



Subaru groundbreaking offers officials chance to celebrate Camden, incentives

By Andrew George, December 9, 2015



Thomas Doll, Subaru of America president and COO, speaks at the ceremony Wednesday. - (AARON HOUSTON)

It's a story Lt. Gov. Kim Guadagno has told before to illustrate the state's willingness to work with the business community, but this time it packed a little extra punch.

And yes, it does involve her cell phone number.

It started with a phone call one Sunday afternoon from Subaru of America President and Chief Operating Officer Thomas Doll, who explained to Guadagno that he was considering relocating the company's Cherry Hill headquarters and some 500 New Jersey-based employees out of state because it couldn't afford to stay here any longer.

“Stop, time out,” Guadagno remembers thinking before telling Doll that, while she wasn’t going to be able to come up with a solution for retaining Subaru on that particular Sunday afternoon, she’d be hard at work on it the very next day.

And in time, the company and the state were able to make the numbers work. Last December, the Economic Development Authority voted to approve nearly \$118 million in incentives over 10 years for Subaru to establish its new national headquarters in Camden, on Campbell Soup Co.-owned land in the city’s Gateway District.

Speaking on Wednesday at the official groundbreaking of the proposed 250,000-square-foot facility, Guadagno called the retention of Subaru a “glorious success story,” adding that the company “could have chosen anywhere in the world” to relocate to.

Subaru plans to create 100 new jobs at the site in addition to relocating 500 New Jersey employees currently based at the company’s existing Cherry Hill and Pennsauken locations. According to the EDA, having Subaru in Camden will yield an estimated net benefit of nearly \$168 million back to the state over a period of 35 years.

“This is a story that we take throughout the country to sell jobs in New Jersey,” Guadagno said.

Subaru’s new headquarters will sit adjacent to the Campbell world headquarters site near Admiral Wilson Boulevard and will be part of Knights Crossing, Brandywine Realty Trust’s future “urban town center” project.

“Congratulations to Subaru and welcome to the neighborhood,” said Campbell CEO and President Denise Morrison.

In addition to the main facility, the site will also feature an 83,000-square-foot training and engineering center.

Subaru expects to complete the relocation by the end of 2017, which coincidentally would coincide with the company marking 50 years since its founding.

“What a way to celebrate our golden anniversary,” Doll said.

“This is a great day for Subaru and it is a great day for the city of Camden,” Doll added. “We’re proud to be here.”

Indeed, Camden received as much acclaim, if not more, on Wednesday as the company itself.

Doll said that part of the decision behind the site location was fueled by the company’s desire to be a stakeholder in what some are calling Camden’s “renaissance.”

“We want to be on the ground floor,” Doll said. “We want to be part of it.”



A rendering of the planned 250,000-square-foot headquarters for Subaru of America. - (SUBARU OF AMERICA)

But of course, Camden-specific incentives included in the Economic Opportunity Act of 2013 have also played quite a large role in making the city an increasingly attractive place to do business.

Camden Mayor Dana Redd said that the Economic Opportunity Act has been “making a tremendous impact” on her city, moving it towards the goal of being a “shining urban anchor for the state of New Jersey.”

Though he was not in attendance Wednesday, Christie referenced the effect the incentives were having on Camden earlier in the week in a speech to business leaders at the New Jersey Business & Industry Association’s annual Public Policy Forum.

Christie said the tax credits were “literally today reviving the cities of Newark and Camden.”

Since the law’s implementation, Camden has seen the approval of over \$1 billion in potential tax breaks for companies seeking to relocate to the city. Some of the larger approved incentives include \$260 million for Holtec International’s new waterfront headquarters, \$252.7 million for EMR Eastern LLC’s planned city campus and \$164 million for a new Gateway District facility for American Water Works.

Then, in September, Liberty Property Trust unveiled its plans for a transformational \$1 billion waterfront development that calls for the construction of several buildings and two large modern towers featuring residential, hotel, commercial and office space.

“It is Camden’s time,” Redd said. “Camden is rising.”

U.S. Rep. Donald Norcross (D-Cherry Hill) was a primary sponsor of the Economic Opportunity Act when he was a state senator. Stealing a line from the film, "Field of Dreams," Norcross, a Camden resident, said the city is currently seeing the realization of the motto, "If you build it, they will come."

For too long, Norcross said, the so-called Gateway District wasn't an impressive entryway for motorists crossing the Ben Franklin Bridge into New Jersey from Philadelphia. With the completion of the Campbell's headquarters site several years ago and the proposed plans for Subaru, he expects that to change.

"Imagine what that's going to look like in a couple of years from now," Norcross said.

"Make no mistake," added Brandywine CEO, President and Trustee Jerry Sweeney. "Today's event will accelerate Camden's rise, and how exciting is that?"

But not everyone was celebrating Wednesday's event.

Jon Whiten, deputy director for think tank New Jersey Policy Perspective, said that lawmakers should focus on investing in public assets rather than incentive programs, especially when the company being retained is set to receive a large tax break for moving its headquarters just several miles away from its existing location.

"Awarding profitable corporations billions of dollars mostly to shift jobs around New Jersey is not an economic-growth strategy — it's a feel-good gimmick," said Whiten. "But this trend is worse than gimmicky — it's damaging, as it will harm the state's capacity to invest in what actually works to grow the economy, as corporations cash in their tax credits in the coming years."

But John Boyd Jr., principal of the Princeton-based Boyd Company, says that in coordination with enhanced policing and public safety measures, the incentive programs under the Christie administration have played a crucial role in helping to spark what he considers to be "one of the most impressive urban turnarounds in the country today."

"No city has started its comeback as far back as Camden," says Boyd.

Boyd added that the retention of Subaru was particularly critical for the state at this juncture, as many automobile companies are shifting their American operations to the cheaper Southeast.

This past January, for example, Mercedes Benz USA announced it would be leaving its Bergen County headquarters of more than 40 years for Georgia.

It is especially impressive that Christie and his economic development team at Choose New Jersey were able to retain the Subaru headquarters in the state," Boyd said. "This comes at a

time when the center of gravity of the U.S. auto industry has moved to the Southeast, where major operations of Toyota (Kentucky), Nissan (Tennessee), Kia (Georgia), and BMW (South Carolina) have all relocated and expanded in recent years.”