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Incentives Are 'Powerful,' But Creative, Dynamic Office Space Also Key

By Steve Lubetkin | New Jersey

EAST RUTHERFORD, NJ—Keeping the business environment attractive has become a high priority for New Jersey's political leaders, according to an expert in economic incentives. At the same time, a developer with extensive experience negotiating such incentives warns office developers that dynamic and creative office spaces are essential if New Jersey is going to compete with cultural hubs like New York and Philadelphia.

Lee Winter, Grant Thornton

"New Jersey's economic incentives are more powerful than ever but also more complex than ever," says Lee Winter, a director in the Credits and Incentives group at Grant Thornton.

"In order for New Jersey to continue to compete with the major cultural hubs of New York and Philadelphia, office owners will need to embrace the reality that today's workforce craves dynamism and accessibility in the office environment," Ralph Zucker, president of Somerset Development tells GlobeSt.com exclusively. "In the absence of a true city setting, this requires creative solutions to ensure that the workplace provides a lively, holistic experience of its own."

Zucker and Winter will appear as part of a town hall panel entitled, "Economic Development & CRE, at this year's RealShare New Jersey Conference. The conference kicks off Wednesday, September 16 at 7:30am at the Hilton Meadowlands in East Rutherford, NJ.

In comments provided exclusively to GlobeSt.com, Winter acknowledges that many states are becoming much more aggressive and pro-active in recruiting companies to their states with lucrative economic incentive packages, but says he sees New Jersey recognizing the importance of incentives in developing business in the state.

"The Governor, Lt. Governor and the NJEDA take an extremely pro-active role in attracting new companies and retaining existing ones," he says.

Developers need to have a solid performance plan if they are seeing state incentives, Winter says. No longer is the state pursuing an ad hoc approach to economic incentives.

"In the past, it was much more reactive, that is, a Governor or Mayor would learn of a company's intentions to leave their state and then cobble something together at the last minute to try to convince them to stay," Winter says.

Ralph Zucker, president, Somerset Development

"There is no free lunch," he says. "The new economic incentives have performance requirements and claw back provisions."

Zucker, whose firm is redeveloping the former Bell Laboratories complex in Holmdel, NJ as Bell Works, a mixed-use office-retail-hospitality complex, cautions developers about New Jersey office assets.

"For many years, New Jersey's commercial real estate market faced a crisis of normalcy," Zucker says. "While there is little inherently wrong with the structures themselves, far too many offices offered nothing other than shelter for a desk and computer."

The town hall panel, moderated by David B. Wolfe, Esq., a partner at the law firm of Skoloff & Wolfe, is scheduled to start at 9:45 a.m. In addition to Winter and Zucker, other panelists are: Carmelo Garcia, executive vice president and chief real estate officer, Newark CEDC; Timothy Lizura, president and chief operating officer, New Jersey Economic Development Authority; and Fred Schmidt, president and chief operating officer, Coldwell Banker Commercial Affiliates.