed into law legislation that will do even more for cities like Newark. This new law will help ensure that residents are not overwhelmed by immediate increases in their individual tax bills as a result of revaluation. The legislation allows municipalities to phase-in property tax increases resulting from revaluations over a five-year period - instead of the current three years," the Governor said.

Nearly one-half-63 of the 116 companies-will set up operations in the state's metropolitan centers, which reinforces Governor Whitman's efforts to promote economic development in the state's metropolitan centers, according to the 1998 Business Relocation Report. Jersey City and Newark are seeing a lion's share of activity according to the report. Overall, the companies will head for sites in 13 of the state's 21 counties, including Gloucester and Middlesex counties, among others.

Governor Whitman added that the largest number of relocating companies are those with 100 to 500 employees, accounting for 70 percent, or 7,133 jobs of the

total created in 1998. In that same period, 15 foreign companies invested in New Jersey by establishing operations here, accounting for 13 percent of the total relocation activity.

"We are in a highly competitive race with other states to create jobs and opportunities for the people of New Jersey," said Gualberto "Gil" Medina, Chief Executive Officer & Secretary of the New Jersey Commerce & Economic Growth Commission. "We must apply every economic development tool at our disposal to attract companies to the state. The 1998 Business Relocation Report is a report card on our efforts to do that."

Lord Abbett & Company, a leading investment bank with close to \$60 billion in assets under management, is one such company relocating to a New Jersey metropolitan venue. According to managing partner, Robert S. Dow, the firm found the state's tax incentives, plus Jersey City's rapidly developing waterfront; its state-of-the-art office space, and ease of accessibility, all too compelling reasons to relocate.

"We are very excited about the move," said Mr. Dow. "The new facilities will not only provide us with the increased space we need today, but will allow us room for our projected growth over the next few years. And the tax incentives offered by New Jersey will enable us to make a significant capital investment in our growth."

Since Governor Whitman was elected in 1993, the state has intensified its efforts to promote the cost-lowering benefits of relocating business operations to New Jersey, particularly its metropolitan centers. Indeed, the state has created a broad array of innovative initiatives, programs, and incentives, to attract companies. One-half of the 116 companies attracted to New Jersey were granted financial and labor training incentives, according to the 1998 Business Relocation Report.

To assist the state in its efforts to attract companies to the state's cities, Governor Whitman unveiled the state's newest economic development brochure entitled, "Investing in Metropolitan New Jersey," by the New Jersey Commerce & Economic Growth Commission. In it are details of over a dozen programs and business initiatives geared to helping companies establish thriving operations in the state, while reaping the cost-lowering benefits of operating here.

One of the state's most successful business attraction tools is the Business Employment Incentive Program (BEIP), which is also a critical jobs creation initiative. Essentially, companies that relocate to New Jersey and, in turn, create new jobs, may be eligible to receive a BEIP grant for up to 10 years. The grant can equal 10 to 80 percent of the total amount of state income taxes withheld from newly created jobs. Companies establishing jobs in targeted metropolitan centers, such as Jersey City, are eligible to receive larger grants with as few as 25 new jobs.

In three years, New Jersey's Business Employment Incentive Program has generated more than 39,000 jobs in over 160 companies, which in turn are investing a total of \$4.6 billion in New Jersey.

New Jersey's Urban Enterprise Zone (UEZ) program is another noteworthy success. In addition to fueling rapid economic development in Newark, Jersey

City, Elizabeth, Paterson, and Trenton, the program has also helped these cities capture the attention of corporate America and the international business community.

Companies that relocate to the state's Urban Enterprise Zones are eligible to receive a host of balance sheet-enhancing benefits, such as sales tax exemptions on equipment and supplies, including building materials; corporate tax credits for hiring certain designated employee groups; and subsidized unemployment insurance costs.

The Urban Enterprise Zone program is having a significant impact on the state's metropolitan centers and business attraction as well. Since its inception in 1983, over 51,000 full-time jobs have been created by thousands of businesses operating within the state's 27 Urban Enterprise Zones in 29 municipalities. These businesses have invested a total of \$8.9 billion in the zones, a number that continues to climb as more companies relocate and establish operations in the UEZs to benefit from the cost-lowering operating environment.

Substantial incentives are given to relocating companies that undertake the redevelopment of New Jersey's inactive industrial sites, also called brownfields. Companies would enter into an agreement with the state that would allow for them to recoup up to 75 percent of site redevelopment costs once tax revenue from the site is realized by the state.

Earlier this year, the New Jersey Commerce & Economic Growth Commission unveiled the New Jersey Business Resource Center (www.njbrc.org), a Web-based information resource designed for use by corporate executives and relocation consultants considering the state as a business venue. The Internet site contains a vast amount of economic data about New Jersey to help these decision-makers take a serious look at the state's competitive appeal.

The results of 1998 Business Relocation Report were announced at the National Newark Building in Newark. The building is undergoing a \$45 million renovation, which will provide first-class office space in an area where large blocks of space are scarce. Upgrades include a redesign of the lobby, the creation of a two-bay loading dock, installation of 16 high-speed elevators and a fiber optic communications network, and the restoration of exterior brickwork.

All infrastructure for the building is complete. Interior renovations are scheduled to be completed in mid-to-late December. The building is currently at 60 percent capacity and is expected to reach 100 percent capacity within a year. The building has not been fully occupied since the 1960s.

Built in 1930 for the National Newark & Essex Banking Company, the building is a 34-story neo-classical building, which was New Jersey's tallest commercial tower. The building was once home to New Jersey's most prestigious legal, political and business firms, as well as the exclusive 744 Broad Street Club.

According to the Department of Community Affairs, nonresidential rehabilitation projects rose 92 percent in 1998 as compared with the previous year. This is a part of a state-wide increase in the construction of residential, office, and retail space, which the DCA credits to the Urban Toolkit, programs that encourage

residential construction, ease rehabilitation standards, and support demolition of blighted urban properties.

[Note to Editors: New Jersey's 1998 Business Relocation Report is available upon request by calling the New Jersey Commerce & Economic Growth Commission at (609) 633-7287.]