

It's a Border War for Jobs Between Bergen County, Rockland County, N.Y.

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Hunter Douglas' new home at Blue Hill Plaza in Pearl River, N.Y. Rockland County incentives of more than \$10 million were said to have been a factor in the relocation decision.

*** Bergen finds itself in a fierce battle as Rockland County begins an ad campaign for business, investment**

By HUGH R. MORLEY



The 30-second television commercial reels off a list of big-name companies, touts the "smart" workforce, "superior" schools and "robust infrastructure," and boasts of proximity to New York City.

It could be promoting Bergen County. Instead, it's the latest salvo from just

north of the New Jersey border — Rockland County, N.Y. — in the continuing interstate fight for companies, investment and jobs, which has already seen at least four Bergen companies — including Hunter Douglas and Raymour & Flanigan — move to Rockland in the past three years, and a couple move the other way.

The commercial, which began airing on radio and cable television last week, is part of a \$140,000 media campaign by the Rockland County Economic Development Corp., the county's main development agency, designed to attract companies from throughout the New York metro area, including New Jersey and Connecticut.

Yet Bergen County, as the closest neighbor to Rockland and one that has a remarkably similar community profile, has as much to fear as anyone — either from Bergen companies moving across the border, or those looking for a site near New York, and choosing Rockland, instead of Bergen. The similarities extend to their marketing slogans: Rockland boasts, "We have it all," while Bergen promises, "Where you can have it all."

The Bergen-Rockland face-off, though low level compared to New Jersey's fight with New York, Pennsylvania and other states, is nevertheless important, given the state's sluggish post-recession economy. And it highlights the larger roles New York counties play compared to New Jersey's, where most of the economic development muscle is based in Trenton.

Rockland operates two independent development agencies — one for marketing and the other for administering incentive programs — with a combined budget of about \$1 million, and seven employees. Bergen, with a population about three times the size, has one agency, with two

employees and a salary and operating budget of about \$150,000, with additional costs for office space, computers, phones and other items paid by the county.

Ed Day, Rockland's county executive, who took office in January and is featured in the television ad, last week told a lunch organized by the Mahwah Chamber of Commerce, which includes members from Rockland, that he wants to work with Bergen County on a variety of issues designed to improve the quality of life in both places. Yet he was frank about his need for new jobs and investment.

"It is critical that we look to bring wealth to Rockland County," he told about 35 business people at the lunch, which was held in Suffern, N.Y. "That's the only way we will be able to sustain the needs of the community, without raising taxes through the roof.

"We have a healthy competition," he said of his county's vying with Bergen for jobs and investment. "It's no different than the business world. You can be competitors, and you can still work together."

Bergen officials say they are not worried about Rockland's ad campaign, in part because they don't believe that mass market media are effective in reaching those who make business decisions.

"We are not planning to spend any kinds of money on something like that," said Kathleen Donovan, Bergen's county executive, who also spoke at the Mahwah chamber's lunch. "We are open to businesses that want to come here. And we have economic development people who work at that full time. But I don't think it's a good use of our tax dollars, spending it on that."

Maggie Peters, director of the Bergen County Economic Development Corp., which markets the county to businesses, said the county views in-state urban and transportation hubs as a bigger threat because companies moving there can get sizable New Jersey tax breaks. She cited the case of Pearson Education, which received breaks totaling \$82.5 million in 2011 to help move its Upper Saddle River offices to Hoboken.

Still, she said, her agency works to attract new businesses, in part by tapping a database of businesses whose leases are soon to expire in Bergen, Rockland and Orange County, N.Y., to send information packets about county programs and services, and making follow-up calls.

Companies that have moved in recent years from Bergen to Rockland include Hunter Douglas, the window treatments manufacturer, which shifted its headquarters from Upper Saddle River to Pearl River; furniture retailer Raymour & Flanigan, which moved a customer service center; Croton Watch Co.; and AERCO International Inc., a manufacturer of commercial boilers and water heaters.

Others have left Bergen for Rockland's neighbor, Orange County, including President Container Inc., a cardboard and packaging manufacturer, which got incentives worth \$13 million, and Takasago International Corp, a fragrance manufacturing operation.

In addition, several companies seeking tax breaks from New Jersey have said they were considering a move to Pearl River — among them, United Water, Goya Foods and UPS. Together, they have been awarded tax credits of more than \$127 million by New Jersey to entice them to stay. While Goya has begun building a new headquarters in Jersey City, UPS and United Water have yet to accept the credits and commit to the state. And on Friday, the state offered \$7.5 million in tax credits to Jimmy's Cookies of Fair Lawn, which said it is considering moving to Rockland.

Hunter Douglas moved into Blue Hill Plaza, a corporate campus that sits right on the Bergen border and includes a 21-story tower and a smaller building. The company said no one was available to comment for this article, but the owner of its former offices said at the time of the move that the incentives offered by Rockland — more than \$10 million — played a role in the relocation decision.

Coincidentally, Blue Hill Plaza is also home to the Rockland Industrial Development Agency, which awards corporate incentives for the county and is well aware of its proximity to Bergen.

"I am literally looking at New Jersey as we speak," said Steve Porath, the Rockland development agency's executive director, by phone from his office, adding that his county and North Jersey are the most sought-after locations for companies looking to move close to, but not into, New York City. "It serves as a reminder that that is our main competition."

Of companies moving across the New York State border into Bergen, most notable was Ascena and its subsidiary, dressbarn, which moved its headquarters from Suffern to Mahwah, opening a new 195,000-square-foot headquarters for 400 employees last month with the help of a \$32 million state tax break. Simply Amazing, the bargain-basement retailer that does business as Amazing Savings, has moved from Goshen in Orange County to Mahwah.

The Rockland advertising campaign comes as New York State aggressively promotes its Start-Up NY program, in which companies that locate next to certain colleges — including five in Rockland County — can go 10 years without paying corporate taxes.

Relocation experts have said they don't think the campaign will affect New Jersey much, because it mainly rewards companies for moving to upstate New York, and taxes are only one component of a company's relocation decision.

John Boyd, founder of the Princeton-based Boyd Co., which helps companies relocate, said the program gives Rockland a "slight edge," because Bergen and Rockland are so similar.

"Operating costs — which are white-hot issues in corporate boardrooms today and are fundamental drivers in the corporate site selection process — are pretty much a wash when it comes to comparing North Jersey and Rockland County," Boyd said. "Take away the cost variable and what is largely left are incentives."

New Jersey officials are convinced that the revamp in December of the state's incentive programs, known as the Economic Opportunity Act, makes the state competitive with any rival, near or far.

Tim Lizura, chief operating officer of the New Jersey Economic Development Authority, which administers the state's investment programs, cites United Water as a good example. The company, which was awarded a \$5.5 million tax break by New Jersey in April, would have been eligible for only about \$1 million before the revamp — possibly too little to prevent the company from moving, Lizura said.

He said he is not too worried about Rockland's campaign, adding that "most business decision makers aren't sitting around watching TV in the middle of the afternoon." He said the EDA is more interested in direct communications with companies.

"We are always keenly focused anytime states are looking at poaching jobs from New Jersey," he said, calling New Jersey's revamped incentive programs a "compelling" argument for moving into the state. "We believe we are in a great location, and the economic incentives really just level the playing field."

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