

Haier America is relocating to Wayne, apparently with no strings - NorthJersey.com

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It's not often that a company brings 500 jobs to New Jersey, and even rarer that one would do so without the sweetener of a corporate tax break from the state, which has awarded scores of tax breaks totaling more than \$2 billion in the last four years.

So the news that Haier America, the American division of the Chinese appliance manufacturing giant, plans to move its headquarters to [Wayne](#) from Manhattan, bring 500 to 600 jobs to North Jersey and with no indication of government help, raises questions about why this kind of company wouldn't seek assistance.

Commercial real estate analysts said it's unusual, but not unknown, for companies — for reasons ranging from discomfort with public disclosure to a reluctance to engage with government — to eschew the pursuit of incentives routinely sought by many businesses.

"Some companies view interactions with the government to be complicated, and they prefer not to have them," said Gil Medina, executive vice president for brokerage services at CBRE Group.

Haier America signed a 13-year lease for a 58,387-square-foot building at 1800 Valley Road, near the William [Paterson](#) University campus and the offices of UPS and Toys "R" Us, said the brokerage firm of Newmark Grubb Knight Frank, which helped Haier strike the deal.

The company plans to leave its existing headquarters in midtown Manhattan. It has not secured any incentives to help make the move, said the New Jersey Economic Development Authority, which awards incentives for the state. "Haier moved forward with plans to relocate without an incentive," the EDA said in an emailed statement on Thursday.

The decision comes amid fierce competition among states, waged with ever-higher incentive packages, to keep existing companies from leaving and to lure new ones.

New Jersey legislators on Sept. 12 enacted an overhaul of the state's incentive packages, reducing the number and — in many cases — the amount a company has to invest in a project to get state assistance. Legislators believe that change, and others, will enable smaller companies to get state incentives, which are usually paid in the form of tax credits that can be used to reduce corporate, income and other taxes.

Haier has not spoken about the decision to head to [Wayne](#), and the company did not respond to a request for comment for this article. A spokeswoman for Newmark Grubb declined to comment.

Medina and other observers said some companies don't want to open up their business model for scrutiny by a government agency, which — in line with New Jersey government transparency laws — has to release the less-sensitive parts of that information to the public.

Companies seeking a state tax break have to provide financial information, details of their business model, staffing levels and other details. That's enough to deter some of his clients, said John Boyd, founder of the Princeton-based Boyd Co., which helps companies relocate.

"Most of our clients want it all," said Boyd, meaning they will go for any incentive they can get. "Some companies don't want to go down that route. ... They don't feel they want to open up their project in a very public way."

"Asian firms have a different mind-set, a different philosophy," he said. "They don't want to open up their financial records. They don't want to open up their hiring plans."

In addition, Boyd said, some companies, regardless of their geographic background, don't want to commit to creating a specific number of jobs, as is required by some New Jersey incentive programs.

Daniel Foley, who works in the [Hackensack](#) office of national commercial real estate company Studley as a senior managing director, said some companies don't want to "get involved with the political sensitivities" associated with an incentive application.

High among them, he said, is the state's requirement that to be eligible for some grants a company has to certify that the incentive grants would be "material," or a key factor, in its decision to invest in New Jersey.

That may not necessarily be true for some companies, given that New Jersey offers non-financial benefits that other parts of the nation can't match — among them a skilled workforce, strong infrastructure and proximity to the lucrative New York market.

"Some companies might have made their mind up ahead of time that they, for whatever reason, wanted to move to New Jersey and the incentives were no longer essential to the decision," Foley said.

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