
Committee Meeting

of

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT COMMITTEE

“Testimony on the use of eminent domain for economic development purposes; to educate the committee members and the public regarding redevelopment and eminent domain law in New Jersey in light of the recent Kelo decision”

LOCATION: Committee Room 6
State House Annex
Trenton, New Jersey

DATE: March 13, 2006
1:00 p.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman John J. Burzichelli, Chair
Assemblyman Upendra J. Chivukula
Assemblywoman Pamela R. Lampitt
Assemblyman Louis M. Manzo
Assemblyman Christopher "Kip" Bateman
Assemblywoman Amy H. Handlin



ALSO PRESENT:

Brian J. McCord
*Office of Legislative Services
Committee Aide*

Hannah Shostack
*Assembly Majority
Committee Aide*

Nancy S. Fitterer
*Assembly Republican
Committee Aide*

***Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey***

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ASSEMBLYMAN JOHN J. BURZICHELLI (Chair): Good afternoon, everyone. Welcome to your State House. And let me thank you in advance for your involvement and participation in this process. Because this is where laws are made, this is where laws that exist are reviewed for consideration and change, and this is where you come to bring your voice.

We have a number of people who would like to speak today, because of the nature of this issue. And as the public notice-- Recognizing the convenience of this Committee, we'd ask that those who are traveling with groups select one person out of the group -- you can come up as a group, if you like -- but try and get us one or two people that will speak, because we want to try and hear as many viewpoints as we can. And if we hear individuals in large groups, then others will be excluded. So I ask you, as we go through our formalities and start the meeting, collectively think of who would be your best spokesperson you're comfortable with, so that person can carry the voice.

We'll also ask that the presentations be kept, as the public notice called for, in the three-minute range. There will be a timer that will be helpful. When the red light comes on, that means we would ask you to start to wind up your comments.

Anyone who has written testimony, we would value that. And I assure you that anything given to us, we do read and we study. So if today you think that you're testimony was not as complete as you would like, and if you'd like to submit additional written information to us, it will be absolutely welcome and it will be appreciated.

So that being said, we'll call the roll.

And we'll begin to sort out the names we have here of people who are interested in testifying.

Brian.

MR. McCORD: Assemblyman Chivukula?

ASSEMBLYMAN CHIVUKULA: Here.

MR. McCORD: Assemblywoman Lampitt?

ASSEMBLYWOMAN LAMPITT: Here.

MR. McCORD: Assemblyman Manzo? (no response)

ASSEMBLYMAN BURZICHELLI: Expected -- in the building.

MR. McCORD: Assemblyman Bateman?

ASSEMBLYMAN BATEMAN: Here.

MR. McCORD: Assemblywoman Handlin?

ASSEMBLYWOMAN HANDLIN: Here.

MR. McCORD: Vice Chairman Vas? (no response)

ASSEMBLYMAN BURZICHELLI: Absent today -- illness.

MR. McCORD: Honorable Chairman?

ASSEMBLYMAN BURZICHELLI: Present.

We will begin. Bear with me here. I'm going to have our Aide here-- This is our stack of people who are interested in testifying, by the way (indicating). So we will begin to move through these.

Let me begin by calling Carlos Rodrigues. He will give us his -- he will begin the testimony. Carlos, please come forward and introduce yourself to us. I ask you to work within the time limit, as we've talked about, and we'll be polite. But in respect for those who want to testify, we want to make sure that everyone can speak.

You'll hit the red light. (referring to PA microphone)

Can you see that red light on that end? (referring to three-minute timer) If not, we'll adjust it for you.

CARLOS RODRIGUES: I'm sorry. Three minutes?

ASSEMBLYMAN BURZICHELLI: Ideally, Carlos.

And you'll have to hit your button there. (referring to PA microphone) The red light will come on. This is Trenton, red means go.

MR. RODRIGUES: Mr. Chairman, is there something that you'd like me to explain about the redevelopment process?

ASSEMBLYMAN BURZICHELLI: Yes. In fact -- thank you, Carlos -- by way of introduction, I thought it would be helpful, as we set the stage for the comments that we're going to hear, for this panel to be refreshed on some of the steps -- the present criteria, in place, related to redevelopment. Because those who are here that have an interest recognize that, although you hear the words *eminent domain*-- And believe me, the goal of this Committee and this General Assembly is to finish, and to work to restore public confidence, so in the occasion where the words *eminent domain* is used in New Jersey, the word *abuse* doesn't come to people's mind. That's the goal. That being said, we as legislators have to continually refresh ourselves on what laws are in place and how things are working.

So, Carlos, if you could help us. Just give us, if you would, the steps so this body understands the criteria -- would be particularly helpful, if we'd get a sense of that.

MR. RODRIGUES: Okay. Well, why don't I go through the steps in the process first, and then discuss the various criteria.

ASSEMBLYMAN BURZICHELLI: As much as you can squeeze into three minutes, it will educate us.

MR. RODRIGUES: Okay. I will try to speak quickly. And I'm referring to the Redevelopment Handbook, which I will leave a copy with you, which the New Jersey Chapter of the American Planning Association wrote and published in cooperation with DCA, and which is really sort of the authoritative source of redevelopment in New Jersey.

Okay. From the Handbook, the seven steps of the redevelopment process:

The first step is the municipal governing body directing the planning board to undertake the preliminary investigation to determine whether the area is or is not in need of redevelopment. So there's an initiative that's taken by the governing body. And this initiative can, of course, be -- originate in a developer, a citizens' group, or anyone else, or in the governing body itself. So that is the first step.

The second step is that the planning board undertakes the investigation, holds a public hearing on the proposed redevelopment area designation.

Then the following step -- based on the planning board's recommendation -- the governing body may or may not designate all, or a portion of the areas, as areas in need of redevelopment.

Step four, a redevelopment plan is prepared for the area, either by the governing body, the redevelopment entity, or the planning board itself.

Step five, the governing body adopts the redevelopment plan. If it doesn't, then the process stops there. But assuming that it adopts the plan, then the process continues.

And then step six is essentially the implementation of the redevelopment plan, which eventually will lead to one or more designated redevelopers to carry out the plan.

Any questions on this seven-step process?

ASSEMBLYMAN BURZICHELLI: Nope. Continue, thank you, Carlos.

MR. RODRIGUEZ: Okay. So with respect to the statutory criteria, the statute lists a series of criteria from A to H, any of which can be used to determine that an area is in need of redevelopment. Frequently, areas qualify under more than one of these criteria.

Criteria A is the deterioration. It's sort of the traditional blight, if you will.

Criteria B has to do with abandoned, commercial, and industrial buildings. So it's your typical industrial plants, often on contaminated sites, but it might also be abandoned, older shopping centers and things of that nature.

Criteria C applies to the public and vacant land.

Criteria D applies to -- or refers to obsolete layout and design. This is really a planning construct. It has nothing to do with blight. It has everything to do with spatial, poorly designed areas. So you might, for example, imagine an area that has multiple curb cuts, not interconnections between parking lots -- any number of situations that cause the area to not work, not function properly. And this is a very important criteria from the planning profession's point of view.

Criteria E is underutilization -- the idea that a parcel may be used for a purpose, but that this purpose is either obsolete, or it simply is not fully utilized -- utilized to its fullest potential.

Criteria F has to do with fire and natural disasters, hurricanes, floods, etc. So areas that are affected by natural disasters.

Criteria G includes urban enterprise zones.

And then the H criteria, the last one added, which is a criteria that refers to Smart Growth consistency. No one really uses this criteria. Nobody really knows what it means. There is a theory that it was a typo in the legislation, but planners just don't use this.

ASSEMBLYMAN BURZICHELLI: Carlos -- and for our purpose, for our edification -- I'll read paragraph A, and I'd like you to just remind me of what this means. It says, "The generality of buildings are substandard, unsafe, unsanitary, dilapidated, or obsolescent, possess any of such characteristics, or are so lacking in light, air, or space as to be conducive to wholesome living or working conditions." Now, if the criteria is to be met, under A, does it have to meet all those, or simply does it have to be simply air or space?

MR. RODRIGUES: Well, generally, they come together. In other words, you will find more than one of those attributes in a given place. They're all likely to be there. It doesn't mean that every structure in the area is going to suffer from those attributes, but the majority of structures in an area designated as an area in need of redevelopment have to meet those criteria. So under those circumstances, yes, that's clearly one of the criteria. And it's traditional. It's sort of -- that description comes from

the blight designations of the '60s. So it's a traditional use of redevelopment.

ASSEMBLYMAN BURZICHELLI: So then, for example, if there are -- let's say this is a residential area that's being looked at for consideration of -- a designation of area in need of redevelopment. Let's say, for laymen's discussion, there's 50 homes involved. And of the 50 homes, do all 50 have to meet one of these words to qualify under A?

MR. RODRIGUES: No.

ASSEMBLYMAN BURZICHELLI: What percentage do you have to make?

MR. RODRIGUES: No. It has to be a substantial percentage, but the statute doesn't specify what percentage needs to qualify.

ASSEMBLYMAN BURZICHELLI: And does the statute specify that if you don't hit-- Because if you list here in A alone -- you've got substandard, unsafe, unsanitary, dilapidated, or obsolete, or possesses any such characteristics, or are so lacking in light, air, or space as to be conducive to wholesome living or working conditions.

My question that I need to understand clearly is, in A, to qualify under A, do you have to hit three out of the 11 words I just read? Do you have to hit one out of them?

MR. RODRIGUES: I think one is sufficient. But again, I think, typically, in those kinds of conditions, you will have more than one just because that's -- all of those things sort of come associated as a package. But the statute doesn't say you need to meet three out of five or four out of five. It just says these are the criteria.

ASSEMBLYMAN BURZICHELLI: That was my understanding of it. And that's one of the areas that we have a great interest in, is obviously how the criteria is structured and what the trigger is.

Let me ask the other members of the Committee if they have any additional questions that they may find to be helpful. Anyone at this time, anybody? (no response)

Carlos, we thank you very much for your help--

MR. RODRIGUES: Thank you, Mr. Chairman.

ASSEMBLYMAN BURZICHELLI: --and taking time with us to just sort of give us some general ground.

MR. RODRIGUES: I did -- I think last week, for your hearing last week -- send you copies of our position -- the New Jersey Chapter's position statement on eminent domain and redevelopment. And I'd be happy to answer any questions about that at any time.

ASSEMBLYMAN BURZICHELLI: Thank you very much. I thought that was very helpful. Did we have full distribution to the Committee on that?

MR. McCORD: Yes.

ASSEMBLYMAN BURZICHELLI: Thank you. And the Committee is in possession. And the position paper, I thought, was very helpful to us, too, Carlos.

Next, we have other members of the Legislature that are here today, and they have obligations to other committees. So we always like to extend the courtesy because, frankly, when I'm in front of their committees, they extend the courtesy to me. So I want to make sure my manners stay in place today.

So, first, I understand that we have Assemblyman Guy Gregg, who addressed us previously. And Assemblyman Gregg has Scott -- I'm going to mispronounce his last name -- LaGanga. Did I get close? I got close. That's very unusual. So I'll ask both to identify.

And Assemblyman, if you can keep this as close as you can to the time factor, we'd greatly appreciate it. But as a colleague, I would not begin to suggest that you would stop speaking.

A S S E M B L Y M A N G U Y R. G R E G G: Mr. Chairman, I am going to speak for exactly five seconds. I want to thank you for your courtesy. Again, I think the direction of this Committee and the way it's being handled is totally appropriate. And I thank you for what you're bringing forth to the folks in this great State.

Today I have brought, at my invitation, a person from Washington, D.C. -- Scott LaGanga -- who represents Property Rights Alliance, out of Washington, D.C. I'm hoping that he may add some dimensions of what's going on in other states or offer some opportunities for your members to ask questions about the view of the way the rest of the country is looking at this, and the way they're looking at the way New Jersey has handled it and is handling it right now.

Thank you for your courtesy.

A S S E M B L Y M A N B U R Z I C H E L L I: Thank you, Assemblyman.

Scott, introduce yourself for the record, and the microphone is yours. And again, I know you've traveled from Washington, but if you could be mindful of our time constraints.

S C O T T A. L a G A N G A: Surely. My name is Scott LaGanga, Executive Director of the Property Rights Alliance. The Property Rights

Alliance is a national advocacy organization working to link both intellectual and physical property rights issues. These are the two movements that have -- strongly composed out of the property rights movement, broadly. And what my organization is working on, specifically in this instance, is to find the ways in which to be speaking to state legislators and offering our support, as well as others', on educating both the process of what we're seeing in other states, and additionally from what can be brought from the decision by the U.S. Supreme Court in the *Kelo* decision. So I have a brief statement I have put into the record, as well, for all of you to see. So it's there, as well. So I'll just try to keep my remarks brief.

As is widely known by the Supreme Court's decision in *Kelo versus New London*, the transforming constitutional principles, as those outlined, when it held to the Fifth Amendment's public use clause, permitted a government to seize private property from one small home owner and give it to a large corporation for private land use. As the dissent in this case made clear, under the majority's opinion any property may now be taken for the benefit of another private property. The government now has license to transfer property from those with fewer resources to those with more. The founders could not have intended this perverse result.

The Court's decision allows cities to take homes or businesses and transfer them to developers if they think the developers might generate more economic gains from the property. The courts have also rejected any requirement that there be controls in place to ensure that the project live up to its promises. According to the majority, requiring any kinds of controls would be "second guessing" the wisdom of the project. Reaction to this

case is united, strong opposition from across the political, ideological, and socioeconomic spectrum. The NAACP and AARP faulted Kelo's failed reasoning by stating, "The takings that result from the court's decision will disproportionately affect and harm the economically disadvantaged, and in particular, racial and ethnic minorities and the elderly."

Representatives of religious organizations have also condemned the failed logic of this court case, stating, "Houses of worship and other religious institutions are, by their very nature, nonprofit and ultimately universally tax exempt."

Many of you know that Congress has recently united in a bipartisan way on this issue and overwhelmingly passed HR 4128, the "Private Property Rights Protection Act," by a vote of 376 to 38. And many of you know it's very difficult to have a resolution passed in Washington with over 300 votes. Yet this was a major piece of legislation. The measure penalizes states and localities for eminent domain abuse -- which is the key in this discussion -- not in the domain itself, by denying all Federal economic development funds for a period of two years. Legislators ranging from Chairman Sensenbrenner of the Judiciary Committee to Assemblyman Conyers -- all were original cosponsors of this legislation.

The most important point I want to bring to this table at this point is to, one, point out that this decision did change the law. Many have discussed that this decision had no reflection and had no impact on the current law on the books, not only on the Federal level, but additionally on the State level. There are those who have stated that the Court's decision in no way changed it. Unfortunately, "and to the extent that governments were already taking homes and businesses for private commercial

development, that's cause for greater concern, not less," by the Institute for Justice. Before Kelo, we knew that government could take property in deeply troubled, almost uninhabitable areas, and transfer it to private developers. Now we see that governments can take any piece of property and do the same.

To just move along, based on time constraints, as I go through some of the other things -- but I've submitted them to the record -- I just want to review some of the current State of the State in this great State of New Jersey. New Jersey has the dubious distinction, nationally, on this topic. The State is viewed as a breeding ground for condemnation for private use and has a reputation as one of the worst eminent domain abusers in the country, which shouldn't be the case. The New Jersey coastline and the metropolitan areas outside New York City and Philadelphia have created havens for developers and local city officials to utilize this eminent domain abuse. Again, not use by the Constitution that's granted, but the abuse thereof.

The examples are numerous. We've heard the conversations before from Carteret to New Brunswick to Long Branch to Cliffside Park. There are a few examples in my testimony, but I'll keep them short. In total, over 600 condemnations, either filed or threatened, have occurred in the last decade in this State alone. The solutions-- First and foremost, I believe this Committee -- and I give them great credit -- has taken the correct, first steps in addressing the systemic problem. And I commend the Chairman and the rest of the members for their work on this. I also commend the good Assemblyman next to me for his work on it, as well. Yet

it must not end at this Committee Room or with a weak measure to “fix” the problem at hand on the Assembly floor.

I am aware of the numerous pieces of legislation you’ve filed, such as establishing minimum amounts for eminent domain relocation assistance and for requiring a municipal referendum prior to a condemnation for private property when the sale or transfer to a private entity for economic development purposes is contemplated. These are critically important and very important discussions at this time.

Moratoriums, important in slowing the issue, do not correct it. If moratoriums are instituted, they must be accompanied with fundamental changes to match, in order to limit future abuse at the moratorium’s completion. Constitutional changes are often the most valuable methods, but in the State of New Jersey are often the most difficult manner of change, and could impede the future of any legislation passing.

In closing, I want to reiterate that we are not here today to question eminent domain as a constitutional protection. But we are instead here to recognize and correct the types of abuse that have taken place, and could in the future, if not remedied. That is one reason for my testimony and visit today.

The other is personal. Personal in that New Jersey is where I was born, raised, and the state I come home to in order to raise my family in the future. My family still lives here in the state -- with my mother living in Fanwood as a resident, my grandmother in Lakewood, and my brother in Lapatcong. It is that I wish that their homes are protected in the long term, as I would hope that everyone’s families in this room are, as well.

It would be a disservice to the New Jersey taxpayers if no substantive action were taken to correct this problem. I offer my organization as a resource, as well as other property rights advocacy organizations in Washington, D.C. who are working nationally on this issue in state legislatures across the country.

And may I leave you with just this quote, "Government is instituted to protect property of every sort," wrote James Madison; and for this reason, "that alone is a just government, which impartially secures to every man, whatever is his own."

Mr. Chairman, I thank you for the privilege and I thank the Committee for its time.

ASSEMBLYMAN BURZICHELLI: I thank you very much for traveling here today. We have your testimony, which we will work with.

Any questions? (no response)

And seeing none, thank you.

Assemblyman Gregg, thank you.

ASSEMBLYMAN GREGG: Thank you for the extra time.

ASSEMBLYMAN BURZICHELLI: Next, I understand that Assemblyman Doherty is here. Assemblyman Doherty still here, or not here? No. If he should resurface, we will call on him.

I want to mention, too, I know that Attorney Bill Potter, who was helpful at the last hearing, is with us. Bill, I see you there. Maybe, Bill, you could help. We're sorting through -- we're trying to figure out how to move the hearing best. If you have some of your group, here, we can coalesce as a group as we move on, that will be helpful. If you could help me with that, I'd appreciate that.

R. WILLIAM POTTER, ESQ.: (speaking from audience) I appreciate that. I think that we have a very large contingent here from Camden.

ASSEMBLYMAN BURZICHELLI: Okay.

MR. POTTER: And I wonder if, perhaps, they could come up in groups of four at a time. Would that be appropriate?

ASSEMBLYMAN BURZICHELLI: Well, let's see how we do. But think that through with me, because we want to hear from them. We want to hear from them. So let's see if we can get one or two voices. We'd like to see them as a group -- maybe they'll stand so you can see them, if we can get a couple spokespersons for them. Not at this time, because we have a few more people in front of them.

MR. POTTER: Okay.

ASSEMBLYMAN BURZICHELLI: So if you could help me with that.

MR. POTTER: Okay.

ASSEMBLYMAN BURZICHELLI: Thank you.

Okay, let's call on-- I have -- next up is Mayor Leslie Clark, from Woodbury. Mayor Clark will join us.

Mayor, welcome.

MAYOR LESLIE C. CLARK: Thank you.

ASSEMBLYMAN BURZICHELLI: We're waiting for the first speaker who's going to adhere to the three-minute rule. (laughter)

MAYOR CLARK: I got reelected on my short speeches.

ASSEMBLYMAN BURZICHELLI: Well, let's see -- and you were reelected wisely so by the good people of Woodbury. It's a

neighboring community to where I live at. You know my respect for our county seat runs very deep. Thank you for taking time this afternoon.

It's important for those who are here that -- there is some emotion associated with this issue, and rightfully so -- that we also -- we want to have a balance. Not only do we want to know where it's not working and why it's not working, we're also looking to see where it is working and see how it's being applied. So maybe that becomes the model in whatever reformative language we have to do, so we have a better understanding.

So, Mayor, with that being said, if you'll introduce yourself for the record, and off we go.

MAYOR CLARK: I'm Leslie Clark, Mayor, city of Woodbury in Gloucester County.

ASSEMBLYMAN BURZICHELLI: Push your button, Mayor, if you would. (referring to PA microphone) You want to be a red light.

MAYOR CLARK: Mayor Leslie Clark, city of Woodbury in Gloucester County. And I have with me, here, professional planner Rick Regan of Regan Design Group in Medford. They are working with the city of Woodbury, currently, on redevelopment in our downtown business district.

But I'd like to start by saying I am here speaking to you today as one elected official to another. Because I believe it is important that you hear the good that can happen when current Redevelopment Laws are observed. Those of us working day and night to revitalize and save the city of Woodbury, in Gloucester County, are greatly concerned by the new and

growing tendency to demonize redevelopment, particularly the use of eminent domain.

Are there some abuses under the current system? Of course there are. Should they be stopped? Definitely. But please -- please -- do not throw the baby out with the bath water. There is much about the current law that should be kept. Without it, municipalities like Woodbury would be forced to watch our cities decline while we stand helpless on the sidelines.

As evidenced that eminent domain can be used responsibly and successfully, I would like to briefly mention two projects that are being done in Woodbury. The first project involved redevelopment of a former commercial site. This site, which was in the center of several different neighborhoods, had vacant and deteriorating industrial buildings, which were the constant target of vandals and break-ins. There was also soil contamination and several nearby small businesses which were unsightly and inappropriately located. Following a redevelopment plan that was established using the State regulations, the zoning of this area was changed to residential, the existing businesses were relocated, the soil contamination was remediated, and the industrial building was reborn as an independent living facility for senior citizens.

There is now a lovely, campus-like setting where previously a blighted and unattractive area existed. The impact on the surrounding neighborhoods has been very positive. The city never had to exercise eminent domain to achieve the success story, but having it as a backup tool definitely helped, because the two businesses we had to relocate came to the

table prepared to negotiate in good faith. Both sides compromised and both sides were satisfied that a fair deal was achieved.

The second example of a positive use of redevelopment and eminent domain is occurring right now in a neighborhood which previously had become blighted, crime-ridden, and decayed. The home owners in this area were desperate and losing hope as they saw their property values plummet and their street become famous as the drug dealing center of the city. This situation was caused by problem tenants occupying houses owned by absentee landlords who were only interested in making a dollar, not maintaining quality of life in the neighborhood.

We are now gradually replacing 14 problem-riddled rental units with five detached single-family houses, which will be homes for low- to moderate-income families. These homes will be deed-restricted for owner/occupancy only. The neighborhood is already benefiting from this project. Crime is down, hopes are up, and you can see the improvements on the streets. Home owners are no longer afraid to be outside. And now the complaints the city receives have more to do with missed trash pickups and illegal parking, not drug dealers and robberies. I will take a trash complaint over a drug dealer complaint any day of the week, and I'm sure all of you feel the same.

For this housing redevelopment, we were able to successfully negotiate the purchase of all but two of the buildings. For these two, we did have to exercise eminent domain and work a settlement out in the courts. Please note, however, that these were not home owners, but absentee landlords who resisted the redevelopment. And in both cases, the existing

tenants were given all the help they needed to relocate successfully. No one was ever put out on the street with no place to go.

Finally, I would like to mention that Woodbury hopes to take advantage of redevelopment once again, this time to bring our downtown business district back from the brink. We currently have a lot of vacant storefronts and aging buildings. Our plan is to use redevelopment in a positive way to bring about desired change. But to make that work, we must have eminent domain available as a tool of last resort if we need it. As you continue to listen to testimony about New Jersey's Redevelopment Law, I urge you to remember that municipalities like Woodbury need these tools. We need them -- that the current law can provide for us -- because the taking of occupied properties is not always a bad thing. It can and has been done responsibly and with compassion.

Rick and I stand ready to answer any questions, if you have any.

ASSEMBLYMAN BURZICHELLI: Mayor, thank you for your contribution.

Anyone here? (no response)

Mayor, thank you for traveling today.

MAYOR CLARK: Thank you, sir.

ASSEMBLYMAN BURZICHELLI: And did we have that testimony? Did you leave that with us?

MAYOR CLARK: No, but I'll leave it with--

ASSEMBLYMAN BURZICHELLI: Please, if you would. And we'll distribute it to the panel.

Thank you very much for your help today.

MAYOR CLARK: Thank you.

ASSEMBLYMAN BURZICHELLI: Now, we have a group--
Needless to say, as you look across the state, there are a couple of areas
where this process of redevelopment has drawn a great deal of attention.
One is in our nearby -- I live in southern New Jersey, for those who don't
know, a place called Paulsboro -- is nearby Camden, New Jersey, which is a
major city for us. I want to try to get my Camden people organized so we
can hear a good mix.

I know Olga -- am I pronouncing it correctly? -- Pomar. Is that
pronounced correctly? Olga, are you there? I see a number of people have
signed in, so I recognize them from the Camden issue. So I'm trying to
think how I can move your group up, as a group. I'd like to have you now,
and I'd like to figure out how we can do this, so--

O L G A P O M A R, ESQ.: (speaking from audience) Well, I would
like to have an opportunity to speak more generally about how
redevelopment affects my community.

ASSEMBLYMAN BURZICHELLI: Okay. Please, you have to
come to the microphone. And you're welcome for the moment. Please, sit
down over here, please. Over here.

Thank you, Olga.

MR. McCORD: Make sure the red light's on. (referring to PA
microphone)

MS. POMAR: All the way down?

ASSEMBLYMAN BURZICHELLI: Yes. Now, are you going to
be addressing -- am I to understand then, you're going to talk in more

general terms, as opposed to just speaking about our Camden circumstances?

MS. POMAR: Yes, that is correct. And I also don't want to be taking the place of having you hear from my clients directly.

ASSEMBLYMAN BURZICHELLI: Okay. And is there a spokesperson for your clients that will speak to us today?

MS. POMAR: I think Ms. Carmen Ubarry-Rivera said she would do that.

ASSEMBLYMAN BURZICHELLI: Carmen, you'll represent the group for us, please?

UNIDENTIFIED PERSON FROM AUDIENCE:
(indiscernible)

ASSEMBLYMAN BURZICHELLI: Bear with me a moment, please. I'm just trying to get a sense of how we're going to proceed, because there's so many people interested in testifying. I want to make certain that the record is not repetitive, that it's clear and helpful. So when I say how we're going to do this, I want to get it concise so we can best use it as our reference tool, as opposed to having 18 people say, "I'm just against it." We recognize that. So bear with me a moment.

So Olga, while you're here, why don't we take your testimony. And then we'll figure out how we're going to do this. We'll continue to work on it. And if you can try to adhere the best you can, but you can see we're willing to be patient by a moment or two. And your name for the record, please, and make sure your red light is on. (referring to PA microphone)

MS. POMAR: Certainly. Thank you very much for this opportunity to address the Committee. My name is Olga Pomar. I'm an attorney at South Jersey Legal Services. We're a legal services program serving seven counties in southern New Jersey, going from Burlington County all the way down to Cape May.

What I would like to speak specifically about is how redevelopment and eminent domain affect our client communities, meaning low-income communities and communities that are predominantly African American and Hispanic. Because, in our experience, we've seen that they're the ones that are really vulnerable to and targeted for redevelopment and eminent domain.

So let me say a few words about the problem that we are facing here in New Jersey, and a couple of comments on what kind of reform we think is needed.

ASSEMBLYMAN BURZICHELLI: Is it going to be all those pages?

MS. POMAR: (laughter) I will try to talk fast.

ASSEMBLYMAN BURZICHELLI: If you can. Thank you.

MS. POMAR: My message, really, to the Committee is very simple. Low-income areas and predominantly communities of color are the ones who are always going to be targeted the most intensely for redevelopment. And that is simply because of the economics. Developers want an area where the real estate market is depressed, and where they can acquire property cheaply, while it's depressed; and if that property is in a strategic location, to turn it over as a much higher income area. And that means that they have a direct incentive to go into distressed urban areas

like Camden, like Newark, like Trenton, like New Brunswick, like Jersey City and displace predominantly low-income, predominantly African American, Hispanic communities with a more yuppie, more affluent, more white population.

And the pressure on municipalities to do that is great. Because for a municipality that means eliminating some of the social problems that come with poverty, putting that responsibility on someone else, and creating higher tax rateables.

So that is what we are seeing happening. In our cases alone, we've represented residents in Ventnor, New Jersey, where the area of Ventnor, which has -- the highest concentration of Latinos live. They were mostly casino workers who traveled there from the casinos. This was an area that the township decided had too much rental housing, so they wanted to get rid of rental housing and reduce density. That translates: displacing low-income working families.

In Mt. Holly, we represent the residents of the Gardens, which is 389 houses, which also has the highest concentration of both African American and Hispanic residents in Mt. Holly. The plan there called for demolition of all 389 homes, moving all the residents out, and providing no guarantees that any of them would be able to remain in Mt. Holly.

In Camden, which you'll hear about from the representatives here, we have a unique situation of -- the entire city of 80,000 people is being put in a redevelopment zone, neighborhood by neighborhood, so that every single property--

ASSEMBLYMAN BURZICHELLI: Olga, if I may, excuse me, if I may? Maybe you can help us. We're looking -- everything that you're

saying, we're aware of what's happening there. What we're trying to understand is, where in the law do you think it presently is not serving the constituents that you're representing? Is it in the notification process? Is it in the weakness of the criteria? Is it in the vagueness of the criteria? Is it in the compensation formula that follows if, in fact, it's not a criteria? Can you help with that, from your experience?

MS. POMAR: Well, I think that there is a fundamental problem in the law that eminent domain and redevelopment is allowed for the purpose of increasing utilization of land, bringing in tax rateables -- all those things that by definition allow clearing out poor people and bringing in rich people. And we need a clear statement in the law that it is not an acceptable purpose, nor an acceptable outcome, to have a low-income population replaced by a richer population. That is a very fundamental problem.

Another problem is the deference that courts currently give to municipalities, saying the courts won't interfere with the decisions of local officials. Well, our low-income residents and home owners need protection. They need protection by defined legal rights and they need protection through the courts. And we need a law that will create the presumption against use of eminent domain and taking of occupied properties, and have the courts meaningfully scrutinize whether the municipality has met that standard that there really should be a taking and that it's necessary.

ASSEMBLYMAN BURZICHELLI: Olga, that actually is extremely helpful to us, because that's the area that we're trying to understand and what's missing. That's very helpful.

MS. POMAR: Redevelopment law does not encourage any kind of rehabilitation component. It doesn't have incentives for people to try to find a solution that involves rehabilitating properties and allowing owners to keep their homes, as opposed to this demolition which is cheaper and easier for developers to clear people out, clear the land, and build from scratch.

The plan does not -- there's nothing in the Redevelopment Law that requires evaluating the affect of redevelopment on the affordable housing supply. On the one hand, we have COAH telling municipalities you need to provide fair share housing; on the other hand, we have the law allowing municipalities to eliminate all of its affordable housing and replace it with the pathetic 11 percent the COAH requires. And that 11 percent doesn't even mean that it's going to be realistically affordable to the residents who are there now. So every plan should increase the supply of affordable housing, not decrease it.

ASSEMBLYMAN BURZICHELLI: Olga, can you summarize for us, please?

MS. POMAR: I guess two other things, finally. If you are going to take homes for any circumstances, there has to be one-for-one replacement for units, and have those units realistically available and affordable to people. And you need to require developers, as part of their commitment to the community, to do things that truly serve the need of residents.

And let me just finish with one last point. If the Legislature doesn't do this, if all you do is tighten the blight criteria, but you don't look at what a municipality can do in a blighted area -- because, admittedly,

some of our urban areas are always going to be seen by the world as blighted -- if you don't do that, you've really created two classes of property owners. You've created property owners who really own their property, who really live the American dream, who get the stability and security of owning their own home. And then you get all those home owners living in places like Camden and Newark and Mt. Holly who don't really own their own homes. They just get to use their homes until some developer comes along and says, "You know, I have a more lucrative use for this land, and therefore I'm entitled to your house."

Thank you.

ASSEMBLYMAN BURZICHELLI: Thank you, Olga. And your testimony was very, very helpful to us. (applause)

Next up, we have from -- if I can get the group up -- representing the New Jersey Builders Association. I'm not sure who is with us. Joanne Harkins is with us. Is there more to that group, as well?

Joanne, come on up. Joanne, we'll see how close you can get to three minutes.

J O A N N E H A R K I N S: All right. I will do my very best.

ASSEMBLYMAN BURZICHELLI: And by the way, whoever gets to three minutes -- their point will win the day. And that's what the new legislation will look like. How's that? (laughter)

MS. HARKINS: I am Joanne Harkins, Director of Land Use and Planning for the New Jersey Builders Association. I am a professional planner. In accordance with the State policy, New Jersey right now has a lot of redevelopment occurring. It is our best estimate that about 50 percent of the new housing that is being provided in the state is in

redevelopment, or through redevelopment. Because of this high level of activity, we have created a redevelopment committee and have extensively debated redevelopment policy, and have a number of recommendations that we would like to make. We think that they would definitely limit the use of eminent domain in the state and treat the people within designated redevelopment areas more fairly and equitably.

The statute, when it was amended in 1992, envisioned a different type of redevelopment than naturally occurring today. They would envision something much more like happened in the 1950s and '60s with very large public sector projects. And we know that that is not the type of project that is occurring right now.

The Redevelopment Law allows for two very different approaches to designations of area. One is the need of rehabilitation and the other for need of redevelopment. The previous speaker spoke a little bit about rehabilitation. Actually, that is the harder part of the law to use. You would think that it would be the easier, because you cannot use eminent domain in declaring an area in need of rehabilitation. Actually, it's more difficult to meet the criteria for rehabilitation than it is redevelopment. We think that that needs to be changed in law and restructured.

Secondly, we recommend that there be some changes with regard to the criteria to establish an area in need of redevelopment -- that several of them are very broad and they have been used in a way that we think was not originally intended in the act. And that that would help significantly also.

Thirdly, we would recommend that the planning for redevelopment areas be more complete, and that would be both the planning done by the municipality and also by the redeveloper. And in doing that, they should involve the affected community and definitely include much more information about relocation, and make sure that the assistance would provide comparable housing to what is being lost.

We also make a recommendation -- this would be our fourth one -- that redevelopment plans be classified into different levels, very similar to what is done under the Municipal Land Use Law. Right now, the Redevelopment Law treats every redevelopment project the same, whether it is something that can be accomplished in 12 months or whether it's going to take 20 years. And we think that many of these difficulties could be addressed if we had a much more realistic plan in place, with time criteria for what needed to be done.

And I will be very quick -- two more points. The fifth is for transparency in appointing the redeveloper. Many of our members, of course, seek the authority to be the redeveloper. It is a very important position; they have a lot of authority for the redevelopment area. But the law, right now, has absolutely no criteria as to how you go about this process and whether you use a request for proposal or whether you just go out and find somebody for that designation. And very often the individual seeking redeveloper is the primary landowner in the area and, in fact, is not selected as the redeveloper. So that presents a problem to us, as well.

And lastly -- and this goes outside of the Redevelopment Law -- there are many, many State programs dealing with redevelopment that are scattered through a lot of State agencies. And really, as a matter of State

policy, these need to be pulled together and treated in one, cohesive package and handled in one area.

Thank you.

ASSEMBLYMAN BURZICHELLI: Thank you.

And questions from the Committee? (no response)

We thank you very, very much for your concise testimony.

ASSEMBLYMAN CHIVUKULA: Mr. Chairman?

ASSEMBLYMAN BURZICHELLI: I'm sorry.

Upendra, I'm sorry, go ahead.

ASSEMBLYMAN CHIVUKULA: I just have a couple of questions. One on the revitalization. In Franklin Township, we have one of the business districts which is mixed use, and we are using revitalization. But it does not require any use of eminent domain. Doing the façade improvement, we worked with the business owners and the home owners to try to bring moneys from the State and other agencies to do that. We have an addition of the neighborhood. I don't think we are using eminent domain for that. Also, would you like to comment on that, when the revitalization does not require the use of eminent domain?

MS. HARKINS: Are you speaking in terms of rehabilitation? That's the statutory criteria.

ASSEMBLYMAN CHIVUKULA: Right.

MS. HARKINS: Yes. And that is one of the areas that is specifically allowed in the law, where you cannot use eminent domain. But it's difficult to use. You actually have more criteria in the statute to meet than you actually would if you wanted to declare an area in need of

redevelopment. And that's an area of the statute that needs to be clarified, and make it easier for municipalities to use.

ASSEMBLYMAN CHIVUKULA: I thank you for that. And as far as the redevelopment agency -- the council, the ruling governing body can act as a redevelopment authority also. I think some of that provision is there. Of course, when you are going outside, you have to go through the RFP process or other process that needs to appoint the redeveloper.

MS. HARKINS: They don't have to. Oftentimes they do, but other times they just find an individual who gets the appointment without going through a request for proposals, or comparing plans from different agencies or different organizations.

ASSEMBLYMAN CHIVUKULA: How do you handle the situation where the current home owner wants to be redeveloper for his or her property? And we have allowed that in Franklin Township, so there's no RFP required for redeveloping your own property.

MS. HARKINS: Our opinion is that they have to have a proven track record, in fact, if they have redeveloped property, and that they have the resources to do it.

ASSEMBLYMAN CHIVUKULA: No. I'm talking about you are the home owner. I'm trying to redevelop your property. That's the question, yes.

MS. HARKINS: Yes. That's the difficulty in the whole process, yes.

ASSEMBLYMAN CHIVUKULA: Thank you.

ASSEMBLYMAN BURZICHELLI: Thank you, Upendra.

And thank you.

The previous person helped us with testimony -- Olga, if you're still with us -- if I could encourage you. You were very helpful to us. If you could get that to us in writing. We have the transcript -- it doesn't hurt. So we can circulate that as well. If you have time, and then we can have a full breadth of your statement as well.

Thank you.

Next, we'll call Matt Doherty. Matt, are you still here?

Matt, the last person testified -- got within about two minutes of the three minute mark. It was pretty good.

MATT DOHERTY: I hope to do a little better.

Thank you very much, Chairman, for allowing me to come speak before you all today. My name is Matt Doherty. I am the Assistant Vice President at the Bank of New York. I manage their Residential Mortgage Department for central New Jersey. Today I want to talk about owner-occupied homes being taken through the use of eminent domain.

Eminent domain destroys equity in homes for middle-class families. These are the families most subject to its use because of the location of their properties. It destroys equity because property owners are only given the current market value for their property.

For example, if a family has lived at a property for, say, five years and intend to live there for another 10 years, if a town comes in and takes that property at that five-year mark, they lose that future value of that property over the next 10 years. Let's say, conservatively, that property would appreciate at 5 percent over those next five years. That family would lose \$125,000 in equity. To that middle-class family, that's \$125,000 in wealth that they cannot build.

Now, a home is the single largest financial asset of any middle-class family in New Jersey, or in America today, whether they're in a rural or suburban or urban area. These are families that do not have large bond or stock portfolios, and in general don't have large savings accounts. In contrast to other industrialized countries, America does not have a large savings rate. But in contrast to them also, we have a far greater rate of home ownership than any other country in the world. This is in large part because of the Federal Government.

The Federal Government has been instrumental in increasing the availability for middle-class families to own homes through the creation and tacit protection of Fannie Mae and Freddie Mac. These are two publicly traded, financial institutions that serve as the majority of the secondary mortgage market for conforming mortgages in America today.

Now, allowing local governments to use eminent domain, again, strips away home ownership. Now, if this is done for the direct benefit of the public at large, it is generally recognized as acceptable and understandable. For example, some of the traditional reasons would be roads, schools, hospitals, and maybe some other projects that have direct public benefit. Unfortunately, in New Jersey today, we have recently seen eminent domain used not for direct public benefit, but rather in an effort to accumulate continuous tracts of land in urban and suburban areas to turn the property over to private developers to construct housing and retail properties. This is often labeled as redevelopment of blighted areas.

While there is no direct public benefit, as there should be, local officials use eminent domain in this fashion with the misnomer that it will lower taxes throughout the community, beautify the community, and

revitalize the community. All three of these reasons for the use are predicated on a strong market for housing and retail.

Now, today we live in a good economic time where we have relatively low unemployment and relatively low CPI.

ASSEMBLYMAN BURZICHELLI: If you'd summarize for us, Matt, please?

MR. DOHERTY: Well, to summarize, in good economic times or bad economic times, middle-class families own homes, but businesses come and go, and high-end condos come and go. In conclusion, homes are the largest financial asset of middle-class families, and home ownership is all too important to New Jersey and America to allow officials the use of eminent domain without direct public benefit. Allowing it is quite simply bad public policy. (applause)

ASSEMBLYMAN BURZICHELLI: Thank you for your testimony. And as we continue forward, and as we go--

Hannah, who is next up? I'm sorry, I have it right here.

I remind our assembled group, too, what's most helpful for this Committee is to understand where the present law is not working. Remember, we are cognizant of the emotions and of the level of concern people have. We know that, that's why we're having these Committee meetings. What we're looking to do is try and understand how we fix it. So telling us that it's -- not necessarily in favor of it, or in favor of it, is not helpful to us. We need to know where it's not working. In fact, we've had some testimony here today I think is going to help us in that direction. But I ask you to, please -- those who are going to speak -- to be as focused as

you can in that area for us. Was there not enough public notice? Is the criteria weak? Where do we make the improvement at?

Next up is Jerry Fernandez -- am I pronouncing it correctly? -- New Jersey Restaurant Association. Did you bring lunch for us?

J E R R Y F E R N A N D E Z: Absolutely.

ASSEMBLYMAN BURZICHELLI: If there's no lunch, maybe eminent domain for restaurants moves up -- it's higher in the criteria, if they're not going to feed us. (laughter)

Jerry, please. And if you'll adhere to the three minutes, we'll be very grateful.

MR. FERNANDEZ: My name is Jerry--

ASSEMBLYMAN BURZICHELLI: Hit your button. (referring to PA microphone)

MR. FERNANDEZ: My name is Jerry Fernandez. I actually come to you as the owner as the Spanish Pavilion and as a board member of the New Jersey Restaurant Association. I was going to ask for a little extra time for the two hats, but let me begin by telling you-- What I first heard when the first gentlemen -- Carlos Rodrigues, I believe -- came in and went over the criteria for redevelopment, and that H part that he spoke about that is hardly used -- well, it's being used on my property. The exact criteria -- I have it here -- the parcel is necessary for the effective redevelopment of the area due to its location. Well, we tend to like the location also.

Just to give you a little history very quickly on my restaurant: My grandfather, who came over from Spain, worked in the mines in West Virginia; came to New Jersey, worked as a longshoreman; decided to live out his American dream and open a restaurant, was the first owner of a

Spanish restaurant in the State of New Jersey. He was a pioneer. Many of the restaurants in the Ironbound now had owners, at one time, worked with him. He had retired, reopened another restaurant in Harrison, where there's a wonderful redevelopment with the soccer stadium and condos, and so on. The part that I disagree with it is that our restaurant, which my grandfather started, has been passed to three generations -- now myself and my brother -- and we've been there for 30 years. If we were such a blighted area, believe me we wouldn't be there for 30 years, especially for a restaurant. That's a dozen lifetimes.

I feel the criteria they're using is wrong. I feel that we can be an asset to this redevelopment. Right behind us, on property that was acquired that the town had owned, a developer -- who by the way happens to be a chairman in the New Jersey Sports Authority and wants to buy my property also -- is building 315 condos right behind me. The Hampton Inn opened across the street. I'm on the main avenue, right over the bridge from Newark, right by the Newark Bears and the New Jersey Performing Art Center. Now is a time when I can prosper and grow. And now they come in and tell me that I can lose my property.

And the other thing is that for homes, for businesses they will not give me the value of my business, only of my property. And that I feel is very wrong. I can't express to you how much we're against this. My brother and I are the first in our family to attend Johnson and Wales University, to go to college for hotel and restaurant school -- I believe it's your alumni.

And when we go and ask about it, we get broken promises. We aren't told what's going on. And we were told, "Don't fight it, because

you'll lose in court." I just don't think that when my grandfather came over here and just worked hard and lived the "American dream" that this was what it was meant to be. And I can't tell you how much this has to be looked into, because I think I'm running out of alternatives. We've spent quite a bit of money on lawyers already to go nowhere.

The other issue with the Restaurant Association -- and I'll be very quick with them -- is-- And I want to be clear, I'm not against redevelopment. I'm against the eminent domain, the way it's being abused. And I'm a perfect case.

There are other issues as far as free liquor licenses for developers that come into this redevelopment, and free permits that they just come here--

ASSEMBLYMAN BURZICHELLI: Jerry, that's--

MR. FERNANDEZ: Okay.

ASSEMBLYMAN BURZICHELLI: But we're on that, as well, by the way. I don't dismiss that.

MR. FERNANDEZ: Right. I just wanted to put that in for the Restaurant Association.

ASSEMBLYMAN BURZICHELLI: I want to thank you for your testimony, because you add a different dimension to some of the thinking we have to do, which is on the compensation side and the business side. It's very important for us to hear this.

Any questions from this group? (no response)

You're time is well-spent.

MR. FERNANDEZ: I'd like to thank you for your time and for this Committee meeting to hear these issues.

ASSEMBLYMAN BURZICHELLI: Are you leaving us with something?

MR. FERNANDEZ: I can come back in about an hour with some shrimp and garlic. (laughter)

I could leave you this, though, if you'd like to see our study.

ASSEMBLYMAN BURZICHELLI: We'll make copies. But thank you very, very much. It's important to us. (applause)

We're going to call up-- We're trying to work in some groups where we noticed they're either from an area or close to an area. I see we have some Bound Brook people -- a coalition. Now, I have a Linda -- how do you pronounce that? Are you Linda?

L I N D A B R N I C E V I C: Linda Brnicevic, from Bound Brook.

ASSEMBLYMAN BURZICHELLI: Thank you, Linda. Please come forward. Now, Linda, do you have a group with you, or are you by yourself at the moment? Who is with you?

MS. BRNICEVIC: No. Well, it's Bound Brook Concerned Citizens Coalition.

ASSEMBLYMAN BURZICHELLI: Okay. Hit the red light there. (referring to PA microphone) Anyone with you today?

MS. BRNICEVIC: No.

Hi, Kip, how are you?

ASSEMBLYMAN BATEMAN: Hi, Linda, how are you?

ASSEMBLYMAN BURZICHELLI: Just yourself. Okay. All right.

We're doing better within the three minutes, so we'll be polite, of course. But if you can be concise, it will be helpful to us.

MS. BRNICEVIC: Okay. I'll be real quick about my situation. I'm a flood victim from 1999. Bound Brook declared 200 acres of redevelopment area six years ago. I still have no idea what my future is. Part of the problem with the process, the process is not transparent. You attend meetings and it's already a done deal by the time you get to the meeting. The plan has been decided, the developer's been chosen, so there really is not a transparent, open process. And I am living proof of that.

Also, there's many gray areas in the statute. My municipality, Bound Brook, was able to develop and adopt a plan that was nothing but a plan to plan for 30 years. They didn't really designate specific properties with a specific plan, and consequently, the ultimate goal was really to cleanse the area and remove the Hispanic community. The Department of Justice stepped in, and it really is a poster child for probably the worst case of redevelopment in the state and how not to treat a community.

After a national disaster, you think that you're going to revitalize and recover. The thrust of the statute, I thought, was to revitalize and to recover, but that's not how it's being used. The rehabilitation portion is not being utilized nearly enough and the reliance on eminent domain is much too much in the forefront. And like the gentleman said earlier, if you take it to court, you're going to lose. And I went to the New Jersey State Supreme Court with my case and did not prevail. They wouldn't even hear the petition.

The time line from a designation is another issue. Like I said, I've lived now six years in a redevelopment area. There's six years of an uncertainty, a disincentive to invest in the area, an outright deterrent of grants being driven away from the area, and almost an intentional blight by

the local governments to keep the area impoverished and the value of the property low. So that's another issue, also, is the designation time line.

It's not about compensation. It's about doing what's right. And I'm appealing to all of you today to do what's right. Your mayor is great in Franklin, Mr. Chivukula. He's against eminent domain abuse, and I've gone to meetings in Franklin and all, and we really need you folks. We're real people with real lives being impacted. People are dying, people are having heart attacks. I've lost so many senior friends to this. It's really a shame. I just hope you do what's right. (applause)

ASSEMBLYMAN BURZICHELLI: Linda, thank you.

I want to, again, say to the body that testimony is helpful to us. I'm not saying that to be patronizing because you're sitting in front us, but you brought a couple of points.

Any questions from the board?

Kip, anything?

ASSEMBLYMAN BATEMAN: No. Just one comment.

Linda, I'm very familiar with your situation. And I come from Somerset County and people think it's a very wealthy county. One of the biggest issues we have is affordable housing in Somerset County. Many of the people who work in Somerset County can't afford to live in Somerset County. And something like this, areas that they are redeveloping, what you lose is a lot of affordable housing. Unfortunately, in her case, Floyd caused a lot of it. But once it's gone, it's gone. It's not like a lot of these individuals can relocate in Somerset County. So we have to be very careful to balance the property rights with, obviously, a government's functioning. And that's what the hearings are all about. But it's a point you can't lose

sight of. Whenever you do this, you're losing a lot of affordable housing. And once it gone, it's gone.

Thank you.

ASSEMBLYMAN BURZICHELLI: Thanks, Kip.

And, Linda, thank you very much. Thank you very much.

MS. BRNICEVIC: Okay. Thank you. Thank you very much.

(applause)

ASSEMBLYMAN BURZICHELLI: Next, we're going to call Howard Woolley, from Long Branch, working with city of Long Branch. Long Branch is an area that has drawn some attention on this topic, so we expect Howard's testimony to be helpful to us and this assembled group.

Howard, is your red light on? (referring to PA microphone)

HOWARD WOOLLEY: The red light is on, Mr. Chairman.

ASSEMBLYMAN BURZICHELLI: Yes, then you're on.

If you'd introduce yourself for the record, please.

MR. WOOLLEY: Good afternoon, Mr. Chairman, members of the Committee. My name is Howard Woolley. I'm the Business Administrator of the city of Long Branch, a lifelong resident of the city, and I've been Business Administrator there for the last 12 years.

In 1994-- I've submitted to you a copy of my statement, also a letter from our Mayor, Adam Schneider. I didn't have enough color copies of the photos of, kind of, before and after, but I can make some more and submit them to you, sir.

ASSEMBLYMAN BURZICHELLI: Please, if you would, it would be helpful.

MR. WOOLLEY: The process began in 1994, in the city of Long Branch. We undertook a review of our oceanfront and central business district. The conditions of our city at this time are best indicated in some of the pictures that you see, dated 1995. Basically, as a city, we were nearing life support.

I won't go into the process that we followed. I think Mr. Rodrigues artfully articulated that. We followed it to the letter of the law and exceeded the meeting requirements. If one meeting was required, we had well over 20. A plan was approved for the area in the Spring of 1996. And subsequent to that, the plan received a permit by rule from the NJ DEP Land Use Division of CAFRA.

For several years following that, we sought proposals for the area. And in 1999, we signed a development agreement for Beachfront North section, and subsequent to that for Pier Village. Today, a great deal of these two projects is completed. These and other developers have done much more. Over \$1 billion in private investment has occurred and hundreds of jobs have been created in a city that a little more than 10 years ago was in dire straits. As part of our plan, to address an issue that a young lady spoke to before, we have required about 20 percent of the units to be built to be affordable. They are not the oceanfront units, but they are in property that will support a greater number of affordable units.

As you will see, one of the attachments I have is a project that was built inland where we were able to piggyback funding from the State to create 48 affordable units, where seven were only going to be able to be built on the oceanfront.

None of this would have occurred were it not for the city's statutorily authorized ability to assemble property through the doctrine of eminent domain. The doctrine has been recognized in New Jersey for decades and in the State Constitution as well. And I won't go into the legal issues, but I echo the view of the U.S. Supreme Court in *Berman versus Parker*, where they say the immoral act is not to take someone's property, rather the immoral act is for public officials not to act on these conditions of blight, such that existed in our city.

The current statute should be improved. We would support relocation benefits for the -- increased relocation benefits and increased compensation for the owner/occupants. That has occurred in Long Branch. We've required the developers to do that.

In addition, you have a letter from the Mayor where he suggests to you that -- he goes into that we would pass any test for transparency, honesty, and public purpose for our community and our redevelopment, to date. But he's saying that after a city declares an area in need of redevelopment, the process should be reviewed, require a town to go into court -- either before a special master especially appointed by the court, or by a judge or legislative body, or before a Superior Court judge. It would be an application on notice to all property owners affected by the declaration that the city's action is consistent with the New Jersey redevelopment statutes and is not arbitrary, capricious, or unreasonable, and has been done in a fair and unbalanced manner. It would have, in form, similar to a declaratory judgment.

Right now, that cannot happen, as the court would not have any jurisdiction on the proceedings. A change like this in the law would

have several different affects. It would act as a protection against any town in attempts to rush a redevelopment process. They would know that they are going to have to be able to prove, not just to their own satisfaction, but to another authority's satisfaction, that their actions are appropriate.

Second, the burden would be placed on a municipality to fund such a lawsuit. I would suggest that the law be written in such a way that even if no property owner objects that such a hearing be held, and such a finding still needs to be made as to what went into the redevelopment study process. Right now, the burden is on the property owner to object within 45 days. The reality is, the property owners look at what is going on, are skeptical, and sit on the sideline figuring that the process is never going to work and never going to affect it. By the time they decide they're going to object, years have gone by, and they are in a precarious legal position. This would be one way to avoid that.

As you and I discussed, property tax -- addressing this to the Chairman -- properties taken must be a fair market value. In Long Branch, the offers have been consistently, significantly higher than the appraisals and higher than fair market value. None of us would object to some formula to give property owners significantly more than fair market value. I would suggest is, if the property owner is in the redevelopment zone, who stays in town, somehow he could be given a form of tax abatement to ease the move.

He regrets not being able to attend the hearing. And one of his great comments, I thought, was that if you take away the ability for communities like Long Branch to assemble property and develop it, you not only will kill redevelopment, which in our state we sorely need it, but you're

condemning poor cities to stay poor and poor people who reside in them to stay poor.

Thank you, Mr. Chairman.

ASSEMBLYMAN BURZICHELLI: And we have both the Mayor's statement, which is important to us, and we have your written testimony as well.

Any questions?

Lou, welcome. (Assemblyman Manzo joins the Committee)

(booing from audience)

And excuse me? Let me remind this group that we will be courteous to one another or the room will be cleared. This process only works when we listen. And we do our best work listening.

Lou.

ASSEMBLYMAN MANZO: To me, one of the most contentious eminent domain takings in our State has been the Long Branch issue. And I wonder if you would comment on why you think that there seems to be so much, I guess, notoriety that was put on the Long Branch issue -- media attention given to it. The fact that many home owners felt that their property taking wasn't justified, almost mirrored what the Kelso (*sic*) actually was about.

MR. WOOLLEY: Well, I think we are distinct in New Jersey from the Kelo case -- I'm assuming that's what you're referring to. And we met the statutory requirements. We're not doing this for economic benefit, we're doing this to keep the city alive. And I think the pictures -- and if I didn't get you enough copies, I'll show them to you.

Where we were at in 1995-- There was an article in the paper about the Mayor of Sayreville and South Amboy -- they were trying to eliminate go-go bars. And a wise individual came down from the Bloustein School, and he said go-go bars were a sign of urban deterioration. Our oceanfront had deteriorated to such a level that the go-go bar had to close. That's where we were at. We had a burned-out pier, a rat-infested water slide, buildings that hadn't been occupied for five to seven years, and there was no way that code enforcement, or anything, was going to occur.

We went in there and assembled properties. I think it's become a very emotional issue. And we were very successful in our efforts, which other towns have not been. Other towns have redevelopment plans, at least in Monmouth County, but haven't moved as far ahead as we have. We have over a billion dollars in development underway right now. We're doing our business district, we're doing our oceanfront, we're building -- We've built 100 affordable owner/occupied units. Rehab -- 400 affordable units. I think because of the fact that we're up and running and acting, we're a lightning rod for people who, for whatever reason, object to it.

I would submit to you that we have urged the developer, in the case of owner/occupants, to offer substantially above the appraised value, which is double the assessed value. And in cases that have settled, they have settled for much greater than that. In the area that's got the most attention, Beachfront North, the developer has offered a discounted swap on an apartment or a condo. He's offered to pay \$5,000 of the taxes for 10 years. And he's offered to pay the carrying charges on that condo for 10 years. That hasn't been reported in the paper because it doesn't make good news. We don't have a sound bite to explain urban development.

The State has said, “Don’t do the Pinelands, don’t do the Highlands, don’t do Green Acres, don’t do blue acres,” and that’s all good. That has to be done. Develop the urban areas. Well, when you go into the urban areas, there’s 80 property owners in a block, and you can’t do that.

We sat for six years waiting for people to come forward with proposals. Nobody came forward on in-fill proposals. And we had allowed in-fill in the plan. We said, “In-fill or planned.” And what we got was a proposal for planned. Taking someone’s home is a very, very unsettling situation, and it’s not entered into lightly. But we had to do this to survive, sir.

ASSEMBLYMAN BURZICHELLI: Thank you, though. Harold, thank you very much. Very, very helpful to us--

MR. WOOLLEY: Thank you.

ASSEMBLYMAN BURZICHELLI: --as we continue to work through this.

So we touched on the Long Branch issue. We have some groups in from Long Branch that I’m going to work in.

Jarrold Grasso, Association of Realtors. Jarrold, come and bring us your testimony. And then we’re going to hear from some of the groups from Long Branch. Now, think about -- those who are traveling from Long Branch, think about who your spokesman is going to be. I’m going to call your names, but we’re going to ask that one person, or maybe two people, speak to us.

Jarrold, you’re up first. If you’d read your name into the record.

JARROD C. GRASSO: Sure. Thank you, Mr. Chairman.

My name is Jarrod Grasso. I'm Vice President of Government Affairs for the New Jersey Association of Realtors.

The New Jersey Association of Realtors, comprised of 55,000 members in its role as advocate for private property rights, is approaching the issue of eminent domain reform from the perspective of private home owners and small business owners. There is a general fear among property owners that under current law, the government can simply take the property they have lovingly maintained and give it to another private owner who will demolish the home or business under the guise of redevelopment. While we understand eminent domain can be a valuable tool in redevelopment, we believe that such a scenario constitutes eminent domain abuse.

New Jersey's current eminent domain policies do not adequately protect the rights of private property owners. Before any discussion of specific statutes or provisions begins, we are calling upon the Legislature to clearly define public purpose and public use, as referred to in New Jersey's Constitution. NJAR does not believe property taken from one private owner and placed in the hands of another private owner serves a public purpose or use. Briefly, we ask the Legislature to create more definitive guidelines on what properties can be taken by eminent domain, mandate greater public input in participation in the redevelopment process, ensure property owners receive proper compensation, give displaced owners the right of first refusal, and require affordable housing in any housing component created by redevelopment projects.

The New Jersey Association of Realtors urges the Legislature to form a study commission that will devote the time and energy needed to

fully examine proposed changes to New Jersey's eminent domain policies. NJAR is requesting to be involved in the process, to assist the Legislature in furtherance of this issue, and to ensure that the rights of private property owners are heard. As realtors, we don't just sell homes, we sell neighborhoods, and we're asking that we protect those neighborhoods.

Thank you, Mr. Chairman. (applause)

ASSEMBLYMAN BURZICHELLI: Thank you, Jarrod.

Jarrod, that was done in one minute and 58 seconds.

MR. GRASSO: I was good, huh?

ASSEMBLYMAN BURZICHELLI: And it was very good, as well. And you have submitted that written, as well?

MR. GRASSO: Yes. I've submitted full testimony.

ASSEMBLYMAN BURZICHELLI: Anyone on the board here?
(no response)

We'll continue on. I did notice, because we're trying-- And for those who are visiting the State House today -- again, bear with us because we have people who move between Committee meetings -- and your time is as important as theirs. And believe me, I recognize that and respect that. But to get them to another Committee to testify is also important.

So I see I have Jeff Tittel and I have Dave Pringle. Do you care to come up together? Do you want to work in now, Dave, or do you want to wait until the next interval, Jeff? Can you hold on a little bit longer? Okay.

Jeff, if you want to introduce yourself for the record.

J E F F T I T T E L: Thank you. Jeff Tittel, Director of the New Jersey Sierra Club, the nation's oldest and largest conservation organization, with

800,000 members nationwide. And the reason I bring it up is because we believe that this is the number one land use issue facing the country.

Quite frankly, what we're concerned about is that we're making the same mistakes -- in the '60s, in some areas -- where instead of talking about building communities and revitalizing neighborhoods, what we're doing is destroying communities and destroying neighborhoods, and making it a land grab.

When I was going through the list of what qualifies for a redevelopment area -- areas that are less functional, that they're deteriorating, underutilized, in need of revitalization, slightly dysfunctional -- my other half describes that as me. (laughter) Not to be glib, but I'm also getting close to 50, so that would also fit one of the definitions.

And the point that I'm trying to make is that the criteria needs to be taken a very careful look at, and we need to make some serious changes. One of the things that Carlos Rodrigues said is that we ignore Smart Growth -- planners ignore Smart Growth. And that's one of the problems, that we're not looking at the State plan, we're not looking at revitalizing our communities when we're doing things. We're not looking at some of the policies for urban redevelopment that's even in the State plan, that's part of it.

And I just wanted to throw out a couple of areas that I believe we need to make changes. And one is in the definitions. And get rid of things like *underutilized*, which under that definition, you can include Drumthwacket, you can include Levittown, you can include almost anything, including myself. That's one change. I think we need to have more transparency when we do redevelopment projects -- that we should

have no more no-bid contracts. We have to ban pay-to-play, or as I call it pay-to-pay, in those areas where we're doing redevelopment. We need to have clear public notice and participation in any redevelopment plan. And more importantly, to get them help through the citizens group, maybe getting the Public Advocate involved, or some other groups to help with the citizens who are involved in this.

We need to be able to have the ability to also reform redevelopment plans and how we designate redevelopment areas. I can show you areas in New Jersey that are redevelopment and UEZ zones, where if you displaced anybody it would be squirrels and bears in West Milford in the middle of the woods, where maybe there's an Indian rock shelter, but there hasn't been a house in 200 years. Or in Pemberton, which is in the Pinelands forested preserve area, but yet it's a UEZ zone.

So I think we also need to take a look at what is -- how do we designate redevelopment areas? What constitutes a redevelopment area? We also need to have an ability for citizen groups to be able to appeal redevelopment plans without always having to go to court. There's really not a good process. We had an issue up in Paterson where they were going to condemn land under a mayor who went to jail -- Marty Barnes -- build vinyl sided one-families where there were actually historic mill buildings. And luckily that didn't happen, and the new mayor is actually fixing that community up, and it's going to be a wonderful area.

But we need to really have an appeal process. Maybe in order to go forward with a redevelopment plan, you have to get endorsed by the State Planning Commission or some other kind of way of doing it.

I'll try to wrap up, being brief.

And then, when we look at large-scale development projects, the replacement houses should be built first. Some times you can build them in the areas that are not residential, so that you can build those housing. Two, we believe that you should try to get at least 90 percent of the residential property owners to sell before you even try condemnation. You should also be allowed to take it to referendum. We also believe that there has to be a set-aside for affordable housing, at least 20 percent. We also believe that there needs to be a set-aside for open space and public uses, to plan your schools, walkways, bike paths. And you also have to try to integrate that plan into the community and the neighborhoods around it, so it's not -- becomes a walled community that's separate from the rest of the town.

And finally, we strongly believe that, as we look over redevelopment issues, we also have to make sure that we don't put caps over Brownfields, residential housing, and schools. Because that's another problem that we're seeing in redevelopment areas with some of the cleanups that are going on, and the problems.

I just wanted to end with, that we need to end the abuse that's happening. We need to have a clear, transparent process. It's very rarely when you can sit here and say that the Sierra Club, the builders, and the Realtors are all on the same side. And so you realize that there's a real problem here. We believe that we have to end the abuse. Some of you are concerned that we don't throw the baby out with the bath water. But right now, we're drowning the baby. (laughter)

Thank you.

ASSEMBLYMAN BURZICHELLI: Thank you.

As you mentioned, it's unusual that those groups happen to be on the same page. The one theme here continues to be that when we say *eminent domain*, we shouldn't be also saying *abuse*. And that's what the work of this Committee is. So we are focused on the same goal here.

Thank you, Jeff.

MR. TITTEL: Thank you.

ASSEMBLYMAN BURZICHELLI: Any questions for Jeff?

ASSEMBLYMAN BATEMAN: Just one comment, Mr. Chairman.

Jeff, do you have specific language for legislation that you can provide?

MR. TITTEL: Yes. I have a basic policy paper I would leave.

ASSEMBLYMAN BATEMAN: That would be helpful.

ASSEMBLYMAN BURZICHELLI: And we can stop the Committee work now, Kip. We're all set. (laughter) Kip's got the legislation we need.

Thank you, Jeff.

Next up is Oscar Ocasio -- you see, the Chair is not strong with the last names, even when they end in a vowel. (laughter) I hope I'll still be invited for Sunday dinner.

Oscar, if you'd be kind -- to give your name for the record. And we're trying to do three minutes. Jeff got within five. But I guess for an environmentalist, that's close enough to be considered on the money.

Yes.

O S C A R O C A S I O: My name is Oscar Ocasio. I'm Director of Planning and Community Development for the city of Elizabeth, and I just want to paint a picture--

ASSEMBLYMAN BURZICHELLI: Oscar, I apologize for the abuse on the last name.

MR. OCASIO: That's quite all right.

Do I need to press this button?

ASSEMBLYMAN BURZICHELLI: If it's red, you go.
(referring to PA microphone)

MR. OCASIO: If it's red, I'm fine.

Okay. In 1997, the city of Elizabeth received a \$28.7 million HOPE VI grant for the demolition and reconstruction of two public housing complexes that had seen better days. These complexes were in the middle of a neighborhood with many of the problems that urban centers face -- abandoned properties, empty storefronts, high level of crime, economic disinvestments, and vacant lots that you couldn't give away.

With the grant, the entire neighborhood went through a study and, subsequently, a redevelopment plan was drafted and adopted. Only properties that met the State statute's criteria for need to redevelop were identified for that process.

The plan was twofold: To provide economic opportunity and to end the concentration of low- and moderate-income families created by failed Federal public housing policies of the past. In order to do this, properties were assembled throughout the neighborhood to build new townhouses and mixed-use opportunities. Some of the acquisitions were

through negotiated, friendly taking, while others were through eminent domain.

The 28.7 million Federal grant was leveraged to bring in over \$120 million of public and private funds. In addition, it served as a catalyst to attract other private investors to the neighborhood to build more housing and open new businesses. In the last four years, Elizabeth has experienced an average of over 200 new homes built per year. A large percentage of these homes were built in the Elizabethport neighborhood. With these new homes, we have also experienced a vibrant growth in our business sectors.

FBI crime statistics show that the entire neighborhood of Elizabethport -- that crime has dropped. New businesses have sprung up in a neighborhood that once lacked the basic services that so many of us take for granted. The Housing Authority's data on residents' income in the new housing units show an increase of 20 percent, and an increase in the number of residents holding jobs. And I may add, that those residents are low- and moderate-income folks from within that neighborhood. The Housing Authority now has over 500 units of new townhouses throughout the neighborhood, and an 80-unit apartment building for seniors wanting to remain in the neighborhood where they have lived all of their lives.

For many years, the residents complained about the physical conditions of the old supermarket in that neighborhood and of the outdated merchandise on the shelves. As the city was moving to redevelop the neighborhood and new buildings were under construction, I met with the property owner to explain the city's plans for redevelopment and to ask him to be part of that process by making improvements to his property.

Three years went by and the property remained the same. The Elizabeth Development Company unsuccessfully offered the owner an opportunity to joint venture with it to redevelop his site and other properties for a supermarket, additional retail, and housing. Subsequent to that offer, a request for proposal was noticed to redevelop the old supermarket site. The property owner was offered the opportunity to submit a proposal, but failed to do so.

To all of these opportunities afforded to the owner to retain his property and make improvements, he turned a deaf ear. After all of these attempts by the city to work with the property owner failed, did the city proceed with exercising eminent domain. Soon residents will have a new supermarket on that site. This is just one example of how eminent domain afforded the city the opportunity to provide a public benefit. I can name you many more abandoned properties and Brownfields that, were it not for eminent domain, would still be the cause of neighborhood deterioration and disinvestments.

As I have tried to describe to you today, eminent domain is only the one tool that's used to improve properties and the lives of the people living near them. More importantly, it is not the first tool that's used. Oftentimes, it is the tool of last resort, when all else fails, when properties are abandoned, vacant, deteriorated, and left to rob the quality of life of the persons left behind.

Thank you very much.

ASSEMBLYMAN BURZICHELLI: Thank you, Oscar.

Anything from the Committee?

Amy.

ASSEMBLYWOMAN HANDLIN: Yes, sir, if I may. I have a question, number one, and then a follow-up question right behind it.

Can you tell us, very briefly, the criteria that were used to select a redeveloper?

MR. OCASIO: Actually, there was a committee put in place, and the committee members were four city officials. But more importantly, they were residents of the neighborhood.

ASSEMBLYWOMAN HANDLIN: So the criteria were?

MR. OCASIO: In terms of developing? One of the things that you look at when you're choosing a developer is capacity and experience. And going through that process, we wanted to have a developer that the residents felt comfortable with and knowing that their wishes would be accomplished. And that came to fruition through that process. The residents of the neighborhood even had to pick the colors of the siding and the type of brick that was used for this whole process.

ASSEMBLYWOMAN HANDLIN: Okay. One of the concerns that's come up has to do with the criteria that are used for choosing redevelopers, for designating redevelopers. And I think that the public believes that the two major criteria in New Jersey for being designated as a redeveloper, rightly or wrongly, are who you know and how big a campaign donor you are. (applause) And the follow-up question I have for you is, simply, I happen to believe that nothing we do will completely solve this problem without a comprehensive top-to-bottom ban on pay-to-play. And I would just like to know if you agree with that? (applause)

MR. OSCASIO: In Elizabeth, when we go through a process of picking developers, we put out an RFP. And within that RFP, there's a

certain set of criteria that we request -- financial capability, who the players are, what their experience is, and things of that nature.

ASSEMBLYWOMAN HANDLIN: Thank you.

ASSEMBLYMAN BURZICHELLI: Thank you, Oscar, very much. And you've left us with a statement.

Next up is Harry Riskin. Am I pronouncing that correctly, Harry? Please join us. You make a notation here, "Just two minutes." That will put you in a very favorable light with this Committee, by the way. (laughter) And if you'd be kind enough to read your name into the record, and make sure that your red light is on, and welcome. (referring to PA microphone)

HARRY J. RISKIN, ESQ.: Surely. Good afternoon.

Can you hear me?

ASSEMBLYMAN BURZICHELLI: Yes.

MR. RISKIN: Okay. Good afternoon. My name is Harry Riskin. I'm a member of a law firm called McKirdy and Riskin, and we have specialized in the field of eminent domain over the past 40 years. I want to cut right to the chase to assist you and to make my commitment to the Chairman come true.

You can see this is a very complicated issue. In order to provide what's right for the citizens of this great State, what we need is an eminent domain revision commission, so that this thing can be carefully addressed and it's not a Band-aid approach. I truly, truly appreciate the opportunity of being here and your conscientiousness to try and address the issue. But I'm sure in your esteemed experience that you know sometimes legislation is easy to pass, but it's very difficult to correct. If we have a well-qualified

commission to address all of the issues, I think then we will come out with a product and a statute that will provide justice to everybody.

Included in this will be a look at the Redevelopment Act. One parenthetical comment -- I hope I only have 10 second left -- is this. When the Act was passed in 1971, it was really passed based upon hearings that took place in the late '50s and early '60s. The reason why it passed, on the 21st day of December, 1971, was so that Federal funding could be captured by New Jersey for the transportation issue. So a lot of issues really weren't addressed in the current statute and the current legislation, which included Title 20 of the Eminent Domain Act and the Relocation Act. So all I would heed, this very conscientious group, is if you have a well-qualified commission to look at this, I think justice will emanate from it all.

And thank you. And if I'm over, I apologize, Mr. Chairman.
(applause)

ASSEMBLYMAN BURZICHELLI: No, Harry, you did very well. You did very well. Thank you.

We have -- just as you're leaving us--

MR. RISKIN: If there's any questions, I'm happy to answer them.

ASSEMBLYMAN BURZICHELLI: I'm grateful for that. We're taking all of that into consideration. We're going to make our best effort, with the full resources we have, to make as much progress and to bring about the change we think is important. If we stall, then we will reach for commission help. We don't rule anything out. But all this testimony is a big step to getting us where we need to be.

MR. RISKIN: Okay.

ASSEMBLYMAN BURZICHELLI: So thank you so very much.

Now let's try and -- this will be our first attempt--

I'm sorry. Does anyone have any questions for Harry? (no response)

I didn't mean to just dismiss him.

Everybody okay? Everyone? (no response)

Thank you.

MR. RISKIN: Thank you.

ASSEMBLYMAN BURZICHELLI: And you were well under three minutes by the way. (laughter) Almost under two.

Now, we're going to make our first attempt here to bring some of the groups up, but bring a spokesperson and a few people, and that sort of thing. Because we have a lot of people that want to add, and we want to hear from as many viewpoints as we can.

Since we heard from Long Branch, we're going to stay with Long Branch for a moment. Now, I have two stacks here of a handful of people -- some that seem to be in favor of how things have progressed, and some that have been concerned and opposed to how things have progressed. So let's start with those that are opposed. Now, let me call these names out and let's see if we can get a spokesperson out of this group. I have four here, which means we do have four chairs, and if we can have one person speak. I have Diana Multare -- am I saying that correctly? Thank you. I have a Harold Bobrow. I have a -- how am I pronouncing that? -- Gopal Panday, possibly. And I have Reverend Kevin Brown. I have this group as being related to Long Branch, and I have them as opposed. Now, out of

that group, can someone help us in delivering testimony -- bear with us, please -- out of that group?

Well, just relax, just relax. They're all solo. Everybody just called, let's come up and take a chair, and let's see how we do. Let's see how we do. I'd just ask everyone to be very, very conscious of trying to get as much into the record as we can.

REVEREND KEVIN BROWN: I think Bruce needs to be here. Bruce? Mr. MacCloud is with us.

ASSEMBLYMAN BURZICHELLI: Okay.

HAROLD BOBROW: We all have different -- various types of development going on within those sections.

ASSEMBLYMAN BURZICHELLI: And your name is, sir?

MR. BOBROW: Harold Bobrow.

ASSEMBLYMAN BURZICHELLI: Okay, Howard (*sic*). That's very helpful for me to know that.

So we're going -- we have four microphones -- we're going to take four people now.

Have you signed up to testify, sir? Did I call your name?

REVEREND BROWN: Yes. I think this is the man you need to hear.

ASSEMBLYMAN BURZICHELLI: Well, did I call his name?

REVEREND BROWN: No, sir, you did not.

ASSEMBLYMAN BURZICHELLI: And what is your name, sir?

REVEREND BROWN: Bruce MacCloud.

BRUCE R. MACCLOUD: Bruce MacCloud.

ASSEMBLYMAN BURZICHELLI: Bear with me, Bruce, bear with me. We have you as in favor.

MR. MacCLOUD: Yes, sir.

ASSEMBLYMAN BURZICHELLI: Okay.

REVEREND BROWN: You're in favor of eminent domain abuse? (laughter)

MR. MacCLOUD: No, no, no, no, no. It's a scratch out. I'm not in--

ASSEMBLYMAN BURZICHELLI: That's okay. Okay.

I only have four chairs. Bruce, you're welcome to stay if you like.

UNIDENTIFIED PERSON FROM AUDIENCE: My question is, is this all you're going to hear from Long Branch?

ASSEMBLYMAN BURZICHELLI: No.

UNIDENTIFIED PERSON FROM AUDIENCE: Because there's different segments from Long Branch that I think (indiscernible)--

ASSEMBLYMAN BURZICHELLI: No. This will not be. I'm going to do four right now, though. Stay with us. We're going to get everybody. Who would like to fill the fourth seat?

REVEREND BROWN: Mr. Chairman, I'm Reverend Kevin Brown. I--

ASSEMBLYMAN BURZICHELLI: Kevin, if you'll bear with me a moment. Bear with me, please.

REVEREND BROWN: Yes, sir.

ASSEMBLYMAN BURZICHELLI: We're going to go one at a time. We're going to ask you to stay as close as you can -- but as you've

seen from the other speakers, we're polite about the three minutes. But we ask you to be as close as you can, so we can get as many people as we can. I remind everybody we are looking for help in how the law isn't working, not that you're for it or against it. But what in the law isn't working? That's where we need the help, then we can address our efforts there. So as we move along, if you can keep us focused that way -- you didn't like this, you didn't like that; not that you don't like what happened. We want to know what in the process didn't serve you, so you got to the point you're unhappy.

Now, Pastor, that being said, if you'd be kind enough to read your name into the record. And when you hear the beep, you're at three minutes.

REVEREND BROWN: Reverend Kevin Brown, Lighthouse Christian Center, 162 Broadway, Long Branch.

ASSEMBLYMAN BURZICHELLI: Thank you, Reverend.

REVEREND BROWN: Most of the testimony that you hear on both sides, you need to establish credibility. We had a representative for our city government appear and speak on behalf of the positive aspects of it, and I would just suggest that -- and I won't be long -- because I'm going to send you things, written, from this moment forward.

ASSEMBLYMAN BURZICHELLI: Please, that helps us.

REVEREND BROWN: I believe if someone took a financial picture of the city of Long Branch in 1994, you would see very little debt and you would see a balanced budget. Let us provide evidence, not make remarks.

Today we're in over \$40 million worth of debt. The taxes are three times the rate as they were, and we have families crying out at our city council meetings pleading and begging to keep perfectly good properties.

ASSEMBLYMAN BURZICHELLI: Pastor, may I, please, if you would?

REVEREND BROWN: One thing else I have to say, I'm done.

ASSEMBLYMAN BURZICHELLI: No, no, no. I just want to say this so everyone else can hear this. First of all, your comments are important to us. We can't insert ourselves to that level of detail. What the city has decided to do in its financial matters is not what we're contending with. We're interested in what you're going to tell us about how it hasn't worked, as far as the process of declaration and the eventual potential use of eminent domain. So I say that respectfully. So if you can bring us along those lines.

REVEREND BROWN: In the city of Long Branch, the whole system does not work. When they started their hearings, they actually told people not to come back if they were opposed to it. Mrs. Dottie Ferrara (phonetic spelling) was asked never to come back.

I just really want to say one thing and then let the other people have the time. We talked about the baby and the bath water. A lot of people are going to talk about the pain associated with losing their personal property. The baby's out of the bath water. It's on a surgical table. Surgery is being performed on it because there's a growth in it. And the growth is being sent off for a biopsy. And you are the surgeons. You have to determine if it's malignant or benign. All I and everybody else can ask of you during the process -- and my building is threatened -- is to give us

anesthesia, please. And anesthesia comes in this form: in a moratorium. I'm asking for you to stop the process, take a good healthy look at it.

Now hear from folks, like Mr. MacCloud, whose house was taken four years ago, raised. Condominiums are built on it today that are being sold for over a million a piece. They gave this man \$140,000 -- \$140,000 in a trust fund of the court. He still has not had his day in court, but there are new people living on his property. Please, give these people anesthesia. Give us a moratorium.

Thank you. (applause)

ASSEMBLYMAN BURZICHELLI: Thank you.

First of all, I want to say, we've been called a lot of things, but we've never been called surgeons. (laughter)

REVEREND BROWN: Well, apparently there's going to be surgery needed on these laws, and I am not a lawyer.

ASSEMBLYMAN BURZICHELLI: No, it was very good.

But usually the words associated with us only have four letters. (laughter)

REVEREND BROWN: I respect you all. Please know that, but we need your help.

ASSEMBLYMAN BURZICHELLI: And, sir, your name again. I want to make sure I have your card.

MR. MacCLOUD: Yes. Good evening, or good afternoon.

ASSEMBLYMAN BURZICHELLI: I'm sorry. You're--

MR. MacCLOUD: I'm Bruce MacCloud. Anyway--

ASSEMBLYMAN BURZICHELLI: Thank you, Bruce.

MR. MacCLOUD: I'll start out with things like life, liberty, and justice.

ASSEMBLYMAN BURZICHELLI: Bruce, bear with us.

REVEREND BROWN: Bruce is hard of hearing.

ASSEMBLYMAN BURZICHELLI: That's okay, yes.

Make sure your red light is on. (referring to PA microphone)

MR. MacCLOUD: Red light on.

ASSEMBLYMAN BURZICHELLI: That's correct. And when the other red light goes on, you're at three minutes. So we would ask you to wrap up.

MR. MacCLOUD: Okay.

ASSEMBLYMAN BURZICHELLI: And if you have trouble hearing me, just say so, and I'll just speak a little louder.

Thank you.

MR. MacCLOUD: Thanks for the directions. Okay.

Life, liberty, and justice -- in my naïve and innocent existence here in Long Branch, New Jersey, for the past 25 years -- apparently doesn't apply. To own, to live, to create a family, to be a part of the community and the work there does not count at all. To have a very poor, not ethical, and a ruthless administration in Long Branch to team with a convict guilty of bribery and extortion of elected officials to execute eminent domain -- only in another town, at this time -- is not an American act. This is greed. To separate people from their homes, their families, their communities, the loss of equity-- And the stress that is causing death. This is not acceptable in any way other than it's creation -- not greed, or the loss of the innocent,

hard-working people and their families. It is wrong, I ask you and tell you, and not American-like. I was brought up as an American.

Stop this eminent domain abuse now, I ask and I plead with you people, please. From a standpoint of the law in Long Branch, they deceived me. They scared me. And monetarily, it is unjust compensation. All against the will of the people. And these losses-- Due to the mega-gain of the developer, and for the tax rateables that the hungry politicians who are callused up and are wrong to their people, I was removed three and a half years ago from my 100-year-old, 17-room house that I owned, under pointed guns that were pointed at me.

A week before Thanksgiving of 2002, and my home that was paid off was raised the week before Christmas 2002. I sit here now broke, brokenhearted, and feel totally insulted and offended. Is this life, liberty? My question is, the way I see it, it's -- no unjust compensation. The threat and the life of people, it is at a grave point due to this eminent domain abuse. And the loss of my liberty-- I ask you now, please stop this eminent domain abuse, people. I'm speaking as a family man, and part of my community.

Thank you.

ASSEMBLYMAN BURZICHELLI: Bruce, thank you.

Anyone, any questions? (no response)

I had one, just a follow-up. Reverend, maybe you can help me, in case Bruce can't.

REVEREND BROWN: Certainly.

ASSEMBLYMAN BURZICHELLI: But in your process, were you offered another place to live in Long Branch? Was that part of your

process, other than just the negotiation on the money side -- since clearly you didn't want to sell and you ended up not having it? Did they say to you, "Here's money. And by the way, you'll have first choice on new housing." Was any of that suggested?

MR. MacCLOUD: I had a police escort, with a couple of close friends. They blocked the road off. You have to understand that it was like a demolition zone in my neighborhood, going on. They stopped right in my backyard -- and that's the MTOTSA group, that hasn't been executed at this point. I hope you abolish it so that--

REVEREND BROWN: They put him in a hotel for six months. It was a rat -- it was the worst hotel.

MR. MacCLOUD: A roach coach. A flea-ridden motel.

ASSEMBLYMAN BURZICHELLI: Okay. Reverend and Bruce, but I mean on the backside, did they say to you, "We have to take your property and we're going to build these new properties. And we're offering you an opportunity to go in one of the new properties." Was that offer made? I'm just curious.

MR. MacCLOUD: No. No, sir.

ASSEMBLYMAN BURZICHELLI: Was not made. That was the question.

Lou, you had something. Go ahead, Lou.

ASSEMBLYMAN MANZO: You mean no one from the town told you, you were going to get a--

ASSEMBLYMAN BURZICHELLI: Lou, is your mike on?
Lou?

ASSEMBLYMAN MANZO: No.

ASSEMBLYMAN BURZICHELLI: Can you turn the red lights off, Reverend. All red lights off. Thank you.

ASSEMBLYMAN MANZO: Thanks.

Did anyone from the town-- Because we just had an individual from there and it just took me awry -- because I stayed after the last Committee to speak to a lot of the people from the town. No one from the town or no one from the development agency tried to offer you compensation for your home, which was better than, as I said, we were trying to give him a better deal than what could be offered. Because I believed what was presented to me was, your home was a-- They paid you \$140,000, \$150,000 and they're selling condos now for a million at the site?

MR. MacCLOUD: A piece, right. There's approximately 16--

ASSEMBLYMAN BURZICHELLI: Hit the button again, thank you.

MR. MacCLOUD: Yes, to your answer. They approximately have 16 high-end condominiums on my property that exceed \$30 million.

ASSEMBLYMAN MANZO: Did they offer you a chance to buy one of those?

MR. MacCLOUD: No. No, they did not. They happened to have gone through a procedure where four years ago, I was naïve and didn't know what-- I paid my home off. I didn't think they could take my home like this, through greed. For them, to execute all that, \$140,000 was put in an attorney's trust. And of course, I gave half of that to my estranged wife at the time to take care of my children. And that was against my divorce attorney's advice. But none the less, they offered me -- or didn't offer me.

They put 140 in there, and they have personnel for the city that took me -- gave me lists of rentals in other cities -- anything from Paterson to Camden to Asbury Park. Nothing in the vicinity, if that's to answer your question.

REVEREND BROWN: I will say this. It wasn't till about--

ASSEMBLYMAN BURZICHELLI: Reverend, we have to keep moving.

Lou, did you get a satisfactory answer.

ASSEMBLYMAN MANZO: Yes.

ASSEMBLYMAN BURZICHELLI: Are you okay?

ASSEMBLYMAN MANZO: Yes.

ASSEMBLYMAN BURZICHELLI: Okay. All right.

Let's get to our next-- Who would like to speak next?

And your name, sir?

G O P A L K. P A N D A Y: Honorable Chairman, and members of the Committee, I should like to thank you all for giving me this opportunity to appear before you.

ASSEMBLYMAN BURZICHELLI: And your name, sir? I'm sorry.

MR. PANDAY: My name is Gopal Panday. I own a business at 141 Broadway, in the city of Long Branch. And in the last city council meeting, some two weeks back, the governing body has yet passed another ordinance to be able to exercise eminent domain in my two blocks area. I have already been served with a 30-day notice to finalize negotiations in good faith, supposedly good faith. And I've already been served a notice that I have 30 days to do this, and the same notice has been sent to the

developer as well -- now, in good faith, a designated developer who is running a business across the street from us.

Obviously, the local government is facilitating the acquisition of my property for this businessman. So here I stand to lose my, and four other employees, and their families' livelihood in the name of community economic development, where there would be no community left to develop.

My understanding of use of eminent domain proceedings by the government at different levels is so very different. I understand that academic and prolonged deliberation needs to take place to fix the laws which are being misused and abused. Meanwhile, I'm here today to urge you all for a moratorium, while the Committee deliberates difficult issues. Please help us stop this human tragedy.

I thank you all. (applause)

ASSEMBLYMAN BURZICHELLI: We thank you for your comments.

Any questions?

Lou.

ASSEMBLYMAN MANZO: Were you offered compensation by--

MR. PANDAY: Yes, sir. I would put it in terms of ratios that might elaborate how this process is going through. If the developer offered me one dollar, the city has made an appraisal of the property for 40 cents.

ASSEMBLYMAN MANZO: So the city came out and appraised--

MR. PANDAY: Much lower than what initial offer from the developer has come out with. And the developer's offer is -- stands to be almost 33 percent of what open market value would be, if that answers your question.

ASSEMBLYMAN MANZO: It does.

MR. PANDAY: So, to say in a nutshell, everything is so much disproportionate that it is pretty well impossible to negotiate. And so far as the Chairman is concerned, that -- what could be done in this whole process, as a businessman, I can give you a little bit of a reflection.

ASSEMBLYMAN BURZICHELLI: We'd like very much -- if your statements are written, too, we'd like to have them from you. Because this is an area--

MR. PANDAY: Most certainly. I have a copy for -- to leave it with you.

ASSEMBLYMAN BURZICHELLI: Yes. If you'd be kind enough to leave that with us.

MR. PANDAY: Most certainly.

ASSEMBLYMAN BURZICHELLI: I think you've helped us with the point, but your suggestions, also, we welcome. So, please, give us the written statement.

MR. PANDAY: In my situation particularly, I would give you a little bit of it very quickly and now.

ASSEMBLYMAN BURZICHELLI: Very quickly, if you'd be so kind enough.

MR. PANDAY: The first year we ran the business -- we are there 20 years -- the first year we had the gross revenues of \$190,000. We

stuck through thick and thin. And today we gross \$1 million in revenues. Now, I'm told if I am -- or the whole issue gets resolved, the business value would be zero. Somehow, as a common person, it is absolutely beyond belief.

ASSEMBLYMAN BURZICHELLI: Your saying that is very important, because that's one of the part of the formula that we recognize we have to look for change. So--

MR. PANDAY: Yes. So my understanding is that the compensation for businesses should be in the computation of the compensation. And in my particular situation, there has been no suggestion of any alternate plan to relocate, which is-- My observation is absolutely 180 degrees in contrast to Mr. Woolley, who testified earlier. I have been, or trying to, get myself included right from the get-go when the initial presentation was made by the planners -- Jim Thompson (phonetic spelling) and Associates from-- And this is going back to '94. And my understanding was that we would be given a chance to participate and be a piece of this whole development which is going to come about, but none of that seems to be happening at all.

ASSEMBLYMAN BURZICHELLI: Okay. All right.

MR. PANDAY: I have presented my own plan to the city which got just-- I was literally, in one word, told, "Just get lost." I'm an engineer by profession, and I had presented the whole plan, which would have tantamount to something like \$50 million. We have 18,000 square foot of footprint, and we'd be more than glad to develop it.

ASSEMBLYMAN BURZICHELLI: And your comments, again, are very helpful to us. We're not in a position to go into those kinds of details, because we don't know.

MR. PANDAY: Most certainly. I understand.

ASSEMBLYMAN BURZICHELLI: Yes. All I can say to you is, is with Long Branch's experience with doing redevelopment, if there are issues like you're presenting to us that still exist, that means that the law, as presently structured, is not serving. Because they're following the law as structured and that's what our work is. It doesn't appear to be working in those areas. That's why this testimony is important.

We thank you very much.

MR. PANDAY: Thank you.

ASSEMBLYMAN BURZICHELLI: Any other questions for this? If not, we'll go to the next speaker.

ASSEMBLYMAN CHIVUKULA: Mr. Chairman?

ASSEMBLYMAN BURZICHELLI: Go ahead, Upendra.

ASSEMBLYMAN CHIVUKULA: Just a quick question, Mr. Panday. In terms of your property -- the value they reimbursed you -- at the date of when the Redevelopment Authority was approved, or the current value? So you're looking at the current value as a million dollars, and the Redevelopment Authority maybe at '94? I'm trying to understand--

MR. PANDAY: Exactly. You're in the same ballpark, and I think you got the gist of the issue.

ASSEMBLYMAN CHIVUKULA: Okay. Thank you.

ASSEMBLYMAN BURZICHELLI: Thank you.

Next up, and your name please?

DIANA MULTARE: Diana Multare. And before I start, I'd like to say a thank you to your legislative aide, Brian McCord, for his diligence and consideration.

ASSEMBLYMAN BURZICHELLI: And, Diana, I thank you for joining us. I called you first, and you're speaking last in this four-group, so thank you for your patience.

We'll start the timer. When you hear the beep, it's three minutes. So you do the best you can.

MS. MULTARE: These are prepared comments and I've pared it down. I have four minutes here.

ASSEMBLYMAN BURZICHELLI: Go.

MS. MULTARE: In my opinion, there are probably few laws more profound in their effects on individual citizens, on local government, and on State government than the laws concerning eminent domain. When words like *blighted* were changed to *areas in need of redevelopment* and words like *public use* were changed to *public purpose*, a powerful culture of corruption was spawned. And that is based on one fundamental fact -- that eminent domain guarantees results. This is where the house always wins. It's the greatest scheme going. Instead of peddling drugs, it's peddling property, and it's legal.

When you redesign the eminent domain laws, as I hope you do, you've got to think outside the box. And you must apply one overriding criteria -- can the eminent domain law be used to corrupt the governing process? This isn't an impossible task. All you need to do is to take a look at what's happening in towns and cities across the state.

Take my town, the city of Long Branch, as an example. Look at the developers. In Long Branch, two are convicted felons, currently in jail. One was a CEO of a company that received over \$11 million in State aid, and while he's in jail, the company is still receiving payments on that money. You need to look at those individuals who are not officially connected to redevelopment projects, but whose own development activities are spin-offs because of redevelopment guaranteed by eminent domain.

One such individual, Phil Konvitz, was indicted for bribery. The person who received the bribe was indicted and plead guilty. It should be noted that Mr. Konvitz, in his salad days, was national bondsman for Murder, Inc. and bag man for Mialanski (phonetic spelling). Mr. Konvitz was also a major stockholder in a local Long Branch bank. One of the large accounts of that bank was the city of Long Branch. It was that bank that approved a large loan to the redevelopers, and two officials of that bank sit on the city council.

You need to look at the law firms that represent the city or towns, and the law firms that represent the redevelopers. In the case of Long Branch, they turn out to be one and the same. So it's no surprise that the city attorney for Long Branch is quoted as saying that, "The interests of the redeveloper are the same interests as those of the city of Long Branch."

You have to question why a city like Long Branch would sell property and homes to the redeveloper at the loan-locked value and also arrange millions in State low-interest loans so the redeveloper could acquire other properties. No wonder the redeveloper would warn reluctant property owners, "The holdouts would be losers." You have to question why a city like Long Branch would allow property to be sold for a tax lien, then declare

the property to be in a redevelopment zone, and then buy it back at quadruple price. It only makes sense when you know that the person reaping such a windfall is a city councilman's mother-in-law. When this scenario was repeated, the individual reaping the monetary windfall was a member of a family that published a local newspaper, which regularly heaped praise on the mayor and the city council for their redevelopment projects. You have to question why redevelopment master plans, as in the case of Long Branch, were changed, over time, subtly and surreptitiously, so that more properties were included and designated for condemnation, even though, in one instance, those properties constitute a thriving community and another includes beachfront properties as attractive as any along the Jersey shore, where taxes go as high as \$20,000 a year.

And finally, you have to ask why a city like Long Branch would summarily reject all redevelopment proposals by both residential and commercial property owners, in many instances, long before contracts with redevelopers were signed.

The brief scenarios I have referred to happen when government is drunk with the power handed to it via the laws of eminent domain. And it doesn't have to be a government, but can even claim it represents the wishes of its constituents. In Long Branch, a city of more than 33,000, the mayor and council were elected to office by little more than 3,000 votes.

ASSEMBLYMAN BURZICHELLI: Thank you, Diana.

Any questions? (no response)

MS. MULTARE: I might add, as a postscript, that in the last month or so the city of Long Branch has authorized over \$14,000 to pay for lobbyists to lobby you folks.

ASSEMBLYMAN BURZICHELLI: Well, I haven't met any of them, yet, Diana. So if they're on the payroll, we haven't seen them.

But thank you very much.

MS. MULTARE: I would also like to add that I have something here that I'd like to give to you.

ASSEMBLYMAN BURZICHELLI: Thank you. Yes, if you'd like to submit it in writing. We've got to move on.

MS. MULTARE: I just would like to say, this was sent to me by Jon Corzine's office last year, in July.

ASSEMBLYMAN BURZICHELLI: Very good.

MS. MULTARE: And if you followed every recommendation that he's got on this list, everything that I talked about today would be eliminated.

ASSEMBLYMAN BURZICHELLI: Yes. And we are cognizant of our now-sitting Governor's position. We're working with the Executive Branch.

But thank you so much for your testimony. (applause)

MR. MacCLOUD: Thank you folks, too.

ASSEMBLYMAN BURZICHELLI: Thank you.

And, Reverend, just because we're out of time, doesn't mean it will be our last conversation. We'll be talking more.

REVEREND BROWN: I understand. I understand perfectly.

Okay.

MR. MacCLOUD: Please consider a moratorium against eminent domain abuse.

ASSEMBLYMAN BURZICHELLI: Thank you, Bruce.

REVEREND BROWN: Thank you.

ASSEMBLYMAN BURZICHELLI: We next have -- Harold Bobrow, I think, had stuff set up and we lost him. Let me see if we can get some other names. This lady in blue, over here, is anxious to come talk to us. (laughter) What is your name?

D E N I S E H O A G L A N D: Denise Hoagland.

ASSEMBLYMAN BURZICHELLI: Denise, let me get your card. Come on up.

MS. HOAGLAND: I have children with me, so their patience is wearing thin.

ASSEMBLYMAN BURZICHELLI: That's okay. Please, they should come in. Yes. Yes. Grab the last seat. We'll do you first, Denise.

Yes, this continues Long Branch.

MS. HOAGLAND: And Lori Vendetti is-- We're in the area which--

ASSEMBLYMAN BURZICHELLI: Do you want to come up, too, Lori? Come on.

MS. HOAGLAND: --has been so publicized -- the MTOTSA area.

ASSEMBLYMAN BURZICHELLI: Okay. Who else do we have. So we have -- Lori's here. Harold's here. And on the end, your name?

L O R I A N N V E N D E T T I: Lori Vendetti.

MS. HOAGLAND: That's Lori.

ASSEMBLYMAN BURZICHELLI: Oh, you're Lori. I'm sorry. And who are you?

MICHELLE BOBROW: Michelle Bobrow.

ASSEMBLYMAN BURZICHELLI: Michelle, that means that we have to find your card.

MR. McCORD: Can you make sure your red lights are on, please? (referring to PA microphone)

ASSEMBLYMAN BURZICHELLI: You can't talk without a card. It's -- I'm sorry. Do we have her name?

I'm sorry. Your name again?

MS. BOBROW: Michelle Bobrow.

ASSEMBLYMAN BURZICHELLI: I'm sorry.

So you're with Harold?

MS. BOBROW: I'm with Harold, but I'm also with NAEDA.

ASSEMBLYMAN BURZICHELLI: Okay. Did you sign in? We'll find it. If we can do the best we can, please, on the time, but we'll give you a little more time, if you need it.

Would you like to start on the end?

MS. HOAGLAND: So I just hit my little button?

ASSEMBLYMAN BURZICHELLI: You're Denise? Right, I'm sorry, Denise. They've got my card.

MS. HOAGLAND: First off, I'd like to address-- Did it go off?

ASSEMBLYMAN BURZICHELLI: Just make sure the red light is on.

MS. HOAGLAND: Okay. Now I'm on.

First, I would like to address you and thank you for forming this Committee in addressing these issues. I live in the area referred to as MTOTSA, which is an area in Long Branch that is subject to eminent

domain. And I would like to address -- although I wrote something -- I would like to address some of the issues in which Mr. Woolley had brought up.

Firstly, I'd like to address that in 1994 they submitted a statement to the State. It would have been nice if they had submitted a statement to the residents of the city and the people who lived in that area, which, in fact, would be affected by that statement. Also--

ASSEMBLYMAN BURZICHELLI: Denise, Denise -- that's important to us. What occurred there that you didn't see, that you think the State agency saw?

MS. HOAGLAND: Well, in 1994, the State issued the area in need of redevelopment, or a study to be done in redevelopment.

ASSEMBLYMAN BURZICHELLI: I know that the State's in that earlier process, that's why I asked you what the--

MS. HOAGLAND: Well, they issued the area to be studied for redevelopment, I believe, in 1994. And that's what he had said. His exact words were that, "In 1994, we submitted a copy of a statement to you," and that's the way in which he addressed it.

ASSEMBLYMAN BURZICHELLI: Yes. That seems odd.

MS. HOAGLAND: And in all actuality, in 1994, I never received anything.

ASSEMBLYMAN BURZICHELLI: Yes. That, by the way, that seems odd to me. Because the process -- it stays very local at that point. I don't know what State agency would have been involved. So if you find out more details, just tell us.

MS. HOAGLAND: Well, I'm addressing what he had said. And in 1994, I received nothing from the city informing me that my home would be subject to a seizure.

ASSEMBLYMAN BURZICHELLI: Okay.

MS. HOAGLAND: Actually, I've still, yet, to receive anything.

Among other things that I would like to quote that happened is, I know that the Mayor of Long Branch submitted a statement to you. And I can tell you that I have called city hall on several occasions where, in fact, Mr. Woolley never, and still has never, returned my phone calls. I would also like to state that Mayor Schneider, in 2002, stood in my home with my family and said to me, "Mrs. Hoagland, there are no plans for your property. And if all the streets looked like Marine and Ocean Terrace, we wouldn't have the need for redevelopment." At that point, the Mayor should have said to us his intentions, and his intentions that he was planning to turn our properties over to a private developer. But he never did that. And he did say those things. Nor did any city administrator come to our neighborhood.

In fact, the city's report of findings, which is listed for the criteria of blight, which was conducted by the Fire Bureau, comment in the criteria of the taking that, in fact, the Fire Bureau was told by city officials to not inform citizens what they were doing. Also in that report of findings, our area, which is located in Beachfront North -- which Mayor Schneider appropriately said that if all the streets looked like ours, there wouldn't be need for redevelopment -- in the area in which we represent, there was three criteria: good, fair, and poor. Out of our homes, 60 percent were listed in fair, 35 percent were listed in good, 5 percent were listed in poor condition.

This is the report of findings that the city submitted. Out of that 5 percent, two of those properties are gone. This by no means represents blight.

The city has wrongly accused our area of being blighted. The impossibility of our area being blighted is also because we face the oceanfront. It's ludicrous to think that oceanfront property could be submitted as blighted.

ASSEMBLYMAN BURZICHELLI: Denise, if you could, if you can conclude for us? Your point is well-made.

MS. HOAGLAND: Okay. The photos in which Howard Woolley had addressed -- I can guarantee you that not one of those photos is included in our area. And if you would like, we can submit to you photos of our homes that I'm sure were not submitted in that statement.

I would also like to say that in November, I spoke to Governor Corzine-elect at that time, and I had the opportunity to speak with him at a local college, and he was talking about an affordable home and an affordable education. And I told him I had an affordable home, and that affordable home afforded me the opportunity to obtain my graduate degree. And not only that, that it afforded me the opportunity to be an at-home mother to my children. And what was he planning on doing about this? And at that time, he did state to me that he would hold an executive order to halt eminent domain. Unfortunately, that has not come to fruition. And I truly feel as if our government is failing us.

ASSEMBLYMAN BURZICHELLI: Well, let me say to you that we are working hard, here at the Assembly, and the Assembly has to take this up.

MS. HOAGLAND: Well, I'm happy to be here, and I'm glad to have you doing this. I would also like to say that my home is not blighted. It has never been blighted. I live in a wonderful, caring neighborhood, and you don't raise high honor roll students in a blighted home.

ASSEMBLYMAN BURZICHELLI: Okay. Thank you, Denise. Thank you.

Harold, you're going to be next. And again, to remind you, anything you have in writing you'd like us to have, if you want to submit those pictures at a later date -- it doesn't have to be today.

MS. HOAGLAND: I will.

ASSEMBLYMAN BURZICHELLI: You're welcome to do that, and we will distribute them.

Harold, I'm going to allow you to start.

I'm going to ask Lou to take this chair for a moment, because nature is directing me to another room for a short period of time, if you can appreciate that. So he'll act as Chair. And, Howard, please--

MR. BOBROW: Thank you very kindly. I appreciate the fact that you're holding this meeting. I'd just like to say a couple of things about the process in Long Branch, and the fact that we were shown in the year, I believe, 2000 that the majority of the work on the waterfront was going to be in-fill, and we were actually shown a diagram of this. And then all of a sudden, all of the homes are now being taken. So just understand that we actually were misled in the middle of this process, which is not a right thing.

Speaking of not the right thing, I reside both in Maplewood and Long Branch, and I'm here to ask for your help. You are my representatives, and I believe what you want to do is the right thing to do. I'm in favor of eminent domain. I'm not in favor of eminent domain abuse.

The United States is based on certain fundamental rights, such as freedom for its citizens to choose and to own property. We have laws that have a basic underlying morality to them, which are an integral part of our society and differentiates us from other countries. Eminent domain abuse is both unethical and immoral. People should not have their homes taken away from them to make developers richer. The basis of eminent domain abuse is greed. This is an underlying cause contributing to the unethical atmosphere that has infiltrated our government and our society.

One of the major reasons we are passing pay-to-play legislation is because of what is perceived as a collaboration between government and private industry to take away fundamental rights of our county's citizens. There is now approximately 42 other states who are taking up eminent domain abuse legislation. And I am sure you feel that the citizens of New Jersey have the same rights as those in other states.

We have people that have been indicted and are serving prison terms as a result of the underlying greed promoted by the unethical and immoral atmosphere. I believe our Founding Fathers -- I'll be done shortly -- from our country felt its citizens must have certain basic rights in order for our country to exist and to serve its citizens honestly. Eminent domain abuse goes against the very core of what we, as citizens, hold so dear. I feel we all are citizens of the great State of New Jersey. And you are my representatives, and I know you want to do what is best for the people you

represent. I'm asking for changes in the laws to reflect what the true intent was when our original legislation was written, and to have a moratorium passed to stop this unethical and immoral taking of people's homes -- one of which is mine -- against their will and choice. Our government is of, by, and for the people. You are good people and I am trusting you to do the right thing to save our homes and our rights as citizens of the great country and State. Time is of the essence. We need you to act now--

ASSEMBLYMAN BURZICHELLI: If you could sum up.

MR. BOBROW: --to have these wrongs righted, which are destroying the very fabric of our society.

Thank you. (applause)

ASSEMBLYMAN BURZICHELLI: Thank you.

Any questions?

ASSEMBLYMAN MANZO: My question is, you said you were misled by the agency. If you can very shortly--

MR. BOBROW: During the year 2000, all the people in the zone, which was declared a redevelopment zone along the coast, was brought down -- which was then the Hilton Hotel on the shoreline in Long Branch. We were then given a display, in front of us, indicating what their intentions were that they were going to do. Our unit, which is a townhouse unit, which was there -- my worst case scenario was that they were going to build around us and we would no longer be able to see the ocean. The fact of the matter is, they told us that we would be there.

ASSEMBLYMAN MANZO: Who's they?

MR. BOBROW: The city. The planners, the government showed us -- put out models to show us this, and then went ahead and

didn't do in-fill. They went ahead and took away everybody's home. That's wrong. That's immoral. That's -- I don't know whether it's illegal, but that's immoral and that's unethical, and that's not the way you treat people. That's not the way you treat them. (applause)

ASSEMBLYMAN BURZICHELLI: And that's what this Committee's work is, to understand how this stuff has been applied in various places.

Now, I have a large contingency from Long Branch here, because it's a real issue, but we can't treat this meeting as a Long Branch meeting. So the point has been very well made from a number of different perspectives, which is helpful to us. So I ask those who are going to testify, if you have something new, we want to hear it. If it's a continuation, we've heard it, and believe me, the point is made. It won't be made any greater by making us more tired so the next group who -- because we've got a couple of people from Camden I want to hear from. And so we've got more people. So as we work down the table, concise is best.

I'm sorry. Your name again? I haven't found your card. I believe you're here, because you're in front of me.

MS. BOBROW: Michelle Bobrow.

ASSEMBLYMAN BURZICHELLI: Michelle, if you can be as -- the point, please.

MS. BOBROW: Succinct.

ASSEMBLYMAN BURZICHELLI: Thank you.

MS. BOBROW: Not only do I live in Maplewood and Long Branch, but I'm a spokesperson for the group Neighbors Against Eminent

Domain Abuse. I heard a quote on NPR as I was driving down here today: “The standard of politics is justice,” and we are here to seek justice.

Just to be very brief, the justification of blight is overly broad in New Jersey, with the definition including the ability to be put to better use. The designation of an area in need of redevelopment lasts for years. During that time, we are not able to improve our properties, to do anything with our properties. De facto, we are not allowed to buy or sell, because no one is going to buy in a redevelopment. So we are stuck. We often cannot get permits to do repairs or construction. In other words, the designation of area in need of redevelopment or blight becomes self-fulfilling.

We have no say whether we wish to keep our homes or businesses. There is often little city investment in these areas. They do not have to be maintained. And I’m sure that the pictures that you will see of Long Branch, of before and after, will show the areas deteriorating because the city has not put any investment into them. The money does not go into those areas.

We are blaming the victim. The people who are impacted must spend their own money to get lawyers, to go to courts. We are blamed if we do not know the law. We are blamed if we let deadlines go by because we don’t understand, while the cities and the other governments have all the powers that be at their fingertips. Not only do they have all the power and the authority, but we, the citizens, are paying for these things so that the city can use that against us. (applause) We must change the definitions, especially of underutilization. I think private homes are becoming a dinosaur at this point, because a private home on a private lot is underutilized. And I suggest to you that this building, which is over 50

years old, which has been created hodgepodge, for which you can't go from here to there, is really an area in need of redevelopment. (laughter) (applause)

ASSEMBLYMAN BURZICHELLI: And I might add that there's probably a considerable number of New Jersey residents that prefer it be demolished with us in it. (laughter) So I agree.

If you can conclude, please. Thank you.

MS. BOBROW: However, there is a loss of affordable housing, which you have heard before.

One of the other things it has to do -- is the loss of individual mom and pop businesses. Those are the people who have stood with the municipalities through thick and thin. They have invested, they have a definite major feeling for promoting the community. They are being replaced by big boxes, by chains, which have no connection to communities, which hire low-income people, minimum wage. They're not investing. Do what's right, create a moratorium first.

Thank you.

ASSEMBLYMAN BURZICHELLI: Thank you, Michelle, very much. A couple of points in there were very helpful to us.

MS. BOBROW: Thank you.

ASSEMBLYMAN BURZICHELLI: A couple points were very helpful. And again, if you have any -- if you have it in writing, you can get that back to us. It helps. Although, we are having a transcript of this -- am I correct, Hannah? I don't think I mentioned that at the top. This will be transcribed. I'm not sure of the process where you can get a copy, but it will be available. And these proceedings are also archived on the Internet.

So you can go back and listen to them, if you choose to, and want to point out any points of reference.

Now, you're up next. And you are Lori?

MS. VENDETTI: I'm Lori Ann Vendetti. Also from the MTOTSA area in Long Branch. I also own a home in Newark, and my parents own a home in Long Branch of 44 years. Again, I'm trying to be as short as possible here. I'm not going to even read. I'm going to jump around.

ASSEMBLYMAN BURZICHELLI: Well, if you can, Lori. Because if you can just build on what they have said, it helps, as opposed to repeating it.

MS. VENDETTI: What I really want you to understand is that we were lied to in Long Branch. We weren't part of the process, as the Mayor and the city administrator wants you to believe. I was at a meeting in 1996. I bought my home in 1995. And a month later, in 1996, I get a notice-- Anyway, I would go to the meetings and we were told that it was going to be in-filled. And even on my lot next to my house, my property, they had a house. I just thought that was amazing. But that's what we were told, and we always were told that. The Mayor says that they never had a developer come in for that -- for an in-fill plan, and that's why they've now demolished everything. We have a wall of townhomes in Long Branch. No one can see the ocean anymore. It's a wall separating the rich from the rest of the part of the city. And that's what it's become. It's not public use.

We in MTOTSA have a court date. What I want you to do is-- I understand you want to rectify the current law, but we-- I know you don't want to hear the moratorium word any more, but we really need that right

now. We need things to stop before you guys sit down and decide what you're going to do. Because we have a court date on the 24th of this month. We are challenging the taking of our homes. Two-thirds of our people are challenging it. But the city, literally, can deposit appraisal moneys into an account and take our homes away right now, even though we're fighting to keep them, just as Bruce MacCloud's home was taken from him. That's why we need a moratorium. That's why we need just a hold on everything so you have time to act, and act appropriately, and look for everything.

We need future legislation to protect property owners retroactively. Just because you enact a new law, what happens to us who are currently in the process? We need to be helped as well. It's just been going on long enough, and New Jersey has to step up to the plate. I'm glad this Committee has been organized.

One other thing I just wanted to say is that everyone making-- I think it's a simple solution. Everyone's making such a difficult issue out of this, and I really don't think it is. It's a layman's view, but there's really a simple solution. The United States Constitution is the simple solution. It says that, "Eminent domain should be used for public use." (applause) That's all it says. This country has been guided by our Founding Fathers' words for all these years, and it's just that simple. Let's go back to using eminent domain as they said it should be used.

I'm not asking to strip the cities from their power of using eminent domain entirely, just use it the way it was initially intended for public use -- not for public benefit, not for public purpose -- but for

highways, bridges, schools, etc. For public use, not for private developers' use -- it's just that simple.

One more sentence and that's it. It's a quote by President John Quincy Adams, and it could help you very much. "Property is surely a right of mankind, as real as liberty. The moment the idea is emitted into society that property is not as sacred as the laws of God and there is not a force of law and public justice to protect it, anarchy and tyranny commence. (applause) Property must be sacred or liberty cannot exist." It's really just that simple. (applause)

ASSEMBLYMAN BURZICHELLI: Thank you, Lori. Thank you very much.

Thank you, everybody.

Now we'll call up Dorothy--

DOROTHY ARGYROS: Argyros.

ASSEMBLYMAN BURZICHELLI: Thank you.

MS. ARGYROS: Thank you very much for taking me a little early.

ASSEMBLYMAN BURZICHELLI: Well, I don't know if anybody at this point is still early, Dorothy, but you're welcome. We'll ask you, please, to adhere to the three minutes. And we're looking for additional testimony to help us in areas that we've yet to hear about, if that's possible.

MS. ARGYROS: I have a long-- My name is Dorothy Argyros. I'm with Neighbors United in Neptune, New Jersey, where they have targeted, for a designation as a need of redevelopment, 1,250 properties,

consisting of the small single-family homes owned by lower-income people, mostly African American, and all the small businesses down Highway 35.

I think that you already know more about redevelopment than you think you do if you study history. Because what we got here is the good old rateables chase -- discredited -- and urban renewal -- discredited -- and that's what, to me, this is, under another name. It's being snuck back in because -- wow -- it's such a cash cow for developers, while it hurts individual people very, very badly. Your home is your security, and imagine if your home was being taken. Somehow or other the people who are pushing redevelopment never have their homes on the list. In fact, in Neptune, it's been gerrymandered -- the list -- to take out the Mayor's office, so that he's not being threatened.

It promotes corruption. It's because of redevelopment in Monmouth County that we have an FBI office. Well, we have two that have just opened up. And I'm sure you've read about the officials that have been investigated and indicted by the FBI in our area.

Now, I am a victim of eminent domain, not redevelopment. This was for the taking -- for the widening of a highway. The name of the project is 33-9A. This half mile widening took 70 homes, mine among them. And I can tell you about my personal experience, because I think that would help you.

ASSEMBLYMAN BURZICHELLI: Dorothy, I'm sorry. If I may, and I don't mean to be disrespectful. But those areas of highway and that sort of thing, this Committee is not working in that area at the moment. We're doing residential properties for redevelopment. The issue of highways and things of that nature, which are--

MS. ARGYROS: I understand that, but I think you want to know how eminent domain works in actual fact.

ASSEMBLYMAN BURZICHELLI: Well, if I may, if I may? Because we want to hear from many people. We had the Department of Transportation in at a previous meeting and explained the highway coordination of having condemned property for eminent domain for highway taking. So if you have something--

MS. ARGYROS: I wanted to tell you how they treated me. In fact, they asked me to sign a paper. Aside from losing my home, they asked me to sign a paper saying if contamination was found on my property that I would pay for it, for the clean up. Which would mean I'd lose my home and I'd lose my life's savings as well. Now that's punishing, and I'm an innocent person. I've not been charged with any crime.

They stole my property from me by the filing of a declaration of taking on July 27, 2004. I knew nothing about it until the following November. I continued to pay taxes on my property. No one bothered to say, "You no longer own it."

ASSEMBLYMAN BURZICHELLI: All right. If you could summarize for us, Dorothy, please.

MS. ARGYROS: Summarizing -- I guess I'd summarize by saying there is nothing right about this. This is wrong from so many points of view that it would take reams of paper to tell you about it. It's wrong the way it's done. It's wrong in its inception. It is a way for crooked politicians to pay back their campaign contributors, just as the founders of this county feared, by taking away the property of their enemies and rewarding their friends with it. And that's exactly what it is, and that's only what it is. And

it negates what this whole country stands for (applause). And I think I would like to tell you--

ASSEMBLYMAN BURZICHELLI: Now, I asked you--

MS. ARGYROS: Beware. One final thing -- beware. Because we proved in 1776 that people will fight for their property and they will fight for it again.

ASSEMBLYMAN BURZICHELLI: Very good. Thank you. Thank you, Dorothy.

Now we'd like to try and group some more together, as we try to work this Committee hearing to a conclusion where we've been successful in taking a lot of information. But I'm sitting here with, probably, 20 people that have an interest in testifying, and I'm going to say again -- I please ask you to be respectful of this Committee. If you have something new to add, add that. Believe me, we are all in the same page recognizing with you that there are issues here. But we need the benefit of new information. Otherwise, you are checking in, signing in, registering as being opposed -- is also a very powerful statement. So I ask you to, please, help us along too, because we want to do the best we can to move.

Let me -- is Bill Potter still here? Did Bill step out? Okay. We'll get him when he comes back. I was going to ask him a question, as well.

Let me see who we have here. We have some neighbors in from Lawnside. Can we get a spokesperson for the Lawnside group? We're not going to hear from all these people. Who can speak for Lawnside? Two people would like to come forward. That would be very nice. And your names? Come on up.

WILLA COLETRANE: Hello.

ASSEMBLYMAN BURZICHELLI: Turn your red light on?
(referring to PA microphone) And your name?

MS. COLETRANE: The red light is on. My name is Willa Coletrane.

ASSEMBLYMAN BURZICHELLI: Bear with me while we make sure I got you here. Willa Coletrane, correct?

MS. COLETRANE: Right.

ASSEMBLYMAN BURZICHELLI: And you are, sir?

CLINTON HIGGS JR.: My name is Clinton Higgs Jr.

ASSEMBLYMAN BURZICHELLI: Okay, Clinton, stay with me. Let me make sure I got you here too. I got both of you. Okay. So you'll speak for Lawnside today.

MS. COLETRANE: Yes.

ASSEMBLYMAN BURZICHELLI: And I would also recognize that Debra Butler is here from Lawnside, is that correct? And we have you as opposed, so you're on record accordingly. Gloria Reid, is that correct? Gloria here, Gloria here. So you're opposed. And Wesley Reid, correct? Wesley, you're here as well. So you'll be on the record as opposed, and these two individuals will speak for the group, okay?

Willa, please. When you hear the buzzer, you're at three minutes, and try the best your can to wrap up.

MS. COLETRANE: Okay. I'd like to thank you for the opportunity to speak to you. We are private home owners. My name is Willa Coletrane, and I am President for a group called Citizens for a Better Lawnside. Lawnside's problem of redevelopment is unique within itself, as

far as we're concerned. Lawnside is the oldest and only black community that was started by slaves, in the 1800s, that is still standing -- that is threatened today.

We're located in South Jersey. We're in Camden County. And our Senator is Senator Wayne Bryant. What is happening? We have 120 acres of redevelopment -- it's called Oak Avenue Redevelopment. Twenty of those acres are owned by private home owners. One is vacant land that has nothing on it. They could use the vacant land to develop, but they won't pull tracks, so they need to take our homes, too. There is no blight whatsoever, and they will tell you that. The city has no crime in it. It's composed of 2,700 people, the average income ranging from \$45,000 up. So we're not a needy city, where we need to take these people's homes. Some are in the ages of 60 and 70 years old, who've had their homes for 30 and 40 years, paid off, and living on Social Security, such as myself. There is no need again, because there is no blight -- simply because we are located right off of 295, south and west, right across from the PATCO station and the New Jersey Turnpike -- it's ideal to be taken.

Now, you wanted to know how you could help us. Two things: One, when a redevelopment area is designated and it is voted in by its planning board and by its mayor and council, the resolution and the ordinance is sent to Trenton. That is all that is sent to Trenton. The -- what is it? -- the growth paid for this--

ASSEMBLYMAN BURZICHELLI: Smart Growth.

MS. COLETRANE: The Smart Growth paid for this, right? They never read the plan. They have no idea what the plans are about. As a matter of fact, Lawnside has no plan, let them tell you. Okay? Presently,

we are in court fighting this -- Federal Court that is -- fighting this. And of course, we're taxpayers and we're fighting this with our hard-earned money, against a borough that is fighting us with our taxpayers dollars.

ASSEMBLYMAN BURZICHELLI: But your money is working on both sides. (applause)

MS. COLETRANE: But what we would like you to look into is the fact that if Smart Growth thinks enough to give these boroughs an opportunity to help themselves-- We're not against development. We're against redevelopment, especially in areas that should not be redeveloped. The history of our old town is so unique. It has none other in the United States, that was started by free slaves.

ASSEMBLYMAN BURZICHELLI: I'm well aware of it, too, because I just live down the road.

MS. COLETRANE: So we would like to keep this town as it is. But this will destroy the fabric and the heritage of this town if this redevelopment is allowed to go on.

And there was one other thing in the law that you may be interested in, that we were against. There is a paragraph in the law, with which we all have made ourselves aware of and read completely, that says once an area is deemed a redevelopment area, then the powers that be can come into your homes and inspect those homes without a warrant or without just cause. We feel that this is against our constitutional rights. You really-- Yes?

ASSEMBLYMAN BURZICHELLI: That's the first time I'm hearing that, by the way. We're going to look at that one very closely. I want to thank you.

MS. COLETRANE: All I can tell you-- And now we--

ASSEMBLYMAN BURZICHELLI: Willa, thank you. All right. We've got to wrap up.

MS. COLETRANE: Okay. In wrapping up, I'd like to say we did not come prepared with a written statement, but if allowed, we will get all of this back up to you--

ASSEMBLYMAN BURZICHELLI: Please.

MS. COLETRANE: --so that you can read it.

ASSEMBLYMAN BURZICHELLI: Please.

MS. COLETRANE: I thank you for your attention, and I ask that, again, a moratorium be passed on eminent domain.

ASSEMBLYMAN BURZICHELLI: Thank you.

Clinton, did you want to add to that, or would you like to add to it?

MR. HIGGS: Yes. I'd like to add to it. And as well as state a couple more things that may be of interest to you.

ASSEMBLYMAN BURZICHELLI: Give us your name for the record, please?

MR. HIGGS: Okay. My name is Clinton Higgs Jr.

ASSEMBLYMAN BURZICHELLI: And if you listen for the beep, that will be at the three minutes, and do the best you can.

MR. HIGGS: Okay. I came into this process-- I've been a resident of Lawnside for 40 years. I came into this process not as a person who is a potential victim to eminent domain abuse, but as a person who served on the planning board. When the decision was made in Lawnside for the East Oak Avenue redevelopment plan, I was serving on the planning

board at that time. When it came to my knowledge that this plan included the possibility of the condemnation of people's homes, I voted against that plan. In fact, I was the only person on the planning board in Lawnside to vote against that plan. And as a result of that, when it came time for reorganization of government, I was summarily dismissed from the planning board for my vote. Because I asked them the reason, and they came up with nothing. They were silent on that issue.

So I think that that has a lot to do with the insensitivity that our lawmakers, our municipal government, and those who are in control -- look down on people, as far as any dissenting quality they might have to this issue. I would also like to point out, very quickly, that the property that we're talking about came -- five years ago, six years ago -- came under the same type of thing. I'm sure you remember when they wanted to build the civic center in Camden County, in Lawnside.

ASSEMBLYMAN BURZICHELLI: I remember that. I remember that.

MR. HIGGS: Now, that civic center at the time was supposed to have a hockey team, which was to be co-owned by a person of tremendous power in Camden County, and also a person who was in the Senate of the New Jersey State Senate, with tremendous power. I don't need to, really, mention their name. But there was an interim period of like two to three years. And these people came back and targeted this same area with another plan. So I'm saying, this speaks to eminent domain abuse, as well as pay-for-play, as well as bully tactics of politicians. And that's what I have to say today.

ASSEMBLYMAN BURZICHELLI: And we appreciate your comments. (applause)

Any questions? (no response)

Thank you very much.

And I did mention for the audience here, and ask the person who is handling our transcription today, that we will keep the record open for seven days. So if you'd like to get us something back, you're welcome to.

MS. COLETRANE: Seven days?

ASSEMBLYMAN BURZICHELLI: Yes. But remember, what you said is part of the record, too. So if you have something in addition you think would be helpful, please give it to us.

MS. COLETRANE: Thank you.

MR. HIGGS: Thank you very much.

ASSEMBLYMAN BURZICHELLI: Now, let's see if we can figure out-- That went very well, because we got a sense of the issue in Lawnside and got to recognize their group that was here.

I'd like to talk to our Camden neighbors. Bear with me. We'd like to get a spokesperson. You're going to be a spokesperson?

UNIDENTIFIED SPEAKER FROM AUDIENCE:
(indiscernible)

ASSEMBLYMAN BURZICHELLI: Just bear -- if you would, I'd like to chair the meeting, if you don't mind. And your name is?

C A R M E N U B A R R Y - R I V E R A: My name is Carmen Ubarry-Rivera.

ASSEMBLYMAN BURZICHELLI: Carmen, you come and sit first, here, please? And let's figure out how we're going to do this, because we're only going to have-- Okay, Carmen, so you are Cramer Hill Resident Association, correct?

MS. UBARRY-RIVERA: Yes.

ASSEMBLYMAN BURZICHELLI: Okay. Now, okay. I'm going to have-- Carmen, at some point, I'll have you repeat it again. We have four seats here. We'd like to have a spokesperson. You're going to be a spokesperson.

MS. UBARRY-RIVERA: Well, yes. But again, there are some issues and points that my other friends need to say, too, as well.

ASSEMBLYMAN BURZICHELLI: Well, I understand. Well, we're going to have you start. We'll see how close we get to be -- that you're satisfied; that we've got enough that we're satisfied. We're sorry we don't have another chair. Bear with me. So, Carmen, let's start. If you'd read your name into the record, please.

MS. UBARRY-RIVERA: Okay. My name is Carmen Ubarry-Rivera.

ASSEMBLYMAN BURZICHELLI: And remember, Carmen, first of all, be comfortable. You're among friends here. And what we're looking for from the group is, we're trying to get an understanding of where the law is not working. We understand the emotion. That's very clear to us. And we're with you on that.

MS. UBARRY-RIVERA: Yes.

ASSEMBLYMAN BURZICHELLI: But we want to know where it's not working. So that's the contribution we need. So, please, do the best you can.

Thank you.

MS. UBARRY-RIVERA: Okay. Do I have to press something here?

ASSEMBLYMAN BURZICHELLI: Yes. Your red light should be on. (referring to PA microphone) Is it on?

MS. UBARRY-RIVERA: Yes, it's on. So that's good? Okay, great.

ASSEMBLYMAN BURZICHELLI: Okay, you're up. Go. Your name, please?

MS. UBARRY-RIVERA: Okay. Again, my name is Carmen Ubarry-Rivera. I am the President of Cramer Hill Residents Association. I live in Camden, New Jersey. And we're a unique place -- Camden, New Jersey -- as you very well know. We are under a State Takeover legislation, something that's never been done in all the history of the United States. Something that goes way back to pre-revolutionary times, where the State comes in and basically tells everybody what they're going to do in the city, because apparently the city just couldn't do a good enough job of taking care of themselves. And while that may be the case, there certainly was a huge amount of disenfranchisement in the community when a chief operating officer, in this case Melvin Primas, was appointed.

ASSEMBLYMAN BURZICHELLI: Carmen, excuse me, excuse me?

MS. UBARRY-RIVERA: I'm leading right up to the Redevelopment Law.

ASSEMBLYMAN BURZICHELLI: Okay. Let me speak, please? Because I don't mean to be disrespectful and interrupt you. I need you to be focused. We're all very well aware of Camden City and how we're all trying to be as helpful as we can be, from the State to Camden, and we recognize some of the controversy and all these difficulties. But right now, this Committee is focused on the redevelopment. So talk to us about that, please.

MS. UBARRY-RIVERA: Absolutely. Let me get to the redevelopment part of that.

ASSEMBLYMAN BURZICHELLI: Please.

MS. UBARRY-RIVERA: So this gentleman, Melvin Primas, has been appointed to the redevelopment agency. Okay? The redevelopment laws in Camden, as the way they're going now, are inadequate and antiquated. Why? Because we have not been allowed, as a community, to be part of the process. That is the number one problem that we're having here. We've had planning board meetings, specifically in Cramer Hill, for the Cherokee Project, which would displace 5,000 people, 1,200 homes. This is a land grab. This is a slash and burn. You cannot bring in that much redevelopment at one time.

The *Courier-Post* has reported that Camden City is under 70 percent redevelopment, which means there will be 70 percent of Camden City under eminent domain. Where have you seen anything like that? That's absolutely unacceptable. You cannot just take everything out because you think it doesn't work. You have to work within the

community. And I think the approach of the redevelopment laws in Camden City aren't working, because it's about top-down redevelopment. You're throwing lots of money to certain amounts of interest groups -- universities, and hospitals, and very connected political bosses -- and then you are not really looking at the community itself. And you're not thinking about empowering communities within themselves. And that's where the blight comes in.

You see, the redevelopment laws have these issues and this thing where you can be called an area in need of redevelopment if you have blight. Well, absolutely, I think everywhere in the United States -- that can fall under, which is, again, very unfair. A lot of the blight that we do have in Cramer Hill specifically is because of neglect of municipal government, not so much because our homes are blighted. We are taking care of our homes in Cramer Hill. We have a wonderful community in Cramer Hill, where we have 72 businesses, and it's growing and it's flourishing. We are trying to sustain ourselves.

So, again, the redevelopment law as it is now is antiquated and it's not helpful. And the plan itself, when we first go into a plan, even as early as RFP, you don't see inclusion within the community. You don't see announcements, you don't have meetings. And if you do, they're very orchestrated -- make sure the right media is there, the right people that are speaking are there, and no one really is talking about the issues. And the issue is this, sir -- the issue is that people don't want to leave their homes. There are people who are living in Camden, and specifically in Cramer Hill, have been there for over 30 years. They have raised their families. They are now retired. And some of them are widowed. And they just want to

stay in their homes. And we're not saying, don't come in and help Camden. Because of course, every area wants to be helped, but it's not about taking the properties, giving it to someone else that could pay higher taxes and then pushing out the low-income families.

The other piece to that is--

ASSEMBLYMAN BURZICHELLI: If you can wrap up for us, Carmen, please?

MS. UBARRY-RIVERA: Excuse me?

ASSEMBLYMAN BURZICHELLI: If you can conclude, please.

MS. UBARRY-RIVERA: Yes. And the other part of that is that the property taxes in Camden -- and this has been said by Mr. Primas -- will triple in three years. So we're looking at property taxes tripling -- I'm sorry -- in five years, to a community that can't afford that to happen. So those are the things that this Committee, I hope, will consider when they're looking at that.

ASSEMBLYMAN BURZICHELLI: And we will. And that's why everything we've heard today will all contribute.

Now, Carmen, having said that, does anyone have anything to add that will be in addition to that, that will be related to the law, as opposed to the general-- There are no more seats up here at the moment? We'll bring you up, though. We'll bring you up.

MARY I. CORTES: Mine is just something quick. Mary Cortes. It's just the result of eminent domain. The State already is in dire need of more moneys. It has a tight budget or under budget. Well, if eminent domain does go through throughout the state, you're going to have to expend or give more money, support, to programs like welfare, charity care,

Medicaid, disability programs, food programs -- all of these. Even homeless shelters are going to be dependent on the taxpayers moneys. And that's what you have to consider. You're throwing us out into the street. We're going to be homeless, we're going to be needing, because once we leave our homes, we have to look for something that we can afford, and therefore we have to live -- where?

So that's going to be creating more problems for the State. Leave us where we are. We are creating revenue for the city. They just don't see it or don't want to see it.

ASSEMBLYMAN BURZICHELLI: We're not going to let you be thrown with your home and nowhere to go, somehow, some way.

MS. UBARRY-RIVERA: Well, there is a law that's being--

ASSEMBLYMAN BURZICHELLI: Carmen, I'm sorry. We'll talk afterwards. We're going down the line here.

And do you have anything you can help, in addition, about the law, please? Because I've got another 20 people who have to testify.

J O S E S. S A N T I A G O: Definitely, about the law. You're right. It's about the law.

ASSEMBLYMAN BURZICHELLI: Yes.

MR. SANTIAGO: The law says people have to respect the law, no matter who you are, if you're elected official or--

ASSEMBLYMAN BURZICHELLI: Oh, I'm sorry. We need your name?

MR. SANTIAGO: Oh, I'm sorry. My name is Jose Santiago. I'm a Vietnam veteran.

ASSEMBLYMAN BURZICHELLI: Jose, welcome.

MR. SANTIAGO: Vietnam -- human crisis, (indiscernible) crisis -- and I'm here because a POW friend of mine died because of the eminent domain law. He died in the bathroom -- when he went to the bathroom.

ASSEMBLYMAN BURZICHELLI: I'm sorry. That's a tragedy.

MR. SANTIAGO. And that hurts me a lot.

ASSEMBLYMAN BURZICHELLI: That's a tragedy.

MR. SANTIAGO: Right. Especially what's going on in Iraq. That's above the law-- Why I am involved in this? I'll tell you why I'm involved in this. I live in Cramer Hill. I've got five kids. They're all professional -- thank God, but whatever.

One councilman called me at my house, because I'm a community leader, and asked me to join him against the eminent domain law. So he invites me to a Spanish registration, to speak against eminent domain, and I speak in favor of the Spanish community on Cramer Hill, where we are the majority. Two weeks after that, he calls me up and says, "Jose, I have to talk to you." I say, "What's up?" He said, "Listen, I've got to back up, because political-wise I have to back up, and because they give me \$75,000 for a Puerto Rican cultural center." I say, "What?" So I went home. And like you say, it's above the law.

Then I went to ask another councilman -- Mary Cortes was with me -- and guess who I found at his house on a Saturday? The director of the planning board trying to convince this councilman to vote yes on the Cherokee plan. This is three months before the Cherokee plan was even in the street.

ASSEMBLYMAN BURZICHELLI: Jose, if I may, you have to understand. We can't insert ourselves to that level.

MR. SANTIAGO: Sorry. Anyhow, we're going back about -- as far as calling Cramer Hill a blight area. Cramer Hill is not a blight area. Cramer Hill has 72 pieces, new houses coming up, and the community is moving up, business side doing well. The people who do the research on Cramer Hill -- guess what? -- they were high school kids. It was high school kids sent by the city to do -- and bring judgment against your house. These kids don't even know about it. And then the community was -- we had a public hearing at the school. Two hundred and ninety-eight persons voted no, only two voted yes. But yet the city council went out and voted yes. That's above the law.

Now, everything was all-- They were trying to -- what do you call it? -- force people out. Send them a letter saying they have to get out. People who were handicapped and all that. And this is above the law. So I think that you boys should look into all this stuff, have an investigation on what is going on, about trying to change the way the eminent domain law is written. Not only that -- I'm sorry -- we have a plan already that was approved by the city about five years earlier. It's called Cramer Hill Tomorrow plan. And after they accepted it, they threw it out to bring Cherokee in.

ASSEMBLYMAN BURZICHELLI: There are things that we have to hear. And we are looking -- this whole criteria is an area we're going to work very hard in.

Thank you, Jose.

And your name, sir?

A L E X A N D E R H E R N A N D E Z: Alexander Hernandez.

Good afternoon, ladies and gentlemen of the Committee.

ASSEMBLYMAN BURZICHELLI: Alexander, did you sign this card?

MR. HERNANDEZ: I'm against--

ASSEMBLYMAN BURZICHELLI: I understand. Did you fill out one of these?

MR. HERNANDEZ: Yes.

ASSEMBLYMAN BURZICHELLI: Okay. I just want to make sure we find you.

MR. HERNANDEZ: I wanted to make sure that it does say *oppose*, sir.

ASSEMBLYMAN BURZICHELLI: I've got to find you first. I see you're sitting here, so I know you're here. We'll find you. But please, Alexander, go ahead and finish. And if you can, you can help us. If there's something you can add, or you're just welcome to say you're opposed. That's equally as powerful.

MR. HERNANDEZ: Yes, sir. I want to be specific concerning the notification process. My complaint is that after serving in the military, I come home to find out that my home is going to be taken. And I have received letters, documentation from the city government that my property is going to be taken. I've been paying taxes for 10 years, and so forth. So, let me go and investigate, as far as what is the plan. When I checked online, no information was provided. It was not readily available. *Web page expired* would come up. So I decided to go to city hall and spend time on my own to figure out what's going on. When I asked for this information --

I think personally, as an owner of my property and my home, at least if the city is going to do something on my property, they should be able to willingly give me information as to what they're going to do or what they plan to do with my property -- they were not willing to do that. I would have to pay \$70. It may not be much to you or anyone here, but someone who is low income, who depends on only \$300 a month to survive, \$70 is a big chunk of change.

And I think that if -- the notification process has to be implemented, number one. Number two, my second complaint is the standards that they're utilizing in order to decide whether or not a house is a blight. They're looking at the outside. I was always taught by this society that you should never judge a book by its cover. You should actually read the book. If you looked at the outside, okay -- maybe it doesn't have grass or the grass is not greener. But what about the functionality of the place? That is what we should look at, also.

In comparison to that, all right, maybe I have a patch on the sidewalk, but does that mean that my house is not functional? If you look outside at this facility, the actual fountain doesn't work. But does the people who work within the building, does that work?

ASSEMBLYMAN BURZICHELLI: And Alexander, and that point has been made repeatedly today, that the criteria is an issue.

MR. HERNANDEZ: Thank you, sir.

ASSEMBLYMAN BURZICHELLI: The issue -- the point you made about the notification is very important--

MR. HERNANDEZ: The notification is a major complaint, and accessibility to it also, sir, and provision towards.

ASSEMBLYMAN BURZICHELLI: That was a very good point, and one we needed to hear.

Thank you very much.

MR. HERNANDEZ: Thank you, sir.

ASSEMBLYMAN BURZICHELLI: Sir, you were next.

ROY L. JONES: If you don't mind going to her, and then--

ASSEMBLYMAN BURZICHELLI: Okay.

And your name is?

DARLENE ROSE FIGUEROA: Good afternoon.

My name is Darlene Figueroa.

ASSEMBLYMAN BURZICHELLI: And Darlene, do you have something new to add to us. You're welcome just to say you're opposed.

MS. FIGUEROA: Yes, sir, I do.

ASSEMBLYMAN BURZICHELLI: If you'd be so kind.

MS. FIGUEROA: The power that -- I'm now a new home owner. And how I got to be a home owner is that eminent domain was passed on my block in Cramer Hill. So my Dad was sent these letters, and then he got upset that he was sent this letter and he had gone to the hospital. And then my Dad passed away because he was afraid that these people were going to take his home. And I told my Dad, "Nobody is going to take your home like that, because that's violating our Fifth Amendment." And we have rights that we can bear arms and we can own property, and no one's supposed to just take our homes like that. So my Dad passed away, and I inherited the home. And the people are trying to take the property. And I don't think it's fair that they should take the property, because I pay my taxes and I don't live in a blighted area.

They want to build a three-story complex in back of my house, and my house is not blighted. And the area is not blighted.

ASSEMBLYMAN BURZICHELLI: Red light off? Jose, turn your light off. That's it.

MS. FIGUEROA: And I want to save the home to give it to my grandchildren, because it was inherited. And there's land there and everything, and I have a garage there. When we moved there in '69, someone burned the garage down because they didn't want us there. And the garage hasn't been fixed yet. Because now that I have the property, I could fix it and I can build up the garage and make it a better place.

ASSEMBLYMAN BURZICHELLI: All right, Darlene.

MS. FIGUEROA: But I love the area I live in, and I'm trying to save it and keep it for my grandchildren.

ASSEMBLYMAN BURZICHELLI: And I want to express my condolences to you on the passing of your father. And we're going to work on this very hard. We thank you for your comments today.

MS. FIGUEROA: Thank you.

ASSEMBLYMAN BURZICHELLI: Your name, sir.

MR. JONES: Roy Jones.

MR. McCORD: Red light, sir.

ASSEMBLYMAN BURZICHELLI: Red light? And Carmen, if you'd -- thank you. Turn that off? That's it. Thank you very much.

Roy, can you be brief for us, please, if you would?

MR. JONES: I'm the Cochair of the South Jersey Environmental Justice Alliance. I'm a founding member of the New Jersey Environmental Justice Alliance, and I'm a member of this new statewide

Coalition Against Eminent Domain Abuse, which brings together urban rule and suburban leaders throughout the state.

One thing I want to make crystal clear to this Committee is that Camden represents the worst-case scenario of eminent domain abuse in the nation. And I want to stress that to this Committee. That unlike any other city in America, Camden is uniquely situated in terms of this abuse pattern. And I want to say that for decades, beginning in the early '60s, Camden residents had to endure attempts to displace thousands of residents of mostly poor and minority and African American families in the name of urban renewal.

ASSEMBLYMAN BURZICHELLI: Roy, if you could excuse me for just a moment?

MR. JONES: Ten thousand families--

ASSEMBLYMAN BURZICHELLI: Roy, Roy, Roy. Roy, Roy. Roy, Roy. Roy, if you'd bear with me, please, and I ask you to extend respect to the Chair.

MR. JONES: Right.

ASSEMBLYMAN BURZICHELLI: This meeting is about--

MR. JONES: I'm going to get to that.

ASSEMBLYMAN BURZICHELLI: We don't need a litany of Johnson's great society and the--

MR. JONES: I'm not going to do that.

ASSEMBLYMAN BURZICHELLI: What you will do to help us--

MR. JONES: Right.

ASSEMBLYMAN BURZICHELLI: --is tell us what's presently not working. Is it a criteria issue for you? Is it a compensation issue for you? That's the area of the law we're working in. So if you can help us with that. And if you can, please, be concise.

MR. JONES: I'm trying to make this point.

ASSEMBLYMAN BURZICHELLI: But what I want to say to you--

MR. JONES: Camden is very unique. You have to deal with it as a unique issue under this issue of eminent domain abuse.

ASSEMBLYMAN BURZICHELLI: Roy, Roy, I'm eminently familiar with what we're trying to accomplish on the good side with our neighbors in Camden. I'm a proponent for the city flourishing. My voting record tells you that. What I'm saying to you today is, we don't need all that history. We need you to tell us what--

MR. JONES: All right. I'm going to give you the recommendations.

ASSEMBLYMAN BURZICHELLI: Thank you. That's the help we need.

MR. JONES: The first thing -- and this is in terms of recommendations. On the compensation side--

ASSEMBLYMAN BURZICHELLI: Please.

MR. JONES: --a fair market value in Camden, in an urban area, means something totally different than fair market value in a suburban area. So as you deal with the question of the law, you have to deal with the issue of compensation as it relates to urban issues, suburban issues, and rural issues.

The second thing in the law has to deal with the conflict of interest. It has to deal with the fact that it does not address how politicians, who are making decisions about redevelopment projects, can also retaliate against the citizens and organizations that may end up fighting these redevelopment projects. So you have to deal with the issue of conflict of interest.

And the third thing you want to deal with -- and this is the unique part. And Carmen spoke to it. Currently, there's nothing in the law that deals with the impact of the current redevelopment law that runs concurrently with the Municipal Rehabilitation Act -- which is the current takeover legislation that the State government has imposed upon the city of Camden.

So this is why Camden is unique. We have no rights to really challenge the redevelopment designations in the city, because even after this issue is taken to court, the State law says the judge will rule in favor -- will have to rule in favor of the city, because the legislative body has imposed a law in Camden that gives exclusive rights to the issue of redevelopment and rehabilitation, in the city of Camden.

The fourth thing is that you have to include, in the law, sworn testimony. And the reason is, planners, engineers, city officials will actually come before a body of people, lie to them knowing that it is not sworn testimony. They will not be held accountable to it. And, therefore, they feel comfortable in telling people, "Sure, you're going to be fairly compensated. Surely, we're going to relocate you." So it has to be sworn testimony as a part of any redevelopment law.

The fifth thing has to do-- You have an option for redevelopment in the city, and that is to use the existing law of rehabilitation. An area in need of rehabilitation-- These town officials do not use that as a first option. The first option is redevelopment/eminent domain. So the law should require all municipalities to use the first option in areas in need of rehabilitation.

A moratorium is needed. Why? Because you've heard allegations--

ASSEMBLYMAN BURZICHELLI: Roy, we're--

MR. JONES: --of criminal and civil laws being violated.

ASSEMBLYMAN BURZICHELLI: Roy, if you'd please respect the Chair. You saying you support that is enough for the record, because we understand the details. The points you gave us are very helpful.

Now, the previous testimony that you wanted to do-- You can submit that, and we'll include that in the record -- the stuff I-- We just didn't have time to let you read it, as far as the foundation stuff. Because that's important stuff, too. So we'll take that from you in writing.

The points you made on the sworn testimony is the first time we heard it today. It's a very good point. And I thank you for that.

Everyone at this table has had a chance.

MS. UBARRY-RIVERA: Can I say one more thing?

ASSEMBLYMAN BURZICHELLI: No, you can't say one more thing, Carmen. You can see me in the hallway.

We've got 20 more people coming. And we'll be talking again.
(applause)

Now, let's see.

All right, folks. We're doing pretty good here. There's been a lot of good information brought forth today.

Which one am I doing? This one next.

Susan Conlon.

Susan, are you still here? (affirmative response)

Come on up. Susan, who are you with? Are you with a group, are you by yourself, or who are you with?

S U S A N C O N L O N: Well, I'm a member of this coalition here.

ASSEMBLYMAN BURZICHELLI: Okay. Are you going to speak for the coalition?

MS. CONLON: No, I'm speaking for myself.

ASSEMBLYMAN BURZICHELLI: Okay. Bear with me, because we want to get people together. So just stay with me a second.

Who else is with you? How many more-- Which coalition are you with?

MS. CONLON: I'm here as a citizen. I work with a group called the Princeton Junction Neighborhoods Coalition.

ASSEMBLYMAN BURZICHELLI: Okay.

MS. CONLON: But I'm here speaking on my own behalf.

ASSEMBLYMAN BURZICHELLI: Okay.

MS. CONLON: My last name is pronounced Conlon.
(indicating pronunciation)

ASSEMBLYMAN BURZICHELLI: I'm sorry about that. I'm sorry Susan.

MS. CONLON: That's okay.

ASSEMBLYMAN BURZICHELLI: Start again. Give us your name, for the record. And if you could be concise, please. We're looking for something new.

MS. CONLON: I have some specific points.

ASSEMBLYMAN BURZICHELLI: Thank you. That would help us.

MS. CONLON: I'd like to also mention that on the card I think I might have checked off that I was in favor.

ASSEMBLYMAN BURZICHELLI: That's okay. That doesn't count.

MS. CONLON: I meant I was in favor of--

ASSEMBLYMAN BURZICHELLI: We get the point. You're okay.

MS. CONLON: Thank you for this opportunity. Thanks to the Committee and the Chair.

I'm happy to be here. I'm happy to be able to lend my voice, but also to hear the stories from other people from around the State of New Jersey.

I live in West Windsor Township, New Jersey, a little bit north of here. And the township was recently granted a redevelopment area approval by the State for about 350 acres.

I don't think-- I'd like to clearly state that I'm not opposed to redevelopment in the sense that we do need to do smart growth and redevelopment to improve our communities. But those of us who are living in the older suburban communities-- We're making commitments, as citizens, and living in our communities. And we support improving our

communities. I just don't think that we should have to make sacrifices and sacrifice some of our basic rights to achieve those improvements.

And I would just like to briefly make the connection between home ownership, home equity, and education. And for a lot of people, and for myself-- Because I own a house, and because I have equity in that house, I'm able to use that equity to pay for a college education for my children. And if we decrease the number of opportunities for people to own homes, ultimately we're going to sacrifice sending our children to college.

Now, I can get to some specific points, because I know that's what you want to hear.

I think there are some changes-- As a part of adjusting eminent domain abuse, I think we have to look at the whole designation of redevelopment areas and how that process takes place. A few things I'd like to point out--

I think we need some requirements, and not just recommendations, from the State and the Office of Smart Growth. I think that we should require that the Office of Smart Growth and the State of New Jersey should come out to these communities when the municipality or the city applies for a redevelopment area designation. They should be required to do a public information session to benefit both the citizens and the public officials so that people know what they're getting into. I think that as part of that, the public officials, in addition to that, should be required to do reading, and to have a certain basic minimum knowledge of what they're doing before they're, as our representatives, voting on resolutions to move these things forward.

I also think that it should be a requirement, before a township committee or council votes on the boundaries of a redevelopment area, that the investigative report that was conducted previously, at a planning board level-- That the minutes of those meetings should be published and available before that resolution is voted on and passed.

I also think that Criteria H, that was discussed before, needs a total reevaluation. And I disagree that it is not frequently used in Jersey. In this particular case it was used. I think it's also necessary that before an area is designated by the State, there should be some basic feasibility studies that are conducted, for the public and for the elected officials to see what-- I'm not talking about details and a lot of money spent on that process. But to get some understanding that if this redevelopment area is designated, what are going to be the benefits to the community. What is it going to cost? Is it worth doing? It shouldn't just be done because somebody can come in, and build things, and make money. There should be some benefit. I think the public has a right to know that.

And I'd also like to point out that I think we should extend the requirement for notification to also notify the people in the immediate surrounding area. Because even though they're not in the redevelopment area, they have the impacts of the redevelopment, which ultimately could be eminent domain if there needs to be things like road widening and taking of houses for that case.

And, finally, I would just like to say that, in the last point of this memo from now Governor Corzine, he points out the -- making the public advocate available. I think that's really necessary, because I think what's going on right now is, the State has a lot of information. It's

communicated to the municipal or city leaders. But the public doesn't have a lot of information. But by the time they get this information, it's too late. And I think that we should use the office of the public advocate to advocate for the public.

ASSEMBLYMAN BURZICHELLI: Thank you, Susan.

And a couple of those points were good for us to hear, too. So we appreciate you staying as long as you did, and your testimony.

Anyone have any questions? (no response)

If not--

We may be losing some--

Thank you, Susan. Thank you very much.

We may be losing a few Committee members as we go.

Let me call another group up.

Dave, how are you doing time wise? Do you want to come up?

Dave Pringle, come on up.

Dave, you have someone with you-- What is your--

DAVID PRINGLE: No, she ended up leaving.

ASSEMBLYMAN BURZICHELLI: That's Connie?

MR. PRINGLE: Amy Goldsmith or Kim Gaddy.

ASSEMBLYMAN BURZICHELLI: Okay. So that one is there.

Are you pretty concise? Are you going to be pretty concise, Dave?

MR. PRINGLE: I think I can do three minutes.

ASSEMBLYMAN BURZICHELLI: Thank you.

For the record, we'll take your name.

Then I will call up another group after Dave finishes.

Dave, go ahead.

MR. PRINGLE: David Pringle. I'm the Campaign Director for the New Jersey Environmental Federation.

I have eight points, in working with the Chair's goal of what's not working. But I just wanted to provide some very quick context and history.

You have to realize that the folks testifying here are threatened with losing their homes, in fear of their communities being destroyed. Too often, they're folks that are -- have been not well served by government over the years. And so that history, and context, and what has transpired in the past is critical, as you move forward. So I urge -- while I understand the time constraints -- urge folks to be as -- use as much discretion as possible in letting folks provide some context and history. Because government--

I would argue that in all of the cases where eminent domain is being used in the state, currently, it's being misapplied. The only question is, how poorly and misapplied it's been.

We do not oppose eminent domain. We oppose eminent domain abuse. There are clearly cases, even now, where eminent domain is being used where the property is being used for a public good, but it is still being misapplied.

There are eight points in particular I want to focus on. There are cases where we would clearly have -- we not only would have no problem with, but actively encourage the use of eminent domain: schools, parks, hospitals, roads. I've even lobbied aggressively to have, over the last 10 years -- to have eminent domain be used in Green Acres, and have unfortunately been failing in that effort. However, even in those cases, we

are still misapplying-- Even when we do use eminent domain to buy open space in the state, we're still not compensating people appropriately.

There are two -- eight criteria I want to talk about. The first was, there are places where eminent domain should be used, like parks. There are two other cases where -- and I kind of divide the criteria in two-- If eminent domain should be used, and if the answer to that is yes, then how is it being misapplied currently. So appropriate places for eminent domain -- yes: schools, parks, hospitals, etc.

Second: It's clearly been talked about -- the economic development. We're not prepared, yet, to say that economic development should never be a reason to use eminent domain. But I've got to tell you, the way it's being used these days, we're getting awfully close to that.

At a minimum, it's an incredibly slippery slope. One person's urban blight is another person's home. Even when there was -- with the unanimity as to what is urban blight, where do you draw the line? Is it going from urban -- only for urban blight? Is it because -- any economic use? I forget which Supreme Court justice talked about it in the Kelo case, but talked about middle-class neighborhood could be used to -- move to high-end hotels. So where do you draw the line? That's a critical question that your Committee is going to need to look at.

The term *area in need of redevelopment* is, frankly, a bunch of malarkey. Everybody knows it's just an excuse to get around urban blight. Call it what-- If that is what you want to do, be honest about it and call it that. And let's have a real conversation about what the appropriate criteria should be.

Number four -- and these are more the areas of, if you're going to use eminent domain -- how we need to reform eminent domain. Giving one master redeveloper -- is inordinate too much power, especially with the way it is being tied to pay-to-play. And no big contracts, as the Sierra Club testified earlier. Those are two critical reforms.

And, number six, affordable housing-- Eminent domain in this state is being used as a joke, in terms of affordable housing. It's not meeting more affordable housing. It's less affordable housing. There should be-- Eminent domain should never be used unless the net impact will be more affordable housing in the long-term. And, at minimum -- in the short-term, in the interim, there should be no net loss of affordable housing. And fair placement for anybody -- ideally, no displacement until an alternative permanent property is there.

ASSEMBLYMAN BURZICHELLI: Dave, can you get us to the point?

MR. PRINGLE: All right. Compensation: Compensation is a joke. And I have to give you a couple of examples. The total is greater than the sum of the parts. And that's the excuse that redevelopers get to -- why they get to have five properties that are each worth \$5,000, and combine them and sell them for a million. That value goes both ways. It's on a one-way street right now. Folks that are -- should get-- It should go both ways. If your house is going to be used for economic development, you should be getting a cut of the profits of the developer.

There are incredible costs fighting eminent domain. Folks don't have the resources to fight eminent domain. Again, you're talking about municipalities and developers that have massive resources compared

to the folks who are suffering from eminent domain. They should be getting pro bono representation, paid for by the towns, paid for by the developers -- reasonable rates, but they get to make the call as to who their representation is.

The value of-- The fair market value of property needs to be reevaluated. And I have to give two examples. In Lodi, there's a property being used -- a trailer park that they're using -- that eminent domain is kicking in on. A lot of those folks, they get to keep-- The trailers will move, except there aren't -- trailer parks aren't popular in this state these days. So folks are having a tremendous difficulty finding a place to put their trailer. So, essentially, their market value-- They get a dollar amount, but they can't put their trailer anywhere, so they just lost their home. And there is no compensation for that.

In South Amboy, there's a concrete aggregate company, where they want to use eminent domain to put up a bunch of condos on the bay shore. That company provides a hundred jobs. They're high-income jobs. They need access to rail and water. So giving them a check, and saying, "Here, go site your business somewhere else," doesn't do them any good, because the properties that they can afford, with the check they're getting, don't have the rail access, don't have the water access that they need. So, in effect, you're putting that company out of business. So compensation has to be looked at much broader than just what you can get on the open market.

Finally, there's much more value than the economic value of somebody's house. What is the value of somebody's home? That can't be quantified. Yet, you need to -- some do -- figure out a way to at least do

something better than nothing. One way to maybe look at it is pain and suffering in the loss of that home.

Finally, public participation--

ASSEMBLYMAN BURZICHELLI: Dave, that's a second finally. Is this the finally finally, or is this the almost the finally? (laughter)

MR. PRINGLE: Two sentences.

ASSEMBLYMAN BURZICHELLI: Yes, good.

MR. PRINGLE: The public participation in this process, to date, has been a joke. It needs to be early, often, meaningful, well advertised at every step. Right now, it's front-ended, and meaningless, and a joke.

Every day-- This Committee has already acknowledged that there is being abuse. Every day, there is eminent domain being used. Right now, I would argue, given that every single case -- there's being abuse. It's just a matter of the level of abuse. Every day that goes by, more abuse occurs. I know it's going to be difficult to get a moratorium. And that's not necessarily the purview of this Committee. But you can use the bully pulpit to make that moratorium happen. Folks are being abused daily. You can do a temporary, two-month moratorium until we have the time to come up with the real face.

The Governor has said he is interested in some kinds of these things. We need folks-- We need our leaders to lead. And that-- I urge you to do everything you can to have a moratorium, and just a stopgap. Stop the harm. Folks are losing their homes, their livelihoods. And it's basically so that developers and municipal coffers can get filled up. It's just not right. (applause)

ASSEMBLYMAN BURZICHELLI: Thank you, Dave.

Any questions? (no response)

The Committee has been very quiet today. It's been a good listening day.

Let's see if we can bring a few people up. We have about another six or so people that we're going to move through quickly. Now, I do want to mention, we've got three people signed up to testify involving eminent domain on open space. We're not going to focus on that today. I don't want to be rude about that. We're not--

UNIDENTIFIED SPEAKER FROM AUDIENCE: Excuse me.

ASSEMBLYMAN BURZICHELLI: Just bear with me. Let me take some more. We'll maybe talk. But let's see what I can get up.

And, Bill, you spoke last time, but I told you, you could speak again. Can you hold on a bit more? Are you going to submit written testimony? What would you like to do?

MR. POTTER: With the Chair's permission, I could submit written testimony later.

ASSEMBLYMAN BURZICHELLI: Okay.

MR. POTTER: I've been working on a rather comprehensive review of individual legislative changes that we would recommend.

ASSEMBLYMAN BURZICHELLI: That would help us very much.

MR. POTTER: It's not really conducive to a three-minute presentation anyway.

ASSEMBLYMAN BURZICHELLI: Okay.

MR. POTTER: So if I may do so later, and perhaps with your able staff--

ASSEMBLYMAN BURZICHELLI: I also make myself and my office available to you. And that input that you're suggesting would be very helpful to us. So we pay respect to you in that.

MR. POTTER: Thank you. And I appreciate your courtesy, your stamina, and your good faith.

ASSEMBLYMAN BURZICHELLI: I don't know how we're doing on stamina. I've got to get the rest of the group in. But let's see how we do here.

Let me call these names. Arnold Cohen--

Arnold, did you want to add, or did Dave cover enough for you? Did you want to add something, Arnold? (affirmative response) Please come up.

Bill Opferman-- I'm calling just random now. Bill Opferman -- that gives us two. Are you Bill? Bill would you like to testify? You don't have to. Would you like to just stand in opposition, or would you like to-- You can come up if you'd like. You're not required to.

Connie Pascale -- did I pronounce it-- Connie. Do you need to talk Connie? (affirmative response) Come up briefly.

Bill, I'm sorry.

MR. POTTER: Mr. Chairman, before you proceed, I believe that the Halpers here -- there's a misconstruction of the purpose of their testimony.

ASSEMBLYMAN BURZICHELLI: Then we'll hear them. That's no problem at all.

MR. POTTER: Thank you very much.

ASSEMBLYMAN BURZICHELLI: Let's not get in the middle.
Connie, we have three.

We've got one more chair.

How about a Laurel Kornfeld? Laurel, come on up. We'll get you in this chair.

Folks, needless to say, many of you testify here on a regular basis. So if you could be concise for us. I know, on the housing stuff--

Arnold, the more concise the better. You're submitting written testimony, as well.

And, Connie, you're a professional at this. So you'll keep focused for us when it's time.

But we're going to go down the line. So let's start with Arnold--
And your name for us.

L A U R E L K O R N F E L D: Do you have an electronic address where we can submit testimony?

ASSEMBLYMAN BURZICHELLI: Yes, we do. We'll give that to you when we get down here.

MS. KORNFELD: Okay. Thank you.

ASSEMBLYMAN BURZICHELLI: Arnold, let's go. Why don't you start? Your name, for the record.

A R N O L D C O H E N: Sure. My name is Arnold Cohen, Policy Coordinator for the Housing and Community Development Network of New Jersey.

I submitted written testimony. I just wanted to go over a couple of things real quickly, and be available to go into more detail, as time goes on, about any of these issues.

ASSEMBLYMAN BURZICHELLI: Thank you, Arnold.

MR. COHEN: First, eminent domain has to be looked at as redevelopment law, and eminent domain abuse follows from the misuse of redevelopment powers. It's critical we start there.

The purpose of redevelopment, under the Constitution, is to address blighted conditions. And the blight criteria needs to be tightened up. And cities should be required to look at ways of addressing blight that does not disrupt settled, viable neighborhoods and residential areas.

Third, redevelopment has become a private game for developers. In New Jersey, the law sets no standards for how, and under what terms, what price municipalities can sell properties to redevelopers, or enter into redevelopment agreements. Redevelopment has become a stronghold of pay-to-play. The redevelopment process needs to be opened up with more participation by the people in neighborhoods affected by redevelopment. And the process for selecting redevelopers must be open and competitive.

Fourth, redevelopment should be part of the serious planning process, not a scattered, case-by-case, let's-make-a-deal process. Municipalities that use redevelopment powers should be required to prepare a redevelopment element in their master plan that lays out their overall redevelopment strategy and priorities. A redevelopment plan should be required to be a real plan, not just a legal document.

Fifth, any people displaced by redevelopment must be made whole. Every redevelopment project should provide replacement housing for lower income people being displaced, unless the municipality can prove that adequate, comparable, affordable housing is available in enough numbers in a community to meet the needs of people being displaced. And a detailed plan for relocation and replacement housing must be built into the redevelopment plan, not deferred until the city starts taking properties.

And sixth, and last point, is that-- Well, two remaining issues.

The fact that property is in a redevelopment area should not be grounds, by itself, for placement. The municipality should be required to show, with respect to any substantially code-compliant property, that that specific property is needed to carry out the redevelopment plan.

And last, there must be better standards for compensation. Any individual whose property is taken must be made whole. You've heard a lot about what that means. And that should include, where applicable, the subjective effect of losing a home and a neighborhood.

ASSEMBLYMAN BURZICHELLI: Thank you.

Now, that was concise and helpful. And you followed your written testimony in a couple of those points.

You've heard us-- It's been kicked around a little bit today, but it's going to be the area of work.

Any questions for Arnold? (no response)

If none, Bill, you're up next. You were a little hesitant to come forward. You're not obligated to speak. You can just say you're in opposition. But you're welcome to speak. If you can just keep it to our three minutes, that will be helpful to us.

WILLIAM J. OPFERMAN: I'll make it very short.

Thank you, members of the Assembly Commerce and Economic Development Committee, for allowing me to testify today.

My name is Bill Opferman. I'm a resident of Hamilton Township; Board Member of the Property Rights Foundation of America, a nonprofit volunteer organization based in Stony Creek, New York, promoting private property rights guaranteed in the U.S. Constitution. I'll skip the Kelo's law -- I'll submit this.

I'll just cut to something I think is important that was brought up.

ASSEMBLYMAN BURZICHELLI: Please.

MR. OPFERMAN: One proposal to protect citizens from eminent domain for private development, or redevelopment, is to tighten the statutory definition of blight. It was already emphasized.

Criteria can be set out that would make it crystal clear what is real blight, and what is a maintained neighborhood. I think there will be grey areas into that blight definition. But I think there should be real barriers and fences put up to say what is real blight.

One basic reform that the State Legislature should enact is to prohibit the condemnation of private property for the purpose of transferring it to one private from another private party, with the exception of utilities, and transportation systems, and hospitals.

The use of any State funds for eminent domain for urban redevelopment should be eliminated so local municipalities fully bear the cost of destroying neighborhoods out of their own budget. After all, the

redevelopment will bring such economic improvement, shouldn't the municipality be willing to do the investment?

We're here in Trenton. This is where our freedom started, back in 1776, with two battles in Trenton. And right up the street up here, there are two properties that are under economic redevelopment situations -- 12 Hamilton Avenue and 1028 Lambertson. And I'm trying to represent them also.

But I appreciate your time on this.

I'm also going to submit-- We have an eminent domain -- for municipalities -- we're trying to get out to the State. I'll submit that to you, and I'll conclude.

Thank you very much.

ASSEMBLYMAN BURZICHELLI: Bill, thank you. And we'll include the written testimony in the record. Your comments are helpful.

Again, as we move down the line, we're looking for new, and building on what has been said, as opposed to going over the ground we've already covered.

And your name, please?

MS. KORNFELD: Do I hit this red thing? (referring to PA microphone)

ASSEMBLYMAN BURZICHELLI: Yes. Everyone else, turn your red lights off.

You're Laurel, right?

MS. KORNFELD: Laurel Kornfeld, from Highland Park.

And I'm here to address specifics in what has gone wrong.

In Highland Park, nothing has proceeded to eminent domain yet. But I'd like to refer to a study determining certain properties in need of redevelopment. The town applied for a grant to study a six-block area on the main street. Yet, when they came back with the study, what they picked was a hodgepodge of -- I've got maps here I can give -- where some properties were picked, and some were not, with no apparent rhyme or reason. Does this look like blight to you?

My brother Michael is one of four co-owners of a used car lot, Salit Auto Sales. And he is in his -- other family members are working today. It was deemed in need of redevelopment and declared underutilized. Well, again, we question this because it generates \$200,000 a year in sales tax. That isn't underutilized.

I want to make a few important points. One, the flawed process of choosing properties for the designation, which appeared random and capricious, politically motivated. Certain areas that were not chosen belong to property owners friendly to the mayor and members of the administration.

You've had the same types of properties -- two gas stations -- one chosen, one not. Raceway isn't in it, Sunoco is. They say they don't want banks with drive-thrus. One is chosen, one is not. And no clear-- And they say it's to bring in more tax ratables. Yet, in many cases, properties designated are paying more taxes than those not designated.

Ubry's, my mechanic, is another one who is selected. And he's completely clean, by DEP's standards. His building is in good condition. There's a widespread perception that the mayor has an agenda. There is a

hostility to any and all auto-related businesses. It's to yuppify the town and to bring in expensive boutiques.

When the mayor was asked by what process the properties were chosen, she said, "It's a no-brainer." Well, I guess some of us need to see the wizard, because I guess we don't have brains.

On December 5, 2004, there was a public workshop to present preliminary drawings. And my family members came and found-- Well, their business is just drawn out. And they confronted the mayor. And in the course of the confrontation, she said, and I quote, "You didn't vote for me." Well, I find that disturbing.

A second study was so politically biased it was thrown out -- for a few blocks away -- because it left out -- this is for Cleveland Avenue -- it left out a major property, the hugest property there, Illuminating Experiences -- which is barely utilized, and run down, and owned by a campaign donor of the mayor. Yet, they put in properties across the street that are thriving and much smaller.

Business owners were never approached by the borough in advance. And this is crucial. And this is at least true for Salit, Ubry, and two others.

ASSEMBLYMAN BURZICHELLI: Laurel, can you summarize for us, please?

MS. KORNFELD: I would like to say that they were told-- They got letters in October of 2004 that within one week their property would be-- The planning board would vote on whether their properties need redevelopment. There was public outcry over five to six meetings. There was a demonstration on February 21, 2005, that had over a hundred

people. Ubry's had his own professional planner -- the mechanic -- that presented a completely alternate scheme for the area -- completely ignored.

Pictures in the redevelopment study were years old. They were from '01 and '02.

I just want to say a lone council member who opposed redevelopment was pressured to resign.

I apologize for taking so much time.

ASSEMBLYMAN BURZICHELLI: You're doing fine. If you could, come to a conclusion.

MS. KORNFELD: We have property owners that are basically left with paying the expenses of challenging the designation in court. This is wrong. The voice of the people was not heard. I ask for the moratorium, and also to take into account the principle of the Hippocratic oath -- first, do no harm.

ASSEMBLYMAN BURZICHELLI: Thank you, Laurel. Well done.

And if you want to give us anything in addition for the record, you're welcome to do that.

MS. KORNFELD: Yes, I'd like the electronic--

ASSEMBLYMAN BURZICHELLI: Yes, and Brian will get that for you.

MS. KORNFELD: More people from the Highland Park Citizens for Property Rights Protection may want to send comments, too.

ASSEMBLYMAN BURZICHELLI: And we are leaving the record open for seven days for that purpose.

Connie, you're up next. Could we have your name for the record? And if you could, try to keep this -- Laurel did pretty well -- keep this in the three-minute range, please.

CONNIE M. PASCALE, ESQ.: Thank you, Mr. Chairman.

Thank you, members of the Committee.

My name is Connie Pascale. I'm an attorney with Legal Services of New Jersey. We are the State's support center for the State's legal services programs -- the six regional programs, including South Jersey Legal Services. Omar spoke on behalf of that agency before.

I'm not going to repeat the areas where we would concur with what she said, what the residents of Camden said, with what the networks that-- We support the reforms that you heard about today. There are a couple of things I'd like to emphasize, and maybe add to that process.

ASSEMBLYMAN BURZICHELLI: And the Chair thanks you for your recognition of what we've heard.

MR. PASCALE: First of all, I think it's important to keep in mind that the redevelopment process, the findings, the purpose statement, the purpose for redevelopment, definitions of public purpose should be provided in the statute. And they should include, as a major part of the redevelopment process, that it will be to benefit the current lower-income and disadvantaged residents. That should be written into the law -- that the benefit of redevelopment is to benefit the people in the communities.

And I think that's important, because when you talk about redevelopment for economic purposes, you're talking about creating higher-end housing -- we don't object to that process -- jobs, many of them low-wage jobs. It's important to keep in mind that half the jobs in New Jersey

pay less than \$16 an hour, a quarter pay less than \$10 an hour. So if you're talking about economic development, you better have workers that are going to be able to work in those jobs.

To displace communities of low-income people is going to leave the economic development without workers. I think the key there is to keep in mind that redevelopment has to include substantial supplies of low-income housing. It has to preserve the affordable housing that is there, it has to expand affordable housing to meet the demands of the region.

And it is a regional process. I haven't heard anyone talk today about the regional nature of this. If they displace a thousand families from Camden, where are they going? Paulsboro? Are they going to neighboring communities? That's why I think it's important that incorporated into the redevelopment law should be language similar to a statute introduced by Senator Rice last year, reintroduced by Senator Sweeney this year. I can't remember the number last year -- this year. But last year, it was S-2080. It required that if a big-box business was put into a community, that community had to do a regional study about what that meant to traffic, the environment, jobs, housing. All of those things had to be put into a study and transmitted to the region so that the neighboring communities understood what was going to happen if they did redevelopment. I think that should be incorporated into this statute.

There should be a mandate that a regional study be done and circulated to all of the communities in the neighboring area so that it's clear that redevelopment, which is really a regional decision, doesn't proceed as though it weren't a regional decision. Every town doing its individual

redevelopment project, and putting people -- assuming they'll live in the neighboring community, is going to leave people with no place to live.

So, again, I'd just like to end by saying we will submit to you, within a short period of time, amended language to the entire redevelopment statute. We feel it needs to be rewritten. But the key elements are not to displace people from the low-income community; and to increase, substantially, the supply of low-income workforce housing that's going to be necessary for the redevelopment to work correctly.

ASSEMBLYMAN BURZICHELLI: Thank you, Connie. And we will look forward to that submission of suggestions that your group is going to do. But if you can move that along as quickly as you can, because we're sincere about advancing something that makes some sense.

Thank you for your testimony.

Any questions for Connie? (no response)

Seeing none, we'll call the next four up.

This group did very well on the time, by the way. I wish we had something to give you on the way out, but we don't. (laughter)

The next group up-- We'll call these names: Violet -- is Violet still here? Anyone named Violet?

UNIDENTIFIED SPEAKER FROM AUDIENCE: She was already up.

ASSEMBLYMAN BURZICHELLI: Oh, she was already up? Okay.

How about George Mytrowitz. George, you're coming up. Thank you. Join us, please.

Cyndy Gallenthin. Cyndy, you're here. Come on up, please.

Pat Hero. Pat, are you here? Come on up, Pat.

We've got one more chair, so we'll ask Donna Butler to this group.

I was going to call-- Let me see here. I had Donna, Barbara, and Clara.

Clara, are you three a group? Do you want to come up together? Would you prefer to come up together? (affirmative response)

Just hang on. We'll do these three, and then you'll come up.

We welcome everybody.

And, again, I'll say to you, as I said to everybody, we've heard what we've heard. So give us new. And we're looking for suggestions of where we can do better in the law, where the law is failing. And you're welcome to submit written testimony, as well, to put into the record.

So we'll start on this side.

I'm sorry, your name?

PATRICIA HERO: My name is Pat Hero.

ASSEMBLYMAN BURZICHELLI: They took my cards away, Pat. I'm sorry.

So, Pat, welcome. You've said your name, so if you'd begin, we'd like you to stay within three minutes if you can.

MS. HERO: Okay, fine.

I'm a resident of Linden, New Jersey. I grew up in New Jersey.

MR. McCORD: I'm sorry, ma'am, could you put your mike on? (referring to PA microphone)

MS. HERO: Excuse me?

ASSEMBLYMAN BURZICHELLI: Make sure the red light is on. (referring to PA microphone)

MS. HERO: I grew up in Linden, New Jersey; moved away to college; went to law school in Washington, D.C. In my over 20 years of living in Arlington, Virginia, I saw how redevelopment could take place without the use of eminent domain. Indeed, the county is a model of Smart Growth. Although, quite frankly, seeing how it has developed into the second most congested traffic area in the United States, I wonder how smart the growth was. But they did it without eminent domain abuse.

Indeed, I remember my neighbor telling me about how a developer was buying up the block. This made me very afraid because I was the corner house. The guy on the corner doesn't want to sell. Well, that gave me at least some pause, because I lived in the house with the guy on the corner -- who was owned by the guy on the corner, I should say.

But, eventually, he wanted to renovate. So he renovated and brought in a new couple. Again, I guess he found the price he wanted, eventually, because he did sell. Ironically enough, he sold to a developer. And then a few months later they put it on a blighted area, because it had all been -- everybody had moved out. And the developer still hadn't taken work on it yet.

But it was a very nice apartment. And I moved to a place that needed-- I needed affordable housing. Surprising enough, after getting a law degree, I still needed affordable housing. But I didn't want to move to the affordable housing complex across the street for two reasons: one, it was a hundred dollars more than I was paying at that current apartment -- and didn't know that I would be able to afford that. So I didn't move there.

After I was faced with redevelopment from that apartment, Pollard (phonetic spelling) Gardens, by a developer who did everything he could against the law -- including stuff that his own lawyer said he couldn't do to try to get us out early -- we finally got relocation payments, but it didn't pay -- begin to compensate for both the moving costs and the lawyers' expenses we had to compensate for.

Until finally, in 2001-- I thought I had had enough of living in Virginia, having to move, and move, and move because of this redevelopment that was going on. I had thought that I had-- And I was afraid. My mother died. And I was afraid that while I was trying to sell the house up here, I would be forced to move from the apartment down there. I mean, how can you sell a house and move from an apartment in two different locations? You just can't do it.

So I decided to move back up here, not realizing -- thinking that I'd be safe in New Jersey, thinking that this would be a refuge. And I guess the final straw happened when I found out that it wasn't just because I was a renter-- This was happening in Fairfax County, too.

ASSEMBLYMAN BURZICHELLI: Pat, can you summarize for us please?

MS. HERO: But they let this woman, who was a widow of a World War II veteran, come in to stay in her house. They built around her. But she was allowed to stay in her house. That's how it's done with eminent domain -- when it's not a factor. You don't have to have a fully planned community. You can have, maybe instead of 30 townhomes, 28 homes and two things.

Now, I'm going to just give a list of things that haven't been said.

ASSEMBLYMAN BURZICHELLI: Pat, I need you to wrap up, please.

MS. HERO: Okay. I'm going to wrap up.

One, you need better notice other than lot numbers. You need to get rid of the underutilized criteria. Underutilized can mean a single-family home. Why have a single-family home when you can have an apartment building where that is? So you have to get rid of the underutilized criteria.

You also have to have the mayor not appoint the planning board. Maybe the planning board can be an elected planning board. It leaves too much opportunity for the mayor to just rubber stamp everything in that development, and leads to the potentiality of corruption.

So I'm going to probably submit a statement for the record. And I appreciate you giving me the time and opportunity to talk.

Thank you.

ASSEMBLYMAN BURZICHELLI: Thank you, Pat. And your concluding comments were helpful to us. They are suggestions that we've heard earlier today. But the notification issue is an important thing.

Cyndy, we need a name.

Turn -- that one goes off. (referring to PA microphone) Cyndy, you go on.

There you go.

Cyndy, you're up. And just, if you would, give your name for the record.

CYNDY GALLENTHIN: Cyndy Gallenthin, Block 1, Lot 3, Paulsboro, with Gallenthin Realty Development, Inc.

I'm not going to be redundant. There were a lot of really good points made here today.

I'm here as a real estate developer, in place. Actually, the family owned the property since 4 May 1951. Our business is our land. And now Paulsboro's business is our land. And it's great that Paulsboro's going through a renaissance and an economic resurgence.

As an existing business, deference should be given to someone that is already in place. They shouldn't have to learn about the plans that have been hatched for many years in 30 days -- to give 30 days notice for a meeting -- of a public meeting that's going to discuss what's happening in the town. Things done in stealth are not good.

Actually, Governor Corzine has said that about President Bush recently. And I thought that I might share that with you. Stealth is not a good policy.

I understand. I'm a real estate broker, so I do understand why some things are not divulged, because you don't want panic in towns. You don't want speculators coming in, and buying things up, and ruining property values. But when someone is in place, as we are, we should have had much more notice and more participation in the decision making and the planning that went on.

Another thing-- Today, actually, I sat on the property, waiting for GCIA's engineers to come out and do -- threaten studies on the land. They're receiving an \$800,000 paycheck to come out and do studies, and borings, etc. And that's all well and good, but we don't need threats of

arrest and intimidation. Working with the landowner -- I think that's part of the abuse that you're hearing. They don't have to come out with hammers. It's not moral, it's not civil, it's not good business. And if we're your neighbors, you need to recognize that.

Our redevelopment designation is not even final, yet Paulsboro marches on as if they already own our land, which is a little discouraging, when we get to read all these wonderful things in the newspaper and we're not part of it -- not a phone call, not a conversation.

And I'm not going to go into any of the merits, and I'm not going to micromanage any of it. I'm being extremely general. But when you're going out and your marketing a port-- It's like selling the Brooklyn Bridge if you haven't really locked up all of the intricacies in order to make it happen. And we're part of making it happen.

And that's it.

ASSEMBLYMAN BURZICHELLI: Thank you, Cyndy.

MS. GALLENTHIN: Thank you.

ASSEMBLYMAN BURZICHELLI: You did well. You were under three minutes, by the way. You were only the second person today to do that.

MS. GALLENTHIN: Yes, sir.

ASSEMBLYMAN BURZICHELLI: George, you're up next.

George, not to be repetitive, but help us with something new if you have it, please.

G E O R G E M Y T R O W I T Z: My name is George Mytrowitz.

Thank you for letting me speak today.

I'm from the Mulberry Street Coalition, in Newark, New Jersey. I represent over 20 property owners that are currently fighting a blight designation in Newark -- a bogus blight designation.

In our case, the developers have strong ties to the municipal government. One developer was an aide to a council member, and also did jail time as a cocaine trafficker. These are the people that our local, elected officials want to have our property.

I read recently the League's position on this, the White Paper. And they admitted problems, but they didn't address the problems. They said there should be improved notice, a new measure of compensation, remove uncertainty through redeveloper agreements, and improve relocation assistance. Although all those things should be addressed at the tail end of some type of legislation, none of them are true reforms, and none address the problem of property rights being trampled today.

There's also a huge economic impact which a lot of people haven't talked about. The New Jersey Business and Industry Association says that the manufacturing and industrial sector of our economy is in a lot of trouble. Yet eminent domain targets those types of sectors to remove those types of buildings, to put up something else that can generate more tax dollars, usually luxury condominiums, things like that, that on a small piece of property could generate huge amounts of money.

So eminent domain is literally killing the blue collar jobs -- good paying blue collar jobs -- and replacing them with low-wage retail and service sector jobs -- hotel jobs, Starbucks jobs. All these jobs are low-paying jobs, and that's what's getting put into place through these -- the

impact that it has on the economy. I'm not sure if anybody has looked into that or not.

The real reform has to take place and start with you people here. And we're entrusting you to do something about it. We suggest that you start with a moratorium, because the problem is so rampant right now, and people are getting stripped of their property, that something has to be done right away. And the only way to do it is to put a moratorium in place so you can study the issues and make the correct decisions as to what should be done going forward.

Obviously, the statutory criteria need to be tightened. Most people talked about that today. I agree that underutilization must go. That's not a statutory criteria that should be in there, because you could make an argument for any piece of property -- is underutilized if something better can be on that piece of property.

And that's our case in Newark. According to the city planner that did our redevelopment study, there is too much surface parking in our area. So since that's underutilized, they'll attach the other 14 acres around it to wipe everybody out and give it to the politically connected developer who -- I've already mentioned his record.

We think that there should be a change to the current time limit that an area can be designated as in need of redevelopment. Thirty years is way too long to leave someone's property in limbo. They're not going to take care of the property, they're not going to be able to sell the property.

So we need you to change, I believe, the time a place can be called *in need of redevelopment*. Preferably five to seven years, over the 30 years I believe it is now.

Then, from a small business end--

ASSEMBLYMAN BURZICHELLI: George, can you--

MR. MYTROWITZ: Yes, I only have two more points to make.

ASSEMBLYMAN BURZICHELLI: Okay.

MR. MYTROWITZ: The small businesses need to be treated fairly. In my case, I have a family business that's been where it -- in Newark for 93 years. It's the fourth generation. We don't plan on leaving. We're going to fight to stay. And, currently, there is nothing to help a small business. It's basically, you're a zero.

Just relocation costs-- And I believe that this criteria should have something in there -- or the laws -- that make it mandatory that a small business be included in a project somehow, or that the business also be bought out at its fair market value, besides the property itself.

Our business -- our property takes care of well over 20 to 30 families. Most of them are Newark residents. So we generate revenue for the State, for the economy, etc.

And then, lastly, in cases where blight designation is overturned in the courts -- which we feel we will do when our case gets to court -- property owners should be entitled to all legal fees. If the municipality is wrong to declare an area blighted, then they should also have to pay the cost for someone to protect their most valuable asset, their property.

So the bottom line is, the democratic process, at the local level -- the same procedures that were designed to shield landowners from illegitimate condemnations are actually not effective protection to keep homes and businesses from being taken by private developers. And we need the Legislature -- legislation to change that, to do something to protect people.

I would suggest an independent board or committee be brought up, with people that are in the Legislature that have not been advocates of eminent domain, to look at the problem from a more unbiased point of view.

Thank you.

ASSEMBLYMAN BURZICHELLI: Thank you, George.

Thank you, everybody.

The last three up will be Donna Butler--

Donna, you're here.

Barbara Schwartz -- Barbara is here somewhere.

I see three people moving, so I think we've got all--

And Clara Halper.

Clara.

Thank you. Come and join us, please.

Folks, I thank everyone for your patience in hanging in as long as you did today. It was our intent to hear from everyone. And, unfortunately, it was just sort of luck of the draw as we moved along. So thank you very much for being as patient as you were.

We'll start from--

Clara, you'll start first.

B A R B A R A S C H W A R T Z, E S Q: I think I'm going to start.

Is that okay if I start first?

ASSEMBLYMAN BURZICHELLI: Well, if you ask the Chair respectfully, of course it's going to be okay.

And your name?

MS. SCHWARTZ: Barbara Schwartz.

ASSEMBLYMAN BURZICHELLI: Barbara, of course you could start first.

Turn your red light on. (referring to PA microphone)

MS. SCHWARTZ: Okay.

ASSEMBLYMAN BURZICHELLI: Now you're up. And we just ask your name for the record. And you'll stay as close to three minutes as you can. I'll let you know when your three minutes--

MS. SCHWARTZ: Barbara Schwartz.

ASSEMBLYMAN BURZICHELLI: Thank you.

MS. SCHWARTZ: I represent the Halpers, a family who lives on a 75-acre farm in the township of Piscataway. They have lived on this farm for five generations. It is the only home that the Halper's have ever known, and it is the only source of income and sustenance.

It appears that the law firm the Halper's hired to represent them with regard to the farm, from 1994 through 1998, was, unbeknown to them, and simultaneously, representing the condemning authorities -- the county of Middlesex and the township of Piscataway -- to condemn their farm.

The Halpers believe this to be the case, because attorneys' identification numbers -- which are unique to this firm -- appear not only on

legislation enabling this condemnation and its funding, and on the county's amicus brief in support of the condemnation, but also on documents prepared by this firm with regard to the farm -- which were prepared for the Halpers by this firm.

While this firm has denied conflict, and denied this firm's dual representation -- and the county and township, through their counsel, have characterized this conflict as irrelevant -- there does not appear to be any other plausible explanation for these numbers appearing on both documents prepared for the condemning authorities and for the Halpers by the same law firm.

The Halpers are here to tell you that conflict and corruption are relevant in eminent domain.

It is a public policy of this State to protect the public's perception that its government operates free from conflict and corruption. As you've heard from these facts which I just presented, corruption does exist in eminent domain.

However, pay-to-play is the name of the game in New Jersey in the condemning authority area. And only the most powerful, the most -- the ones who are most politically and financially connected are the ones who can benefit from what we see as corruption of eminent domain.

Sandra O'Connor left an admission that concentration of power has led to campaign contribution abuse and corruption of condemnation -- of the condemnation process.

ASSEMBLYMAN BURZICHELLI: Barbara, was she referring to New Jersey or just a general, philosophical statement?

MS. SCHWARTZ: In general.

ASSEMBLYMAN BURZICHELLI: Okay.

MS. SCHWARTZ: But she did bank on one thing. Corruption could be seen when there's an existing stupid staffer, meaning leaving identification numbers on the documents themselves that get filed with the court.

ASSEMBLYMAN BURZICHELLI: We can't- Bear with us here, because we're looking for specifics. Your specific is corruption. But we're not in a position to deal that deep into those specifics.

MS. SCHWARTZ: I think that it's extremely important. Because here, in this case, when we're dealing with political authorities, that no property owner can challenge the bonifidees of State action, even with a stupid staffer, even when that stupid staffer leaves evidence of a conflict and corruption on legal documents themselves.

Therefore, this counsel must recommend that the following take place: The Legislature must make findings of fact with regard to the potential for corruption and the reality of corruption in each condemnation, or development, or redevelopment process. I suggest you partner with the FBI and work with them to identify the existence of corruption.

There should be a declaration of public policy with regard to private property rights and conflict. And I believe that if issues of conflict do arise, that the public advocate be required, under a shall requirement, to get involved with the case.

I, myself, tried to get in touch with the public advocate, and I was denied access, even though I was able to show that corruption and conflict existed.

I also ask that legislators make presumptions which condemning authorities must overcome, in order to investigate condemnation. For instance, because of the concern of pay-to-play, what the Legislature should do is target campaign contributions, force admissions of conflict, force that the condemning authorities -- if they have taken campaign contributions from developers or other political individuals involved in the condemnation -- that they have to identify themselves in each and every action.

Although you are looking at condemnation generally, you have dealt with very specifics of people coming before you today -- of how condemnation has affected them individually. They had no voice, because the political people in power have the money and the protection of politics. The only way we can avoid this is force the condemning authorities to make admissions while they are processing through the condemnation process.

ASSEMBLYMAN BURZICHELLI: Barbara, can you summarize for us, please?

MS. SCHWARTZ: I believe that this legislative body must do away with rational review and require a strict standard of review when conflict or condemnation is being processed.

I will tell you that I have been involved recently with other condemnation matters -- people coming before me which state that they have been -- that the towns or cities have been stockpiling on property. They fail to issue variances, and they fail to review applications for the purpose of -- hoping that the very property that is being looked at to be developed cannot go through the planning process, waiting for redevelopment variances to be passed in that city. Home owners are being

told to use certain developers when they come before the planning board. I have very specific examples of that. And I am more than willing to work with the FBI on very exact examples, where families have come before planning boards. They are being forced to use developers. And if they don't, their plans don't get approved. We are looking at a scheme here.

ASSEMBLYMAN BURZICHELLI: That's a topic that has our interest but is not in our purview for this moment. But you can give that to us in writing if you want. But I'd direct you to the Attorney General in that particular area.

Barbara, will you summarize, please?

MS. SCHWARTZ: What we need is an overseer, an over board, on issues of condemnation. It should not be an individual city process. By doing so, it gets hidden behind what we see condemnation is actually turned into, which is political corruption.

There should be some overseeing board, specifically where these are well-known law firms, well-known developers in this state who can be identified under party lines. Yet people who are poor or of limited funds cannot fight that. And there should be an overhead board which people can go to for purposes of review to help them in the condemnation process.

ASSEMBLYMAN BURZICHELLI: And I think that came up in a couple points of testimony today. And it has our attention, as well -- about some kind of mechanism. But I don't know where we'll end up, form wise.

Will there be continuing testimony?

Clara, did you want to speak?

CLARA HALPER: Yes, I do.

ASSEMBLYMAN BURZICHELLI: Thank you.

And, Barbara, thank you. Submit anything you have in writing that you think will help continue with what you gave us today. Any of those points, anything you want to give us in writing, please do that.

MS. SCHWARTZ: I'd be more than happy to submit my whole brief on conflict, which I have detailed factually and legally. Because the conflicts that I've raised to you today, dealing with one particular law firm and the other condemning authorities, did not just end there.

ASSEMBLYMAN BURZICHELLI: I'm sure. And I think that's more appropriate to the Attorney General, or the Federal Prosecutor.

Anything on those criteria points you thought would be helpful to us, where you talked about an independent review or something of that nature-- That's the kind of stuff that will really help us as we work to reshape this law.

MS. SCHWARTZ: Thank you.

ASSEMBLYMAN BURZICHELLI: You're welcome.

Clara, please.

I think you may be our last speaking testimony of the day.

MS. HALPER: Well, thank you.

I'm glad that you're hearing us, in spite of the open space.

But the common thread here--

My name is Clara Halper. I'm from Piscataway, New Jersey.

The common thread is eminent domain and eminent domain abuse. We have been taken through the use of eminent domain, which has really taken a toll on us. It's been many, many years that we've been going through this.

I have four children. And about a month ago, we had to get a stay, because we didn't have enough time to take our belongings. We had not found a place. And I'm not making light of that at all. We had absolutely no relocation assistance whatsoever. The realtor in town, who the township had hired, said, "Oh, well I printed out reams of papers and gave it to the township attorney." Well that didn't help us.

I mean, our situation may be unique in the sense that we have a lot of equipment, we have props, we have animals, we have more than the average individual.

But here in the Garden State, it's been almost-- Our efforts over the last year have been almost impossible. We have not been able to find another location suitable for us at all.

And the four children-- I have four children in school. On a Friday, in the afternoon, we were able to get a stay. That Monday we were supposed to be out.

Now, in my example, with no relocation assistance, all our belongings -- if we didn't get out by Monday, under the threat of police threats-- All our equipment, every single belonging would be considered abandoned. And they would confiscate it.

This is America. This is a nightmare -- totally a nightmare.

We're not in an area-- It's a farm -- old working farm. We've tried to revitalize that farm. Actually, that farm has been revitalized, as many of these redevelopment areas probably need revitalization -- not to be taken, not as land grabs. That's really very un-American, as I know you know.

ASSEMBLYMAN BURZICHELLI: Clara, what was-- Not to prolong your torment -- because some of the things we've heard today, they're very helpful to us, but they're painful, as well.

In that particular case, what will happen to that track of land? What happens to it now?

MS. HALPER: It will become open space. Now, open space is romanticized here. It is allowed to be sold, leased, or donated upon a moment's notice.

ASSEMBLYMAN BURZICHELLI: But it won't be a working farm. So it's not being preserved as a farm, it's being preserved as open space.

MS. HALPER: Right. And we, as a family, had said that we would sell the development rights to the State. But there was no agreement with-- The town only wanted a certain amount to go to us. They really wanted us to pay them for the farm. Because another area comes in -- the jury awarded money. That money has not even fully been deposited. And then we have the environment -- supposed, alleged -- environmental contaminants.

I lived there with my four children and my husband. And, really, the last thing we want to have are contaminants on our property. So to even be accused of something like that is really disheartening.

ASSEMBLYMAN BURZICHELLI: All right. And Barbara represents the family? You've been represented by Barbara?

MS. SCHWARTZ: On the issues of conflict.

MS. HALPER: On the issues of conflict.

ASSEMBLYMAN BURZICHELLI: On the conflict angle only.

MS. HALPER: Right.

ASSEMBLYMAN BURZICHELLI: Okay.

MS. SCHWARTZ: And I don't want to take more of the time. This is just to clarify with the Halper family.

This has been an ongoing saga, because even prior to the condemnation, the town, knowing what was going to happen, had spot-zoned part of the land so that they couldn't sell it, then respot-zoned it after it went to court, and the court found that to be illegal. So this has just been an ongoing saga with the town. And there's been--

ASSEMBLYMAN BURZICHELLI: We're not in a position today to go that deep into those details. I just asked, just trying to get juxtaposition.

So as you close your testimony, what would you tell this Committee, with regards to how the present redevelopment laws-- Because, see, your ground--

Are you a redevelopment center, or they took your ground under open space?

MS. HALPER: They took it under--

ASSEMBLYMAN BURZICHELLI: Open space.

D O N N A B U T L E R: It's under open space.

But if you would indulge me to just comment for--

ASSEMBLYMAN BURZICHELLI: Just hit the microphone please.

And your name, just for the record.

Barbara, you'll have to turn yours off.

There you go. We can only have one on.

MR. McCORD: You're on.

MS. BUTLER: Thank you.

My name is Donna Butler, and I work with Barbara Schwartz.

I wanted to speak specifically to the open space agreement pursuant to which this land was taken.

ASSEMBLYMAN BURZICHELLI: That's what I needed. So this ground was taken under the open space provision, and not as a redevelopment zone. Am I correct in understanding that?

MS. BUTLER: Correct.

ASSEMBLYMAN BURZICHELLI: Okay.

MS. BUTLER: And I just wanted to clarify one small aspect of this.

The open space agreement, pursuant to which the county of Middlesex agreed to fund the condemnation, and the township of Piscataway agreed to take title to the property itself, provides -- and I believe it's in Paragraph 9 -- that the county freeholders can determine that the declared use -- open space -- is no longer to apply. They can declare, upon making a determination, that entry by the public to the land is injurious to the land. They can alienate the land. And that's not even a requirement. They can -- for good, bad, or no reason -- flip it. And there are no preset limitations on the alienation right. It says, under said terms and conditions as the county freeholders may determine.

One of the things that we wanted to suggest -- and I understand it's not within the strict purview of redevelopment, but it may have application there -- is that in cases of condemnation, there be preexisting limitations put on -- in the case of open space -- on the right to alienate it,

through either a right of reverter to the original owners, if the announced purpose should terminate before a certain period of time.

ASSEMBLYMAN BURZICHELLI: I'm actually surprised it isn't there. That's a very good point.

Anything else, Clara? You get the last word.

MS. HALPER: Eminent domain-- Unfortunately my experience, personally, and through other people that have experienced it -- I see nothing other than eminent domain abuse. So I really encourage the lawmakers to not use it, or to put in laws that will not allow people that are seemingly irresponsible to use it, or have the ability.

I just want to stress, along with others, a moratorium on eminent domain in the meantime so that, possibly-- It's not that you're not fully knowledgeable, but I think that a task force at hand would really be helpful -- people that have experienced eminent domain.

ASSEMBLYMAN BURZICHELLI: I appreciate that.

As we close today, any task force work that would occur would eventually end up here. So we felt it was most expeditious for us to tackle this issue.

And Speaker Roberts, Majority Leader Bonnie Watson Coleman agreed that this was an issue today that we should go to work on. That's why we've done it directly.

I want to thank everyone that's joined us today, and for the Committee for hanging on.

MS. HALPER: Excuse me, Assemblyman.

ASSEMBLYMAN BURZICHELLI: Yes.

MS. HALPER: May I just say one thing?

ASSEMBLYMAN BURZICHELLI: Yes.

MS. HALPER: We will be homeless come May 23, 24.

ASSEMBLYMAN BURZICHELLI: I'm not happy to hear that.

I want to also say, for the record, the next step of this Committee will likely be a review of the bills that are presently being proposed in the area of redevelopment reform and eminent domain reform. That announcement of the meeting will be forthcoming. And notices will be forthcoming.

Thank you, everybody, for participating.

This Committee stands adjourned.

(MEETING CONCLUDED)