

NEW JERSEY 101.5

May 2, 2019

Conner Strong & Buckelew NFI The Michaels Organization						
	Conner Strong & Buckelew 1601 Market Street		NFI 1500 Spring Garden Street		The Michaels Organization 1500 Spring Garden Street	
	Proposal 1	Proposal 2	Proposal 1	Proposal 2	Proposal 1	Proposal 2
Date	8/29/2016	12/1/2016	8/29/2016	2/28/2017		
Total Sq. Ft.	153,345	~110,000	103,491	93,308		
Floors	3-7, 11-12	3-7, 13	2	2		
Base Rent	\$25.95/RSF	\$25.95/RSF	\$23/RSF	\$22.50/RSF		

A task force assigned by Gov. Phil Murphy to examine potential abuses of the state's \$11 billion economic-development tax incentive programs sharpened its focus on projects in Camden at its second public hearing Thursday.

It seems clear the task force plans to closely look into whether companies seeking tax credits had legitimate out-of-state alternatives to a New Jersey location, as required for some awards and a help for others because otherwise it would be difficult to meet a "net benefits" requirement to qualify for a full tax break.

"I do think it's worth making plain to the public that there is real criminal exposure for companies that lied to the EDA and thereby deprived New Jersey of tax revenue," said Pablo Quiñones, an attorney helping the task force.

Task force attorney Jim Walden said out-of-state alternatives must be "bona fide, suitable and available." The panel was told by business relocation consultant John Boyd that a search would

create a paper trail and receipts – and the panel signaled it will seek such records from businesses.

“Obviously these applications are submitted under penalties,” Walden said. “If there is a representation that was made in the applications, and it turns out that that representation is false, the grants are subject to suspension, termination, recapture and there’s the potential for criminal enforcement.”

“I don’t want to make too much of this. We’re at a very early stage of our proceedings, and I’m not suggesting that will happen,” he said. “But I do think it’s important for people that are going to apply to the program that they understand the law on this area a little bit.”

Chairman Ronald Chen said every company that has gotten tax credits with the GrowNJ or ERG (Economic Redevelopment and Growth) programs will be scrutinized to make their the applications were accurate and that they are meeting job-growth and investment promises. Forty-one are taking part in an ‘accelerated recertification process,’ but others will be investigated more thoroughly, he said.

“Companies will not be able to participate in the ARP process, however, if we have information suggesting either potential misconduct or other significant irregularities that requires a deeper investigation,” Chen said. “And that is true thus far of approximately nine companies, which we have identified as entities of concern.”

Those companies were not specifically identified Thursday, though a number of businesses that have relocated to Camden were discussed, including Conner Strong & Buckelew, the Michaels Organization, NFI and Cooper University Health Care System.

Many of the companies have direct or indirect ties to George Norcross, the powerful South Jersey Democratic political figure. A group of Norcross-allied officials including Mayor Frank Moran and state Sen. Nilsa Cruz-Perez issued a statement criticizing what they called “Murphy’s attacks on Camden.”

“We are deeply appalled by Governor Phil Murphy, his administration and the blatantly political leaning task force established by him, for the relentless, unfounded and disingenuous attacks on the businesses making generational investments,” they said. “We will not be party to nor will we tolerate any efforts to turn back the hard-fought progress that has been made in Camden over the last several years.”

Former Gov. Chris Christie, who worked with the Legislature in 2013 to enact the versions of the tax incentives now being examined, also issued a statement critical of Murphy.

“While Gov. Murphy was collecting his pay-to-play gift from President (Barack) Obama entertaining the wealthy of Germany at embassy parties, we were back here doing the hard work

to rebuild Camden from the most dangerous city in America to the most hopeful city in America,” Christie said.

Murphy directed the state comptroller to conduct a review of New Jersey’s tax incentive programs as one of his first actions after becoming governor in January 2018.

Among the things requested by auditors was information about active or settled lawsuits related to the incentive programs. Auditors weren’t told about one filed by Veyis “David” Sucsuz, who claimed a number of irregularities in the program in a lawsuit claiming he was fired for raising complaints about it.

Fred Cole, senior vice president for operations at the state Economic Development Authority, said he considered it to be a personnel matter but said he would have preferred providing the comptroller’s office that and other lawsuits and allow auditors to decide what was relevant.

“Yes, actually, looking back at it now, I can see where that connection would be made,” Cole said.

Timothy Lizura, who was the EDA’s former chief operating officer until last July, said the agency didn’t investigate Sucsuz’s allegations because it didn’t believe his claims.

“My assessment of why, and maybe that’s bad on me, being the COO, but there was no, through the entire senior leadership team, top to bottom, we gave no credibility to the representations Mr. Sucsuz was making,” Lizura said.

Lizura defended the EDA generally, saying he worked there for 22 years “because I believed in, and I still believe in its mission to create and retain jobs for the people of New Jersey and to support positive economic development in our state.”

“The EDA is a nonpartisan organization. Our work was not to benefit any one governor, any one individual or one entity,” Lizura said.

Lizura said there had been at least one instance of an underwriter finding evidence of fraud in a tax credit application and the agency referring the matter “to the appropriate channels.” He didn’t name the company, and Walden didn’t follow up during the open session.

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