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February 19, 2021

Dear Assembly Speaker Coughlin,

As the leaders of the Garden State's major business associations, we write to urge your opposition to Assembly Bill No. 1571, which would impose prevailing wage requirements on private projects that receive tax abatements or exemptions. Such an extension of mandatory prevailing wages into private development is unprecedented and unwarranted. The consequences of this bill would be to damage economic development throughout the state and especially in our urban areas that rely on tax abatements and exemptions to spur development projects. It will also have a significant impact on the state's obligation to provide affordable housing.

Tax abatements and exemptions are key tools that municipalities use to drive private development. On the residential front, affordable housing projects that receive permanent financing from the New Jersey Housing and Mortgage Finance Agency (HMFA) are compelled to enter into Payment in Lieu of Taxes (PILOT) agreements. Moreover, incentives and abatements spur development and redevelopment in areas or properties that might otherwise be overlooked. This development is beneficial for the businesses and residents who eventually occupy it and also drives job opportunities and commercial activity in these areas.

Imposing the prevailing wage on private projects that receive tax abatements and exemptions would undermine the attractiveness of those incentives and, thus, the projects themselves. Developers will only make investments in communities where they obtain a sufficient return on investment. Driving up the cost of private projects by mandating prevailing wages will no doubt lead to many projects not being built, with capital flowing to more competitive states. The resulting strain will be felt throughout New Jersey and particularly in the communities that depend on redevelopment to improve quality of life and expand economic opportunities.

We urge you to oppose this bill and not post it for a vote. As we come out of this pandemic, the last thing we need is to undermine job creation, development and investment in our communities.

Sincerely,

African American Chamber of Commerce of New Jersey, Inc.
American Camp Association NY/NJ
American Institute of Architects/ NJ Chapter.
American Council of Engineering Companies of New Jersey
American Physical Therapy Association of New Jersey
Big I New Jersey
BioNJ
Burlington County Regional Chamber of Commerce
Cape May County Chamber of Commerce
Capital Region Minority Chamber of Commerce
Chamber of Commerce of Greater Philadelphia

Chamber of Commerce Southern New Jersey
Commerce and Industry Association of New Jersey
CrossState Credit Union Association
Downtown New Jersey
Early Childhood Education Advocates
Eastern Monmouth Area Chamber of Commerce
Employers Association of NJ
Fuel Merchants Associates of NJ
Garden State Pharmacy Owners, Inc
Greater Atlantic City Chamber
Greater Lehigh Valley Chamber of Commerce
Greater Toms River Chamber of Commerce
Greater Westfield Area Chamber of Commerce
Hoboken Chamber of Commerce
Home Care & Hospice Association of New Jersey
Home Health Services Association of New Jersey
Hudson County Chamber of Commerce
Hunterdon County Chamber of Commerce
Independent Insurance Agents & Brokers of NJ
Insurance Council of New Jersey
Jersey Shore Partnership
Mahwah Regional Chamber of Commerce
Marine Trades Association of New Jersey
Middlesex County Regional Chamber of Commerce
Meadowlands Chamber
Monmouth Ocean Development Council
Morris County Chamber of Commerce
NAIOP-NJ
National Federation of Independent Business (NFIB)
Newark Venture Partners
Newark Alliance
Newark Regional Business Partnership
New Jersey Apartment Association
New Jersey Asphalt Pavement Association
New Jersey Association of Osteopathic Physicians and Surgeons
New Jersey Association of Mental Health & Addiction Agencies
New Jersey Bankers Association
New Jersey Builders Association
New Jersey Business & Industry Association
New Jersey Camps Government Affairs Project
New Jersey Campground Owners and Outdoor Lodging Association
New Jersey Chemistry Council
New Jersey Civil Justice Institute
New Jersey Coalition of Automotive Retailers
New Jersey Concrete and Aggregate Association

New Jersey Council of County Colleges
New Jersey Dental Association
New Jersey Food Council
New Jersey Gasoline-Convenience-Automotive Association
New Jersey Hotel and Lodging Industry Association
New Jersey Independent Electrical Contractors Association
New Jersey Liquor Store Alliance
New Jersey Manufacturing Extension Program, Inc.
New Jersey Motor Truck Association
New Jersey Pharmacists Association
New Jersey Podiatric Medical Society
New Jersey Restaurant & Hospitality Association
New Jersey Retail Merchants Association
New Jersey Salon and Spa Coalition
New Jersey Self Insurers Association
New Jersey Society of Certified Public Accountants
New Jersey State Chamber of Commerce
New Jersey State Funeral Directors Association
New Jersey State Veterans Chamber of Commerce
New Jersey Tourism Industry Association
New Jersey Utilities Association
New Jersey Warehousemen & Movers Association
New Jersey Utilities Association
New York Shipping Association, Inc.
NJ Society of Optometric Physicians (NJSOP)
North Jersey Jewish Business Alliance
Ocean City Chamber of Commerce
Phillipsburg Chamber of Commerce
Princeton Mercer Regional Chamber of Commerce
Professional Insurance Agents of New Jersey (PIANJ)
Recreational Fishing Alliance
Salem County Chamber of Commerce
Somerset County Business Partnership
Southern NJ Development Council
Southern Ocean County Chamber of Commerce
Statewide Hispanic Chamber of Commerce of NJ
Sussex County Chamber of Commerce
TechUnited:NJ
The Greater NJ Motorcoach Association
The United Boatmen of N.J.
Union Township Chamber of Commerce
Washington Borough BiD