



At last, a 'meaningful' incentive to BRRAG about

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Retooled grant gets more attention from firms considering a move

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By Andrew Kitchenman

The first of more lucrative job-retention packages are starting to win Economic Development Authority approval following Honeywell International's successful bid last year to extend the length and value of grants in one of EDA's key incentive programs.

Last week, EDA's board awarded multiyear, multimillion-dollar Business Retention and Relocation Assistance grants to real estate and relocation services firm Realogy Corp. and systems and software engineering provider Mission Solutions Engineering LLC.

Realogy, which operates brands and business units such as Century 21, Coldwell Banker and Sotheby's International Realty, would receive a \$10.7 million grant over five years to retain 953 jobs at a new corporate headquarters in Morris County and a separate office in Mount Laurel.

Mission Solutions, meanwhile, would receive \$3.75 million over three years to retain 555 employees whom the company is considering relocating from its Moorestown office. In addition, the company was awarded a \$1.4 million Business Employment Incentive Program grant to add 90 jobs.

Timothy J. Lizura, EDA senior vice president, said BRRAG is keeping businesses in the state that would otherwise leave.

"We've never had a meaningful incentive for retention and we've lost many companies because of that," Lizura said. "We now have a meaningful incentive."

Lizura said the program had been "marginally effective," but now has the ability to match the scale of different-sized companies that are considering leaving the state. For instance, Realogy has been considering lower-cost alternatives in North Carolina and Georgia. The state has granted \$40 million in BRRAGs in the first four months of 2010 — nearly seven times the total of roughly \$6 million granted in the previous two years.

The final award amounts will depend on whether the companies follow through on their applications.

The process of expanding the amount and duration of BRRAGs began in July, as Gov. Chris Christie and Lt. Gov. Kim Guadagno retooled the state's incentive programs during a bid to keep Honeywell, which had threatened to leave the state, in its Morris Township headquarters. Christie asked the Legislature to allow BRRAG grants to be paid for up to six years at \$2,225 per retained employee, a sharp increase from a \$1,500 maximum for one year only.

Realogy and Mission Solutions were among a range of companies that received incentives at the April 12 EDA board meeting. Agency CEO Caren S. Franzini said the meeting had one of the largest groups of incentive packages the authority had ever approved. Among them were Brad's Raw Chips LLC, a foods manufacturer that would get \$86,000 if it adds 30 jobs in Trenton; FIMS Manufacturing Corp., a precision machine shop, which is considering locating 25 jobs in New Jersey or Pennsylvania; and plastics processor Montrose Molders Corp. and affiliates — it would receive \$149,000 to add 85 jobs, as well as a \$529,000 BRRAG to retain 235 jobs in New Jersey.

Montrose CEO William H. Wilson said the incentives would have a "huge impact in our decision" whether to stay and expand in the state, noting his father built the company in New Jersey.

Other grant recipients were:

- Postcard Press Inc., a California printing firm that would receive \$101,000 to add 50 jobs in New Jersey.

- Investment firm TIAA-CREF, \$9.33 million for 200 jobs.
- Chemical producer Vertellus Specialties Inc., \$125,000 for 13 jobs.
- Puratos Corp., a baking supplier, \$371,000 to retain 165 jobs.
- SYNEX Corp., a business process services company that would receive \$143,000 to add 50 jobs, as well as a \$203,000 BRAGG to retain 90 jobs.


Franzini said the diversity of the firms — ranging from family-owned business to national corporations, was representative of New Jersey.

In other matters, the board awarded a \$1.37 million combined heat and power grant to RED-Burlington LLC, which is building an energy system at a Burlington City facility.

Four organizations were denied the grants, including AHS Hospital, Robert Wood Johnson University Hospital, Rutgers University and Montclair State University, because they hadn't filed complete applications by the deadline.

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