

## HOW SWEET IT IS!

**The following is a speech delivered this morning by Sen. Raymond J. Lesniak, sponsor of the Economic Stimulus Act of 2009, to the NJ Business & Industry Association:**

"I've been calling my economic stimulus legislation, which now awaits Governor Corzine's signature, "The most powerful economic growth tool on the planet." Some have asked, "On the planet?." If its impact on the City of Elizabeth is typical, I might have to change my assessment from "On the Planet" to "In the Universe". Let's take a look at what it brings to Elizabeth:

The amendments to the Urban Transit Hub legislation, which reduce the investment threshold and allow sale of its tax credits, will insure the development of a proposed 200,000 s/f office building across from Elizabeth's midtown train station. This project will bring 1,500 new jobs into downtown Elizabeth with a serious multiplier effect for the adjoining central business district. These employees will shop, work and play in midtown which will result in new restaurants, retail stores and expansion of existing ones. In anticipation of this development, the city and county are fast tracking the construction of the first of two parking decks: 1,100 spaces each. The City is working with NJDOT and NJ Transit to upgrade the train station to encourage further commercial development in its HUB area which includes three other city blocks, two of which have proposed development plans for high rise mixed use development.

The 20% residential Transit Hub tax credit will spur a mixed use project on a city own parcel one and a half blocks from the midtown train station. It's been proposed that the project be built in four phases of 50-70 units each. With this credit, the entire 250 units + retail can be developed in a single phase thus putting both construction and permanent workers to work much sooner. Elizabeth also expects to use this credit program to attract a new hotel to its midtown area.

The ERGG (Economic Recovery Growth Grants) gap financing, will raise from the ashes redevelopment of the former Burry Biscuit site on Newark Avenue that stalled due to an inability to finance its parking deck. Other projects that stalled because they could not get fully financed, that can now go forward with ERGG gap financing, include a major retail development on Routes 1 & 9, neighborhood commercial developments in the Elizabeth-Port, Bayway and Elmora sections of the City, a Holiday Inn, an additional 100,000 s/f of retail near The Jersey Gardens Mall and a window and door manufacturer currently negotiating the purchase of a Brownfield site.

Businesses that cannot overcome the tough economic outlook and tightened credit markets to close financing gaps will now be able to invest and move forward utilizing the economic recovery growth grants. Together these projects will result in another quarter of a billion dollars in investment and 2,000 new jobs in Elizabeth alone.

The car rental tax increase will create a recurring revenue stream that will be used to spur millions of dollars annually for port development. Just the Allied Signal site alone in Elizabeth will generate over \$100 million in construction investment and create over 1,300 permanent jobs. It will also enable Elizabeth to insure development of other smaller port related Brownfield projects on South Front Street and Relocated Bayway that collectively will create several hundred additional jobs. This tax will be paid almost entirely by visitors to New York and New Jersey that fly into Newark Liberty International Airport.

In anticipation of my economic stimulus legislation, Elizabeth has earmarked hundreds of thousands of UEZ dollars to market its UEZ Zone, transit hub and the use of ERGG opportunities. No one needs to look any further than the Invest NJ program that now has a waiting list to see that bold incentives make sense. Elizabeth is also working on further expanding services at its skills center to prepared its currently unemployed residents for the assembly and manufacturing, retail, service and hospitality jobs that will be coming.

The sluggish economy has caused these projects to be put on hold. The omnibus economic stimulus bill provides a range of incentives that collectively can be used to get shovels in the ground and put people to work now in construction jobs and in the future in permanent jobs. With passage of this historic piece of legislation we will be able to update the message on the base of the Statue of Liberty to read GIVE ME YOUR TIRED, YOUR POOR, YOUR HUNGRY, YOUR YEARNING TO GO BACK TO WORK, because this legislation will take yearning people off the unemployment rolls in Elizabeth and in communities throughout New Jersey in every sector of our economy.

How sweet it is!"