



MAYOR CHRIS BOLLWAGE

CITY OF ELIZABETH PRESS RELEASE



FOR IMMEDIATE RELEASE

Contact: William Reyes
Public Information Office
908-820-4124

CITIES IN URBAN ENTERPRISE ZONES CAN KEEP HALF OF MISCALCULATED FUNDS

ELIZABETH, NJ June 9, 2009— Mayor Chris Bollwage and other mayors from across New Jersey met with Governor Jon Corzine last week to discuss the disputed repayment of Urban Enterprise Zone funds. At the conclusion of the roundtable meeting, Mayors attending were relieved with the Governor's decision to only take half of the State Treasury had demanded back from their Urban Enterprise Zone funds.

"The Governor was very supportive of the UEZ and the work done to create jobs," Elizabeth Mayor Chris Bollwage said. "He clearly sees the need for UEZ money used to create jobs in our cities."

At the meeting, Corzine told the Mayors that they will only have to return \$20 million to the Department of Treasury under the condition that they will use the additional funds for projects that will result in property tax relief.

Last month, officials from the 37 zones were outraged when they learned their cities were asked to return \$40 million after it was discovered that the Department of Treasury miscalculated for nearly three years how much sales tax revenue the cities were permitted to keep. In July 2006, the Treasury Department said that 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.

Some of the Mayors believed that the figures their cities were asked to return were overestimated. The figures were based about three months before the sales tax was increased from 6 percent to 7 percent. Those details are still being worked out in the new proposal.

"In Elizabeth, UEZ funds are being used to hire patrol officers who walk the business district," Bollwage said. "That's clearly property tax relief, putting additional police on the streets."

Pleasantville Mayor Jesse Tweedle Sr. said UEZ funds in his Atlantic County city pay for six firefighters, four police officers and six Department of Public Works employees. UEZ funding will also help pay for a redevelopment project that will include 1,300 rental units, a supermarket and retail units.

"He heard our cry and understand the importance of the UEZ program," said Tweedle. "It felt good leaving there. It lessens the burden for us."

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.