The Woodbridge Township Improvement PILOTs
Improving playing fields and other district amenities that can be enjoyed by all members of the community

By John E. McCormac, Mayor, Woodbridge Township

The Township of Woodbridge and the Woodbridge Board of Education have entered into a joint venture to rebuild, renovate, or refurbish dozens of community facilities and multi-use athletic fields on school properties throughout the township. The project represents an unprecedented level of cooperation between a municipality and a school district in the State of New Jersey.

The Woodbridge Township School District Facilities Improvement Project Woodbridge has been aggressive in attracting new businesses to the township through the use of a tax incentive program called a “PILOT” (Payment In Lieu Of Taxes). A PILOT is an economic development tool that is employed to encourage development of blighted areas that would otherwise remain unproductive. These areas are also a burden on municipalities because they do not generate revenue or economic benefit. Such areas can be unproductive due to contamination, access restrictions, soil characteristics or other physical constraints that render the property unusable without assistance from various levels of government. Redevelopment projects in Woodbridge are returning fallow land (commonly called brownfields) and dilapidated buildings to productive use, bringing hundreds of jobs and visitors and patrons to our local businesses.
Woodbridge's Improvement Project

annual tax base—so an increase or
decrease in the tax base does not impact
the Board's spending capacity.
In Woodbridge, not only is the school
district not hurt by PILOTs, they benefit
because of our unique partnership with
the Board of Education. Our township
has long had a policy of sharing PILOT
funds with our education partners.
Beginning in 2006, we began attracting
significantly more international, nation­
al and regional corporations and busi­
nesses to Woodbridge—in large part due
to our business-friendly environment
and strategic location.
Revenue Sharing
We developed an
unofficial policy of sharing 25 percent of
PILOT revenue every year to meet the
various needs of the school district. This
revenue sharing could take two forms.
Under the first option, we could simply
take 25 percent of each year's PILOT
revenue and write a check to the Board
of Education and let them invest in their
buildings and grounds (which would
result in minimal improvements every
year). The other option was to pass a
Bond Ordinance to achieve a large-scale
investment in the school district and to
borrow the funds to make those expen­
ditures using the annual 25 percent pay­
A total of
$16.84 million in two
bond ordinances was
dedicated to more
than 40 community­
related projects on
school properties.

How PILOTs Work
Under basic taxa­
tion, a typical Woodbridge home or
business would have their tax bill
divided four ways:
• less than 25 percent to the township;
• nearly 60 percent to the Board of
  Education;
• the rest split between Middlesex
  County and the local fire district.
Under a PILOT program, the tax bill is
reduced by around 20 percent to attract
the company to Woodbridge and the
reduced payment is split (by statute)
with 95 percent going to the township
and 5 percent to the county.
Some would argue that PILOTs are
unfair to the Board of Education; how­
ever, such a premise is inherently untrue.
First, new warehouses and retail centers
do not cause any burden whatsoever on
the school system. It is residential de­
velopment that generates additional school
children. Second, the Board of Educa­
tion is limited annually by a state man­
dated CAP on how much its annual
budget can increase regardless of its
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ment to pay debt service on the borrowing—this plan allows for many more significant projects to be accomplished on an accelerated time table.

After consultation with the school district as new projects came to fruition, the Township and district consistently chose the latter. And, as bond funding was used to make the investments, the township’s annual contribution to pay debt service could only be for projects which have a community benefit. We are quite simply prohibited from paying for general improvements to district buildings and grounds. The township’s investment must benefit not only the school district but every resident of Woodbridge.

In the last eight years, the township funded and built the turf football field at Woodbridge High School; a multi-purpose athletic track; tennis courts and field lights at Colonia High School; tennis courts and field lighting at John F. Kennedy Memorial High School. These and many other projects were paid for with bond funding derived from revenue from industrial development PILOT agreements.

In October of 2013 and January of 2014, the township and school board expanded the School District Facilities Project program. A total of $16.84 million in two bond ordinances was dedicated to more than 40 community-related projects on school properties. Multi-use turf football/soccer fields have been installed at Colonia and JFK High Schools, with turf baseball and softball fields on the drawing board for 2015. JFK High School secured a new girls Varsity softball field and can now host home games for the first time ever. Woodbridge High School added two new tennis courts, with the existing three courts resurfaced so the boys and girls tennis teams can host home matches for the first time in years. And, the JFK High School boys and girls track teams sport a new 8-lane running track and are be able to host home track meets for the first time in six years.

Auditorium seating was installed at Woodbridge and JFK High Schools. Bleachers were installed at Woodbridge and Colonia High Schools. The Theatre at Woodbridge Middle School received new seating, a professional sound and acoustic system, making the theater a true performance venue for school and community theater groups. The last five elementary schools (of our 16 elementary schools) without playgrounds got new playgrounds. Basketball courts and walking tracks were installed at seven other elementary schools. New paving and the cleaned-up of the parking lots at JFK and Colonia High Schools was funded, as well as parking upgrades and improvements to Avenel Middle School’s soccer and baseball fields. The first official cricket fields in the township round out the improvements at Avenel Middle School.

All of these projects and infrastructure improvements—along with several others still on the drawing board—will be funded via seven new township economic development projects which include:

• a new Amazon.com warehouse in Avenel;
• a second new warehouse in the Prologis complex in Port Reading to be followed by two more Prologis warehouses in the coming year;
• a new Preferred Freezer warehouse and distribution center under construction in Avenel;
Twenty-five percent of the PILOT funds represent nearly $2 million annually, which can easily support a total investment of over $20 million—meaning that even more can be done for the school district on top of the $16.84 million already dedicated.

• Arizona Iced Teas is constructing a new manufacturing facility in Fords; and,
• the CPV power plant will be on-line within 18 months on the Keasbey waterfront.

In total, these projects are expected to produce nearly $7 million in PILOT revenue at the outset, and that figure will increase each year. Twenty-five percent of the PILOT funds represent nearly $2 million annually, which can easily support a total investment of over $20 million—meaning that even more can be done for the school district on top of the $16.84 million already dedicated. The remaining 75 percent of the PILOT funds from these projects will be allocated to the township budget for tax stabilization and for township needs such as road paving, park upgrades, and municipal infrastructure improvements.

What About Academics? An oftentimes cited criticism of the plan has been that the academic needs of the school district overshadow the need for refurbished or new school infrastructure or sport-related facilities. First, the township cannot pay for academic items. Second, the township's commitment to pay for community facilities takes the requirement to do the improvements out of the annual school budget, thus leaving more money for academics, classroom expenditures and curriculum improvements.

Community Curb Appeal Another incredibly important consideration is the “curb appeal” that new and/or renovated facilities have on the image of our school system and overall reputation. The first and most important question asked by families looking to settle in Woodbridge is... “How good is the school system?” If the school is unattractive with unmaintained grounds and a building that is in disrepair, they will drive right by and go to another community. If the school and the grounds look good and they see a new playground, basketball court, walking track, and paved parking lots and sidewalks, they will most likely take the next step to visit the school.

The Woodbridge school district, under the leadership of Dr. Robert Zega, has had a resurgence, both physically and operationally. Our students are the talk of Middlesex County and of the State of New Jersey. Everyone asks how we did it, and now they know. The recipe for success is simple. Cooperation without egos and a realization that we are all here for the same reason—improving the quality of life for everyone in Woodbridge Township including our most precious resource—our children.

By using PILOTS to attract new businesses and to upgrade facilities that benefit both the school district and the community, we are making Woodbridge a better town for everyone.