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SMITH-SARLO GREEN BUILDINGS LOAN BILL ADVANCES IN BUDGET COMMITTEE

TRENTON – A bill sponsored by Senators Bob Smith and Paul A. Sarlo which would promote the construction and renovation of buildings to meet green building standards in New Jersey was approved by the Senate Budget and Appropriations Committee today by a vote of 9-3.

“With unemployment rates soaring and the State economy in need of new business investment, development and redevelopment in the Garden State is at a crossroads,” said Senator Smith, D-Middlesex and Somerset, and Chairman of the Senate Environment Committee. “We need to spur renewed investment in our communities, and can encourage environmentally-sensitive construction as we redevelop older urban, suburban and exurban neighborhoods. Through a State low-interest loan program for green construction, we can bolster our fragile economy without jeopardizing our fragile environment.”

“New Jersey has a responsibility to invest in projects which will create jobs for State residents who are struggling during this current economic downturn,” said Senator Sarlo, D-Bergen, Essex and Passaic, and Vice Chairman of the Senate Budget panel. “A loan program through the EDA (Economic Development Authority) to help finance green development and redevelopment in the Garden State would help build back our economy while emaining consistent with New Jersey’s laudable environmental goals. This bill makes economic and environmental sense, and will put New Jersey back on the right track in terms of business investment in the State.”

The bill, S-1066, would require the New Jersey Economic Development Authority in consultation with the Commissioner of Community Affairs, to establish and administer a program that would make low-interest loans available for the construction or redevelopment of buildings to meet the high-performance green building standard. The bill stipulates that the building must be designed and constructed to achieve at least a silver rating according to the Leadership in Energy and Environmental Design (LEED) Green Building Rating System or other comparable, nationally-accepted green building standards. Under amendments adopted in the Senate Budget Committee today, the loan program would only be eligible for commercial, industrial or mixed-use developments that are at least 15,000 square feet in size to ensure that funding would be available for development and redevelopment which would have the most significant impact in creating jobs in the Garden State.

The bill sponsors noted that the measure would promote increased awareness of environmental sustainability and energy efficiency in the development and redevelopment of New Jersey.

“This bill will hopefully kick-start our ailing construction industry, and put people to work on large-scale, environmentally-sustainable green building projects,” said Senator Sarlo. “At a time when we have to make targeted investments with our limited resources to get the biggest bang for our buck, green construction and redevelopment loans represent the sort of creative solutions we need to pursue at all levels of government in New Jersey. This program will encourage job growth in communities in need of redevelopment, and promote environmentally-friendly building practices in the Garden State.”

“New Jersey can become a national leader in encouraging green building practices and set an example for the rest of the nation to follow, but that can only be accomplished by establishing incentives for developers to go green,” said Senator Smith. “The benefits of green construction

– including energy cost savings and minimized environmental impact – vastly outweigh the costs of running this loan program. Given the State’s high development density, the need for redevelopment in our older communities, and our struggling construction industry, our State has little to lose and so much to gain from offering low-interest loans to green building projects.”

The bill now heads to the full Senate for consideration. It was unanimously approved by the Senate Economic Growth Committee in October of last year.