

## **James Solomon's Plan to Promote Small Business and Economic Development**

Jersey City has had a great deal of growth in the last two decades, but that growth has split the City, increasingly leaving many residents behind.

The vast majority of this recent development has been high-cost high-rise luxury housing that is often not suitable for families and that is concentrated in just a few wealthier parts of the City. At the same time, despite the growth and desirability of Jersey City, the current Administration has not attracted any new anchor institutions and small businesses are struggling from high costs and endless red tape. The result is that even as Jersey City's population has grown by roughly 30% in the last 15 years, the number of jobs here has been virtually stagnant for almost a decade, and fewer than 20% of our residents also work in the City. Even success stories like the Newark Ave Pedestrian Plaza are starting to falter, as these costs and challenges for businesses are leading to more and more empty storefronts.

So Jersey City has become increasingly at risk of being split between two worlds—an expensive bedroom community for New York City, and the remaining underinvested neighborhoods where residents have few opportunities to work here and increasingly cannot afford to stay in the City they love. But the path we are on is not inevitable—it is the result of deliberate choices to hand over the trajectory of the City to developers, disinterest in helping businesses and companies get off the ground and grow in Jersey City, and the neglect of investment in poorer, predominantly minority neighborhoods like the south side of the City.

As Mayor, James Solomon will fight to stop this slide, open up opportunities to live and work across the city for residents of all backgrounds, and bring investment to communities that have not seen the benefits of the last decade of growth. Jersey City still has the chance to become a model for inclusive growth that maintains our diversity, while becoming a true beacon of economic opportunity.

To do this, James will:

- 1. Take back control of the planning and growth of the City from developers to reduce housing costs and create more jobs for residents.**
  - 2. Create thousands of new homegrown job opportunities by attracting anchor institutions and supporting small businesses.**
  - 3. Aggressively promote economic revitalization across the City, especially in the communities that have been left out of Jersey City's recent boom.**
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- 1. Take back control of the planning and growth of the City from developers, to reduce housing costs and create more jobs for residents.**

**Reassert control over the development process to make sure that development works for Jersey City residents.** Right now, when it comes to housing and economic development, Jersey City is not in control of its own fate. High-powered developers who have donated millions to local politicians are shaping the City in accordance with their own financial bottom line. Under New Jersey law, cities have powerful legal and financial tools to use the redevelopment to promote the development of affordable housing and workforce housing, and make it easier for businesses to get started and succeed. These include powers to customize land use policies to enable significant projects or business growth by designating redevelopment zones, assemble larger parcels by acquiring abandoned or dilapidated properties, and offer creative tax incentive agreements in exchange for significant benefits. But instead of using these tools for inclusive growth, critical City entities like the Jersey City Redevelopment Agency (JCRA) have simply become a rubber stamp for the proposals put forward by the most connected developers and the small group of insider attorneys who represent them, with little to no transparency. As Mayor, James will take back control for Jersey City residents, and bring the development process out of the shadows. He will appoint economic development officials with the expertise to use the redevelopment process to secure thousands of new affordable units, break down barriers to new business and employment opportunities, and look holistically at the City to unlock new and creative opportunities for inclusive development—especially in long neglected communities. Crucially, under James the ability to participate in the development process will be fair and open to all, rather than limited to the few with the most clout.

**Appoint a Deputy Mayor for Affordable Housing and Economic Development.** To make his vision of a more affordable Jersey City with greater economic opportunity a reality, James will appoint a Deputy Mayor focused on affordable housing and economic development. This Deputy Mayor will be tasked with helping make sure the City hits its affordable and workforce housing goals, breaks down barriers to attracting and retaining large employers and small businesses, executes on high-stakes redevelopment projects like the Bayfront Project, and stays laser focused on unlocking investment in the neighborhoods that have not shared in Jersey City's growth. To accomplish this, the Deputy Mayor will help coordinate the economic development process between key City entities including HEDC, JCRA, the Corporation Counsel, the Department of Finance, the Department of Infrastructure, and external stakeholders including the affected communities. They will also help ensure that the City gets the best possible deal out of any redevelopment agreements and PILOT agreements; work with the JCEDC and the Chamber of Commerce to bring new employers to the City; support the reform of broken government functions like permitting that impede business growth; and serve as an intermediary with key State entities like NJDOT, NJDEP, and NJEDA that have a significant role in project approvals and tax incentives.

**Strengthen the Jersey City Economic Development Corporation (JCEDC) into a true advocate for Jersey City and support structure for our small businesses.** Right now, the City has no entity that is truly responsible for marketing Jersey City to potential anchor institutions or visitors, helping the private sector resolve issues in coordination with City Government, and supporting small businesses with the tools and resources they need to get off the ground and survive. Jersey City businesses facing critical challenges often have no option other than try to call up their local councilperson to force the City to pay attention. The non-profit JCEDC could play a much more robust role as a one-stop-shop for marketing the City and helping businesses address their issues, but for many years its potential has not been taken seriously by the current Administration, and its responsibilities have been largely limited to implementing the Urban Enterprise Zone (UEZ) program, which is at risk of expiring in 2031. As Mayor, James will work with the JCEDC Executive Director and Board to secure new revenue sources for the EDC and help expand its staff so that it can take on a more active role. For instance, the JCEDC could explore expanding to become a Community Development Financial Institution (CDFI), enabling it to access more state and federal funds and provide a much broader array of lending, grant, and other programs for small businesses and local non-profits.

**2. Create thousands of new homegrown job opportunities by attracting anchor institutions and supporting small businesses.**

**Fully overhaul the City’s permitting, licensing, and inspection processes to eliminate the red tape that is choking our businesses.** No resident or entrepreneur should need to hire an “expediter” to get basic government services like permits and inspections or have to call in a political favor. Unfortunately, these fundamental government functions are broken in Jersey City, with a wide range of stakeholders across the City experiencing huge delays and nonresponsiveness from the City, even after the implementation of a new digital permitting system. For small businesses with limited runway to get off the ground, these kinds of delays and this lack of transparency can easily be a death knell that prevents them from even getting a chance to succeed. As he emphasized in his “Make Shit Work” plan, James will ensure that these services are provided efficiently and effectively, and that the City is working with businesses to “get to yes” and get them ready and help keep them open. As part of this, James will order a full audit and overhaul of the Buildings Department, will set clear deadlines and targets for permit turnarounds, and demand accountability if those timelines are not met.

**Exempt small businesses from the City’s payroll tax on non-resident employees.** As a City Councilperson, James has been a strong advocate to strengthen compliance by corporations with the City’s 1% payroll tax, a key funding stream for Jersey City Public Schools. However, he does not believe that this burden should fall upon small businesses with 20 or fewer employees, which are already dealing with high costs and whose employees increasingly cannot afford to live in

Jersey City. As Mayor, James will work to exempt such small businesses from the payroll tax. This will create more breathing room for those business owners, while having a minimal impact on revenues for the schools.

**Leverage state tax credits for projects that promote long-term employment growth and housing affordability, rather than vanity projects.** The State of New Jersey currently provides very powerful tax credit tools for municipalities that are able to work competently and creatively to develop compelling partnerships and projects, including broad programs like Aspire for major redevelopment projects and more tailored programs for sectors including clean energy, film and culture, and manufacturing. As the fastest growing City in the State, Jersey City should be accessing a huge share of these funds for affordable housing and economic development, but the reality is that we lag behind many other municipalities. Part of this is because the current Mayor has been almost singularly focused on building market rate luxury towers that do not qualify for state tax credits (with the rare exception of the Bayfront Project), and part of it is because Jersey City's credibility with the State has been severely damaged, for instance by requesting tens of millions of dollars in state tax credits for the Pompidou project without a serious financial plan. As Mayor, James will ensure that the City is strategic, competent, and creative in building compelling proposals that leverage state dollars effectively.

**Create a task force to evaluate vacant or under-leased commercial and office space in the City, and explore conversions that would provide greater benefit to the community.** Like other cities around the country, Jersey City faces challenges in filling its existing commercial office space from aging buildings and shifts in work patterns as a result of the COVID pandemic. As Mayor, James will take a deliberate approach to the City's office properties to ensure that they do not degrade and diminish our neighborhoods, assembling a group of public and private stakeholders to work together to determine how best to ensure the vitality of these properties into the future.

**3. Aggressively promote economic revitalization across the City, especially in the communities that have been left out of Jersey City's recent boom.**

**Target empty storefronts and promote retail and commercial growth by comprehensively reforming land use policies throughout the City.** Over the last two decades, Jersey City has created dozens of new "redevelopment plans," a New Jersey-specific tool that allows the City to set specific, unique zoning requirements for a particular area, and which are required for tax abatements to be given out in that area. This tactic has created a dizzying patchwork of land use regulations across the city, and many of the plans were written to heavily favor market-rate residential development at the expense of commercial uses. Additionally, in many places where commercial development has been technically permitted, the range of permitted uses has still been restricted, preventing the organic growth of small and medium-sized businesses. As Mayor,

James will work with his economic development officials and experts to comprehensively review the City's land use regulations, consolidating redevelopment plans where necessary and correcting the imbalance against retail and commercial development.

**Keep a laser focus on promoting investment in key commercial corridors like MLK Drive, Ocean Avenue, and West Side Avenue, in tandem with the community.** The current Administration has simply not prioritized promoting investment and economic development in less affluent parts of the City. Projects like the construction of the "Hub" of City government buildings were touted as transformative for communities like Bergen-Lafayette, but have not lived up to the promise of spurring additional economic development. As Mayor, James will mandate that his Deputy Mayor and other economic development officials maintain a strict focus on revitalizing these parts of the City and reviving these historical commercial corridors, including a mix of market rate, workforce, and affordable housing, commercial and retail projects including supermarkets, and key community facilities including a new recreation center in Bayview Park. This will include significantly expanding JCEDC outreach into these communities, to help aspiring entrepreneurs access resources and information on how to get started with building their own small businesses, and continuing the work that Councilwoman Ridley has started with the Planning Department to unify the redevelopment plans in Ward A.

**Implement a procurement program to ensure fairness in City contracting.** The current Administration commissioned a *Croson* disparity study that found significant bias in City contracting, but then failed to actually implement the procurement set-aside reforms that the City passed based on study findings. As Mayor, James will re-evaluate the current set-aside ordinance to ensure that it is designed to best achieve fairness in City contracting, in accordance with the law, and actually implement these procurement programs to correct discrimination in the awards of public contracts.

**Competently implement major redevelopment projects like Bayfront that will shape the future of the City.** Significant affordable housing and redevelopment projects like Bayfront and Holland Gardens are highly complex and will require a strong focus on execution. As Mayor, James will make sure that his team is fully focused on working with the State, developers, and other stakeholders to make these ongoing projects a success, and to get concrete plans in place for the transformative projects of the future, such as the redevelopment of the Embankment.

**Maintain and expand our industrial and manufacturing jobs.** While Jersey City was once a manufacturing City, the dramatic increase in residential development has shrunk the amount of available land in the City for this purpose. James believes that Jersey City needs to have a diverse economy with well-paying, stable opportunities for workers from all kinds of backgrounds, including those without a college degree. As such, he will work to retain the existing active industrial and manufacturing zones that Jersey City still has, and explore

opportunities to expand long-term, advanced manufacturing job opportunities for Jersey City residents on these sites.