

# Government Affairs Report

## Governor Signs Economic Development Incentive Legislation

In late July, Governor Christie signed into law legislation that expands the NJ Economic Development Authority's (EDA) Economic Redevelopment and Growth Grant (ERGG) program. This action makes certain growth areas within the Meadowlands eligible for incentives awarded through EDA. Specifically, this change will directly impact the former Xanadu project, now known as the "American Dream @ Meadowlands," that the State has worked aggressively to get back on track after years of being stalled. The program's expansion will allow the new developer of the project to utilize subsidized grants to bridge financing needs.

In addition, the newly signed law makes several changes to EDA's Urban Transit Hub Tax Credit Act. Highlights of this expanded program: credits for new residential projects within the radius of a transit hub increased to 35% of eligible costs; tax credits now eligible for both the residential and commercial components of a mixed use project; tax credits now able to be carried 20 years forward; and property located within the transit hub designation expanded and more clearly defined. The goal of this program has been to promote vibrant communities where residents of the community can work, live and shop. These legislative actions in conjunction with the Christie Administration's leadership are significant steps forward in advancing revitalization projects.

## NJ Legislature Passes Bill Placing Moratorium on COAH Fee

BCANJ, along with our labor partners and the commercial developer community, has advocated for legislation to address COAH's 2.5% non-residential impact fee since its re-imposition in July of last year. Our aggressive efforts over the past several months yielded swift legislative action in early July as the legislature ramped up activity prior to the summer recess and ultimately passed a measure to give relief from the fee. S-2974 places a two-year moratorium on the 2.5% non-residential impact fee, and restores the moratorium retroactively to July 2010. Specifically, projects which currently have or in the future receive preliminary or final site plan approval prior to July 1, 2013, will be exempt from the fee provided that building permits are obtained by December 31, 2015. In addition, provisions of the bill require that contractors and developers who have already paid a fee over the course of the last year would have 120 days to claim a refund. The bill awaits signature from Governor Christie.

## Unemployment Insurance Fund Payroll Tax Increase Averted

Without legislative action, all NJ businesses could have been faced with a massive payroll increase every year until the health of our State's unemployment Insurance Fund stabilized. However, a BCANJ-supported, bi-partisan measure received final passage that phases in these increases, equaling approximately \$130 per employee, per year. Governor Christie signed the legislation into law in early July, which will give the Department of Labor and Workforce Development the statutory authority to phase in the increase over time versus mandating an amount immediately.

### **Governor's Executive Order keeps the Gaming Advisory Commission together for another year**

In July, Governor Christie signed E.O. 69, which extended the life of the commission for an additional year. Among the several important initiatives the group was tasked with completing, the advisory commission has worked toward reshaping Atlantic City's tourism and casino industries. In its ongoing efforts, the commission will assist the Casino Reinvestment Development Authority (CRDA) as it selects new leadership and implements the ACT District plans, created through enabling legislation with input from commission members. This collaborative relationship between CRDA and the Governor's Gaming Advisory Commission will create a master plan for the ACT District that CRDA will ultimately oversee.

### **Governor signed FY2012 State Budget**

As you know from B-#71-11, hours before the new fiscal year began, the Governor took action on the Democratic Majority's FY2012 budget proposal. Governor Christie line-item vetoed several Democrat provisions, including women's health funding, additional school funding for suburban districts, and the tax on individuals and businesses making in excess of \$1 million per year. The budget signed into law for FY2012 comes in at \$29.7 billion. In addition, the newly signed budget contains a \$500 million payment to the State's public worker pension fund and a mandated \$473 million for the State's former Abbott school districts stemming from a NJ Supreme Court ruling. The Association monitored budget proceedings throughout the two-month partisan debate for any potential impact on the construction community.

### **BCANJ-supported casino licensure bill lays framework for Hard Rock Casino**

The Association played an active role in advancing legislation that would open up additional casino development opportunities in Atlantic City. The measure allows for smaller, boutique-style entertainment venues, including casinos and hotels with additional amenities. Several national gaming management companies have expressed interest in the new licenses, including Hard Rock International. The company must secure regulatory approvals before breaking ground on the new development. In late July, Hard Rock revealed its construction schedule and its plans to open the proposed \$275 million casino hotel in the spring of 2014. The proposed footprint for the project is near the southern end of the boardwalk, at the foot of the Albany Avenue entryway. The company announced it will start with the mandatory requirement of 200 rooms, but will add a 650-room tower during a second phase of the project. Additional infrastructure projects will also be created to support the surrounding areas near Albany Avenue.

### **Update: US EPA's Lead Renovation Regulation**

The US EPA will not expand the Lead Renovation, Repair and Painting regulation to include lead-dust sampling and clearance testing, as the agency had originally proposed. An expansion of the current rules would have placed onerous requirements on the contracting community. Costly steps to prove the absence of lead following the completion of a project would have been mandatory. A coalition of national business and industry groups opposed the expansion of the regulation. As the rule stands, contractors are required to wipe down disturbed surfaces after completion of the project, and compare the result to an EPA-approved card to determine if lead is present.