



MAYOR CHRIS BOLLWAGE

CITY OF ELIZABETH P R E S S R E L E A S E



FOR IMMEDIATE RELEASE

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MAYORS IN URBAN ENTERPRISE ZONES FIGHT FOR FUNDING

ELIZABETH, NJ May 28, 2009— After the State Treasury recently demanded the return of funds from their Urban Enterprise Zone accounts, Mayor Chris Bollwage, Chairman of the UEZ Mayors Council, hosted an emergency meeting at the Renaissance Hotel in Elizabeth for Mayors and UEZ Coordinators.

“We believe that the Treasury does not have the power to rescind ours funds,” said Mayor Bollwage. “Doing so will force cities to stop economic development projects that would bring economic recovery and jobs during the recession.”

According to the State Treasury Department, it was discovered that they miscalculated for nearly three years how much sales tax revenue the cities were permitted to keep. The State Urban Enterprise Zone Authority wants to retroactively recover \$40 million from the 37 zones in New Jersey that collected more sales tax than state officials say they should have. The Treasury Department said that in July 2006 a half of a 1 percentage point sales tax increase went into effect. The money should have been deposited in the state's Property Tax Relief Fund, but instead it was placed in an Urban Enterprise Zone account.

At the emergency meeting more than 50 Mayors and UEZ Coordinators agreed to reach out to Governor Jon Corzine in hopes of reversing this command. In addition, Mayors will meet with their city attorneys to explore the legality of asking their towns to return the funds.

For the City of Elizabeth, the retroactive repayment will cost the UEZ an estimated \$3.8 million, a figure city officials argue is inflated by more than \$700,000. The repayment would set back or eliminate programs such as the \$1.8 million security camera initiative, which would have added 150 cameras throughout Elizabeth.

“We strongly believe this take back negatively affects urban areas,” Bollwage says. “We think it is unconstitutional and our city attorneys will be looking into the matter.”

The UEZ program was developed by the State of New Jersey to help promote redevelopment in its urban centers. The goal of the UEZ is to promote sustainable growth by helping businesses succeed in city neighborhoods.