

State agrees with Orange: ending UEZ board is legal

City Council eliminates board during June meeting

By John Zucal Managing Editor, Orange Transcript

Since the Orange City Council voted in June to disband the city's Urban Enterprise Zone Advisory Board, concerns were raised about the legality of the council's action. State officials confirmed the council's move was in order.

The board, which was created in 1999, was charged with handling the initial functions of the local UEZ program, such as creating proposals for project funding within the zone's boundaries. According to a city official, meetings in recent years declined significantly.

"In 1999, Marty Mayes established the board," Valerie Jackson, Orange's director of planning and economic development, said Monday. She replaced Mayes as director when the administration of Mayor Eldridge Hawkins Jr. began in July 2008. "Toward the end of his tenure, the board wasn't operating."

Under the state's UEZ program, municipalities which are "distressed," based on factors such as low incomes and little commerce, are eligible for inclusion after an assessment. The program, which began in 1988, lets eligible commercial entities charge the municipality's one-half share of the sales tax, 3.5 of the 7 percent charged in nonmember municipalities throughout New Jersey. The money collected is deposited with the state program, and local programs apply to the state board for approval to use the funds for projects, loan programs and other uses within the local UEZ boundaries.

The program also enables eligible businesses to receive tax credits for hiring new personnel as well as a sales tax exemption for most purchases.

"It provides us with the opportunity to use the funds to stimulate economic development," said Jackson. She said Monday that municipalities in the state program are not required to have a local oversight board. In Orange's case, said Jackson, the city council had to assume some of those duties, including granting permission for funding applications to be filed.

Chris Donnelly, a spokesman for the state UEZ program, confirmed Jackson's statement.

"The decision to have a local UEZ advisory board is strictly a local decision," Donnelly said Tuesday. "The municipality is best suited to determine whether or not they wish to have one."

Jackson said the disbandment of the local board does not eliminate residents' ability to issue concerns or support regarding projects. She said residential input can be provided during Hawkins' monthly forums in City Hall, council meetings as well as through the city's Main Street New Jersey program and the Orange Chamber of Commerce. Jackson said she plans to meet chamber members twice yearly concerning local plans and proposals.