



Christie expands tax credit for transit hubs

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By **David Giambusso/The Star-Ledger**



John O'Boyle/The Star-LedgerNew Jersey Gov. Chris Christie

New Jersey cities got a development boost yesterday after Gov. Chris Christie signed legislation expanding the Urban Transit Hub tax credit.

The law, which passed the Senate and Assembly last month, increases a credit first passed in 2009 that allows for companies and developers to reap significant savings by building in specific urban areas like Camden, Newark and Jersey City. It also contained a provision providing \$200 million in tax breaks for the developers of the American Dream project at the Meadowlands.

Proponents of the transit hub law say it breathes new life into urban centers while stemming the flow of jobs out of state.

"These incentives are a critical piece of a broader effort to drive New Jersey's economic recovery in urban centers of priority," Christie told a crowd of state and city leaders yesterday at Newark's Broad Street Station.

Commercial and residential developers receive tax credits for projects costing \$50 million or more. The new law, sponsored by state Sen. Raymond Lesniak (D-Union) and Assemblyman Albert Coutinho (D-Essex), widens that credit from 20 percent to 35 percent of capital costs for residential builders. Developers can now qualify for credits in zones within a mile of

transit centers, up from the half-mile in the original bill. Businesses also will have a longer period in which to collect the credit, in a new "carry forward" provision.

"These changes make an already powerful program even more potent," said Newark Deputy Mayor Stefan Pryor.

Newark reaped one of the biggest rewards of the credit so far when it landed the new Panasonic headquarters, largely thanks to a \$102.4 million transit hub credit.

But one clause in the legislation has raised the ire of housing advocates: Developers were once required to build 20 percent of residential units for affordable housing. Now that decision rests with city leaders.

"My tax dollars are going to subsidize high-rise luxury condos in Hoboken," said Adam Gordon, a staff attorney with the Fair Share Housing Center. "When you're spending hundreds of millions of tax dollars, the question is what is the public benefit?"

But Christie and other supporters of the bill stressed the creation and retention of jobs required by the credit.

The bill also allows the new Meadowlands shopping and entertainment complex to receive tax breaks under an expanded Economic Redevelopment and Growth Grant.

Christie had announced the tax break for the project in May, but the state needed legislation for the Meadowlands area to qualify for the redevelopment program.

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