

## New Jersey Expands Existing Programs; Creates New Initiatives

During the past year, New Jersey has initiated several important job creation incentives and programs. One of the most important was the extension of the Business Employment Incentive Program (BEIP).

An enhancement to the program provides greater access to its benefits so more companies can make use of them. The threshold for the job eligibility component for biotech and high-tech firms has been lowered.

In other activity, the New Jersey Business Growth Fund was created to assist New Jersey businesses in growing and retaining jobs in the state. The program is a joint effort of the New Jersey Economic Development Authority (EDA) and PNC Bank. PNC Bank will make up to \$100 million in low-

interest rate loans available to New Jersey companies, offered at below market interest rates. The EDA will provide up to a 50 percent guarantee of any single loan for qualified projects.

In September, Gov. James McGreevey created three technology neighborhoods, called Innovation Zones, in Camden, New Brunswick and Newark. The zones are designed to spur collaboration between the state's public research universities and technology businesses to encourage the rapid transfer of discoveries from labs to the marketplace.

The three Innovation Zone communities were selected due to their concentrations of

existing technology assets, including public research universities, medical research facilities, and planned or developed commercialization centers.

Entrepreneurs and startup companies in New Jersey will also benefit from the Springboard Fund II, a recoverable grant program that supports the growth and development of early stage and startup technology companies. This EDA fund offers direct investments in companies to conduct product or process development programs with near-term commercial outcomes. Investments are expected to range from about \$50,000 to \$250,000 for funded project periods of up to 12 months.

The EDA has also entered into a 10-year limited partnership with Quaker BioVentures to create and manage the \$10 million Garden State Life Sciences Venture Fund. The \$10 million commitment will come from residual BEIP funds, and is projected to leverage at least \$30 million from other funds managed by Quaker.

As part of the reorganization of the New Jersey Commerce & Economic Growth Commission, it was announced that job-retention specialists would be put back into the field, allowing each one to focus on the needs of a specific geographic region.

"To be effective advocates for businesses, we need to be where they are," says Virginia S. Bauer, CEO and secretary designate, New Jersey Commerce & Economic Growth Commission.

"Economic development officials and chamber of commerce leaders must know who their 'go-to' person is," Bauer says. "This is an important step in making commerce focused on its customers."

An expanded existing initiative in Mercer County is the expansion of its Foreign Trade Zone from 71 acres to more



than 1,300 acres. The zone's benefits are applied to five of the county's 13 municipalities. "This is a huge incentive for distribution or manufacturing companies as it relates to lowering their bottom line and making the county more attractive to relocate to," says Charles Hill, director, Mercer County Office of Economic Opportunity.

Mercedes-Benz will make use of the expanded territory for a 1 million-square-foot spare parts distribution center, which it will relocate from Baltimore. "The company was looking for a Foreign Trade Zone where it could bring parts into without having to pay any taxes on them until the demand was made from dealerships," Hill says.

An existing company, Conair, which has been located in the county's Foreign Trade Zone since 1997, announced it would conduct an expansion due to an increase in its product line and the expansion of the zone.

Mercer County will soon create the Mercer County Heritage Tourism Center. "We are just initiating a capital campaign with some key stakeholders such as the City of Trenton, Thomas Edison State College and the Mercer Chamber of Commerce to create the center," Hill says.

Hill says the county was home to some important events that occurred in the industrial revolution and the American Revolution. The county has put up \$50,000 to support the center's development. It is projected to open by the end of 2005.

This August, the first new hospital to be built in New Jersey in 20 years, opened its doors in Vineland. "The hospital has formed a new cadre of supporting services, including a rehab hospital and three MRI centers," says Jim Lelli, director of economic development, City of Vineland. "We have the first stand-up MRI machine in the state."

A 60 bed, same-day emergency care addition will be completed at the hospital in December.

In other activity in Vineland, the Urban Enterprise Zone was extended for another 15 years. Companies that locate in the zone receive a New Jersey sales and use tax exemption for the life

of the zone. "Companies will save on the sales taxes on all purchases of goods and machinery and services and building supplies if they are building a new facility," Lelli adds.

### Targets

New Jersey is well suited to support companies involved in information technology, chemicals, biotech, pharmaceuticals, finance and insurance, logistics and hospitality. Hill says Mercer County is ideal for distribution. He says the three prime areas for big-box distribution around the country are Los Angeles, Chicago and around the New Jersey Turnpike. "The turnpike is partially located in our county," he says.

In Salem County, McClain, a food distribution warehouse, has completed a new 270,000-square-foot facility. The company will serve Wal-Mart Stores and convenience stores from a warehouse on Route 40 in Carney's Point.

Other project activity in the state includes American Mortgage Express Corp.'s new 35,000-square-foot headquarters facility in Mount Laurel, where it will employ an estimated 150 people. The company will receive a BEIP grant worth \$870,000 during a 10-year period. The company also received a workforce-training grant from the New Jersey Department of Labor.

Lelli says Vineland has changed its targets in hopes of offsetting outsourcing and jobs moving overseas. He says the community doesn't target particular industries but rather focuses on the product that is produced first, which includes products the community hopes aren't easily duplicated. Lelli says this approach allows the community to be more flexible.

He notes a company in town that produces glassware for the health care industry. "A lot of that work is custom work and we are in the third generation of workers that produce the product," Lelli says. "That is not easily duplicated anywhere else because of the expertise that is required to produce the product."

Lelli notes that Vineland was to announce its first pharmaceutical company in October. The city had an available facility with four cleanrooms. "The company is expanding and it wanted to get up and running in a hurry," he says.

### Workforce and Education

"New Jersey has many assets that support our industries," Bauer says. "Chief among them is a workforce that is comprised of more than 4 million highly educated and skilled workers."

Bauer says New Jersey's workforce consists of a large concentration of scientists, engineers, technicians and researchers. "New Jersey has some of the best research universities in the nation," she notes.

Hill says Mercer County is developing an initiative to identify the area as "Einstein Alley." "We have wonderful research institutions in our county such as Princeton University, The College of New Jersey, Mercer County Community College, Rider University and Thomas Edison State College," he says.

Hill says that the Mercer County Workforce Investment Board's One-Stop Career Center responds to the workforce training needs of area businesses. Training grants are offered through the One-Stop Career Center. "My office works in partnership with the workforce investment board to meet workforce needs," Hill says. "We have put a great team together."

Lelli says Cumberland County College in Vineland had a record enrollment of 3,200 students this fall and is on its way to becoming a four-year school in the future. Vineland has also completed a workforce study.

"Not only do we have people ready and willing to work, but there is a workforce of people who are commuting an hour to an hour and a half everyday who want to work here," Lelli says. "We have presented that study to companies to show them they will have no trouble finding a workforce that is competitive in the way of salary and wage."