



Current Financial Incentives

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Section One: City of Vineland Incentives

- A Five Year Real Estate Tax Exemption Program
- Competitive Permit Fees
- Competitive Rates and Connection Fees
 - Vineland Municipal Electric Utility
 - Vineland Municipal Water Utility
 - Landis Sewerage Authority
- Insurance Services Office (ISO) Class 4 Fire Protective Rating

■ **A Five Year Real Estate Tax Exemption Program**

This is the standard City of Vineland five-year tax exemption program applicable to all new real property improvements. The plan offers 100% real estate tax exemption on the improved assessment for the first year after issuance of the final certificate of occupancy for the building, 80% exemption for the second year, 60% exemption for the third years, 40% exemption for the fourth year and 20% exemption for the fifth year. It applies to improvements only. Taxes on land are not eligible.

Example: For current year - \$4.10 per \$100 of assessed value

Current year tax liability on \$1,000,000 assessment \$41,000.00

1 st Year Exemption – 100%	No Taxes Due
2 nd Year Exemption – 80%	\$8,200 Taxes Due
3 rd Year Exemption – 60%	\$16,400 Taxes Due
4 th Year Exemption – 40%	\$24,600 Taxes Due
5 th Year Exemption – 20%	\$32,800 Taxes Due
Total Savings over Five Years	\$123,000.00

■ Competitive Permit Fees

All structures, in which occupants are engaged in work or labor in the fabricating, assembling or processing of products or materials, shall be classified as Use Group F-1 and F-2. This includes, among others, factories, assembling plants, industrial laboratories and all other industrial and manufacturing occupancies.

Factory and industrial occupancies which are not otherwise classified as low-hazard Use Group F-2 shall be classified as a moderate-hazard factory and industrial occupancy.

Factory and industrial occupancies which involve the fabrication or manufacturing of non-combustible materials that, during finishing, packing or processing, do not contribute to a significant fire hazard, shall be classified as Use Group F-2.

All structures which are primarily used for the storage of goods, wares or merchandise shall be classified as Use Group S-1 or S-2. This includes, among others, warehouses, storehouse and freight depots.

Buildings occupied for the storage moderate-hazard contents which are likely to burn with moderate rapidity, but which do not produce either poisonous gases, fumes or explosives.

Use Group S-2: Low-hazard storage occupancies shall include buildings occupied for the storage on non-combustible materials, and of low-hazard wares that do not ordinarily burn rapidly.

Detailed information concerning the use groups can be found in the New Jersey BOC A National Building Code book.

■ **Competitive Rates and Connection Fees**

■ Vineland Municipal Electric Utility

The Vineland Municipal Electric Utility, providing service to the City for over 100 years, is the only municipally-owned electric utility in the State which owns and operates electric generation facilities. Since its 2004 acquisition of the Conectiv Power Delivery territory within the City, the Electric Utility supplies electricity to virtually all the of the City’s customers. The only exceptions are a few pockets in outlying areas of the City.

The Electric Utility’s generating capacity is 60,000 kw Summer and 66,000 kw Winter, supplemented by various market purchases. Additionally, the Electric Utility receives a monthly allocation of 3.1 megawatts of New York Power authority hydroelectric power. The Electric Utility maintains interconnections with Atlantic City Electric Company with a capacity of 214,800 kilovolt ampere, and membership in the Pennsylvania-New Jersey-Maryland Interconnection Association pool which includes the major investor owned electric utilities and independent generators in the middle Atlantic Thus, the Electric Utility is able to meet the demands of its users even in times of emergency and sell excess capacity to other Utilities when system conditions and economics warrant.

■ Vineland Municipal Water Utility

The City’s Water Utility was established in 1900 by the purchase of an existing private system of mains and pumps. It is currently responsible for water supply, treatment and distribution. The system has grown with the expansion of the community. Earnings through the years have provided for the financing of system improvements including the amortization of bonds issued from time to time.

The Municipal Water Utility is comprised of water mains in excess of 235 miles, eight elevated storage tanks with a total capacity of 7,650,000 gallons and 14 wells with approximate depths of 160 feet. The Water Utility serves approximately 14,000 metered customers. Current and future major capital projects include a new well, enhanced water treatment facilities at Wells 8, 12 and 13, to bring these wells into compliance with the new federal drinking standards, and improvements to the distribution system to strengthen the ability to meet current peak demand while providing reserve capacity for future projected growth and development.

- Landis Sewerage Authority

The Landis Sewerage Authority was created by an act of the City Council to provide for the collection, treatment and disposal of sewage for the residents and businesses of the city and surrounding areas. The Authority has the capacity to treat 8.2 million gallons of waste per day. The Authority currently has excess capacity of approximately 700,000 gallons and completed expansion construction of the treatment facility in April 2000. The Authority services approximately ½ of the city, which includes all of the industrial parks.

The 8.2-mgd secondary and tertiary treatment components include biological treatment and nitrogen removal through aeration and denitrification, as well as secondary clarification and chlorine disinfection. All components are designed in accordance with NJDEP requirements. Effluent from the plant will be spray irrigated onto 180 acres of forest land; 115 acres of rehabilitated rapid infiltration basis will also continue to be used for effluent disposal.

For disposal of biologically treated, digested sludge from the new processes, a 380-acre agricultural land application site has been developed. Liquid sludge will be injected into the subsurface of the acreage to provide nutrients during the growing season for the corn,

straw, hay and other selected crops. During the winter, sludge will be stored in two 1.9 million gallon tanks at the plant.

The facility is staffed 24 hours a day, 365 days a year, due to the complexity of the operation and requirements of the NJDEP.

- **Insurance Services Office (ISO) Class 4 Fire Protective Rating**

The City of Vineland has been awarded the Class 4 Fire Protection Rating by the Insurance Services Office. This is the highest class rating obtainable for a city that has a combination of permanent and volunteer fire department staff. Currently, the city maintains a staff of 21 full-time firemen supported by 140 active and trained volunteer firemen.

To obtain a Class 3 Rating or higher, a city is required to staff a complete full-time fire department. However, the fire insurance premium remains the same for a Class 3 and Class 4.

Your fire insurance carrier can obtain the necessary comparable quotes for your cost analysis.

Section Two: Urban Enterprise Zone Incentives

- New Jersey Sales and Use Tax Exemption
- Vineland Fund for Economic Development
- Cumberland County College – Mobile Training Grants

■ **New Jersey Sales Tax Exemptions**

Building Materials:

This exemption applies only to companies that relocate their facility in a designated State Urban Enterprise Zone. The sales tax exemption applies, on average, to about 30% of the overall cost for proposed building's construction. Therefore, for every \$1,000,000 of cost, \$300,000 would be exempt from New Jersey Sales and Used Tax.

Example: $\$300,000 \times 7\% = \$21,000.00$ savings per million of cost.

New Jersey Sales Tax Exemption **\$21,000.00**

Equipment:

Location in the Urban Enterprise Zone also qualified your company to receive a sales tax exemption on the purchase of equipment used by the company. Assuming the dollar value of the equipment is \$1,000,000, the reduction in cost would amount to \$70,000.00.

New Jersey Sales Tax Exemption **\$70,000.00**

Goods and Services:

Location in the Urban Enterprise Zone also qualified your company to receive a sales tax exemption on the purchase of goods and certain services used by the company. Assuming the dollar value of those qualified goods and services used averages \$1,000,000 annually, the reduction in cost would amount to \$70,000.00.

New Jersey Sales Tax Exemption **\$70,000.00**

▪ Vineland Fund for Economic Development

This program is designed to provide financial assistance to new and existing businesses with lower than market rate interest loans for the following categories:

- Real property acquisition
- Facility construction or expansion
- Leasehold improvements
- Site development and improvement
- Acquisition of fixed machinery and equipment

The Vineland Fund for Economic Development is now 18 years old has generated over \$140 million in eligible loans. Currently the portfolio stands at approximately \$80 million. These loans have ranged in size from \$25,000 to \$8 million.

The City has also arranged with its bank a \$25 million Line of Credit. This allows the city to commit to future projects.

This program received the 1999 Program Award for the Best Economic Development Program for cities with a population of less than 100,000.

Special improvement loans, such as the Façade/Grant Loan Program is available. You can obtain more information on this program by going to www.mainstreetvineland.org.

Section Three: Additional Incentives

- Labor Cost Differential
- Transportation Cost Differential
- Cumberland County Public Transit System
- HUB Zone Certification
- Foreign Trade Zones

■ **Additional Savings**

Labor Cost Differential:

The New Jersey Department of Labor conducts an annual wage and salary survey. The data is assembled by county, so that differences in labor costs of various standard job descriptions can be determined. The information is available on the State of New Jersey website.

20 workers @ 40 hours per week	800 hours
52 weeks @ 800 hours per week	41,600 hours
41,600 hours @ \$2.00 per hour	\$83,200 annual savings

Transportation Cost Differential:

The Vineland Industrial Park's location, adjacent to New Jersey Interstate Highway 55 is equidistant between the heavily populated Boston-Washington Corridor.

Cumberland County Public Transit Systems:

Daily bus routes are available to and from the industrial parks and major business centers.