



NEW JERSEY LEGISLATURE

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September 27, 2017

Honorable Chris Christie
Governor, State of New Jersey
State House
P.O. Box 001
Trenton, NJ 08625

Dear Governor Christie:

We write to express our commitment to take the legislative action needed to fully incentivize Amazon's HQ2 project. There are many reasons why New Jersey is an ideal location for the HQ2 project, and we are committed to ensuring that chief among them is a strong incentive package. New Jersey's Economic Development Authority (EDA) already administers GROW NJ, a powerful job creation and retention incentive program that strengthens New Jersey's competitive edge in the increasingly global marketplace. As set forth more fully below, we are committed to passing legislation that will make all of the benefits of GROW NJ available to a project of this magnitude.

Under the proposed legislation, HQ2 will be designated a "Transformative Project," making it eligible for additional tax credits, enhanced incentives, and the loosening of certain restrictions that currently apply to GROW NJ programs and incentives. First, existing GROW NJ project caps would be eliminated for the HQ2 project. HQ2 stands to receive up to \$5 billion in incentives over the life of the project, and would not be subject to the existing project caps under this bill.

In addition, new jobs resulting from HQ2 would receive a straight \$10,000 base per job, per year rate over 10 years. Under current law, the base rate per job is up to \$5,000, with additional bonus amounts available depending upon a variety of factors (such as whether the job is in a designated industry or located in a statutorily designated area). Assuming the creation of 50,000 new jobs, this makes up to \$5 billion in incentives available. Moreover, all statutory limits on geographic location would be eliminated for transformative projects, such as HQ2, in order to provide Amazon with the most flexibility in selecting its ideal location within the State.

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Page 2

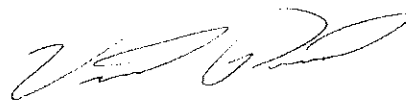
Other legislative changes tailored to accommodate the HQ2 project include allowing for a multi-phased project and tax credit allocation. Currently, GROW NJ projects must certify job creation/retention no later than 4 years from the date of project approval. However, considering the size and scope of the HQ2 project, legislative amendments would allow for a "phased" project with multiple scheduled closings and flexibility in the certification process. We also commit to legislation that would ease restrictions on the carry-forward tax credits. Tax credits for HQ2 could be carried forward for up to 50 years and would be available to offset any New Jersey Corporate Business Tax obligations. Also, up to \$25 million in tax credits could be sold to third parties annually, for value, for up to 20 years, so long as the proceeds are used for supporting infrastructure.

We are committed to bi-partisan, legislative action that enables New Jersey to offer a robust and competitive incentive package to Amazon. We believe New Jersey's most attractive assets for HQ2 are its strategic location, highly educated and skilled workforce, and mass transit system. When these are paired with this robust incentive package, New Jersey is the ideal location for Amazon's HQ2. Kindly include this letter of support in New Jersey's unified submission to Amazon.

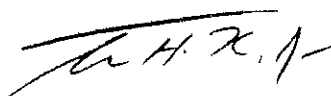
Very truly yours,



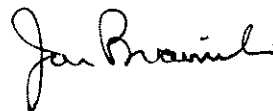
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