

Committee Meeting

of

SENATE URBAN POLICY AND PLANNING COMMITTEE

SENATE BILL No. 1655

(Designated the "New Jersey Urban Redevelopment Act;" appropriates \$250,000)

LOCATION: University of Medicine
and Dentistry
Robert Wood Johnson
Medical School
Clinical Academic Building
New Brunswick, New Jersey

DATE: April 27, 1995
1:00 p.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Dick LaRossa, Chairman
Senator John O. Bennett
Senator Edward T. O'Connor Jr.
Senator Ronald L. Rice
Senator Joseph A. Palaia

ALSO PRESENT:

Hannah Shostack
Office of Legislative Services
Aide, Senate Urban Policy
and Planning Committee



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DICK LAROSSA
Chairman

ROBERT J. MARTIN
Vice-Chairman

JOHN O. BENNETT
EDWARD T. O'CONNOR, JR.
DONALD L. RICE

New Jersey State Legislature
SENATE URBAN POLICY AND PLANNING COMMITTEE
LEGISLATIVE OFFICE BUILDING, CN-068
TRENTON, NJ 08625-0068
(609) 292-1596

COMMITTEE NOTICE

**TO: MEMBERS OF THE SENATE URBAN POLICY & PLANNING
COMMITTEE**

FROM: SENATOR DICK LaROSSA, CHAIRMAN

SUBJECT: COMMITTEE MEETING - April 27, 1995

*The public may address comments and questions to Hannah Shostack,
Committee Aide, or make bill status and scheduling inquiries to Rita Nutt,
secretary, at (609) 292-1596.*

The Senate Urban Policy & Planning Committee will meet on Thursday,
April 27, 1995 at 1:00 PM at University of Medicine and Dentistry/Robert
Wood Johnson Medical School, Clinical Academic Bldg, first floor conference
room, 125 Paterson St, New Brunswick, New Jersey.

The following bills will be considered:

S-1655
LaRossa/Littell

Designated the "New Jersey Urban
Redevelopment Act;" appropriates
\$250,000.

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SENATE, No. 1655
STATE OF NEW JERSEY

INTRODUCED DECEMBER 8, 1994

By Senators LaROSSA and LITTELL

1 AN ACT designated the "New Jersey Urban Redevelopment Act,"
2 creating the New Jersey Redevelopment Authority, and
3 providing a source of funding therefor, permitting revenue
4 allocation financing, establishing an empowerment
5 neighborhood program, allowing for accelerated foreclosure,
6 amending, supplementing and repealing various sections of
7 statutory law, and making an appropriation.

8
9 BE IT ENACTED *by the Senate and General Assembly of the*
10 *State of New Jersey:*

11 ARTICLE I: NEW JERSEY REDEVELOPMENT AUTHORITY

12
13 1. (New section) This act shall be known and may be cited as
14 the "New Jersey Urban Redevelopment Act."

15 2. (New section) The Legislature finds and determines that:

16 a. As one of the nation's most densely populated States and
17 one of the earliest settled, New Jersey is beset by a host of urban
18 problems attendant upon economic obsolescence, an aging
19 infrastructure, long-term underinvestment and
20 de-industrialization;

21 b. Although the State Development and Redevelopment Plan
22 has fostered a more coordinated and integrated State planning
23 process and has placed renewed emphasis on urban revitalization
24 goals, the realization of those revitalization goals still presents a
25 critical challenge to the private sector and the myriad of
26 governmental entities whose policies touch urban areas;

27 c. The rapid pace of technological change with which the late
28 twentieth century is associated, represented by the development
29 and growth of the "information superhighway," and increasing
30 world competition, spurred on by recent and ongoing international
31 free trade agreements, threatens to further marginalize our
32 already distressed and beleaguered urban centers;

33 d. Environmentally compromised sites present a particular
34 challenge to the State's urban centers, particularly those with
35 major associated cleanup liability and, notwithstanding the
36 impressive strides taken by this Legislature to address
37 remediation issues, further remedies are necessary in order to
38 imbue those sites with renewed economic potential;

39 e. Given the number of years over which these problems have
40 developed and in light of the enormity of the challenges which lay
41 ahead, it is incumbent upon this Legislature to create an entity
42 that has as its primary focus the State's urban centers, and to
43 endow that entity with the powers and financial resources
44 necessary to reverse decades of decay and neglect;

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 f. At present, a vast and complex network of State agencies
2 and policies which should cooperate in the identification and
3 resolution of urban problems too often work at cross-purposes
4 and so it is vital that this new entity bring together those
5 agencies whose policies are most strongly felt in urban areas in
6 order to promote their economic and social viability in a
7 coordinated fashion; and

8 g. This legislative initiative is intended to implement the
9 urban redevelopment initiative concept and philosophy
10 articulated by the sponsor which calls for the establishment of a
11 new entity which will allow for a coordinated approach to urban
12 revitalization and succeed in achieving its goals where previous
13 urban efforts have failed.

14 3. (New section) As used in P.L. , c. (C.) (pending before
15 the Legislature as this bill), except as otherwise clearly required
16 by the context:

17 "Authority" means the New Jersey Redevelopment Authority
18 established pursuant to section 4 of P.L. , c. (C.) (pending
19 before the Legislature as this bill).

20 "Department" means the Department of the Treasury.

21 "Project" means a specific work or improvement, including
22 lands, buildings, improvements, real and personal property or any
23 interest therein, including lands under water, riparian rights,
24 space rights and air rights, acquired, owned, constructed,
25 reconstructed, rehabilitated or improved by the authority or a
26 subsidiary, or by any other person, firm or corporation under
27 agreement with the authority or subsidiary pursuant to the
28 provisions of P.L. . c. (C.) (pending before the Legislature as
29 this bill) in a qualified municipality, and which falls within any of
30 the following classifications:

31 (1) "Industrial project"--a project designed and intended to
32 provide facilities for manufacturing, industrial, commercial,
33 wholesale, retail, warehousing, or research and development
34 purposes, including but not limited to machinery and equipment
35 deemed necessary for the operation thereof, when the authority
36 finds that there is a compelling public need to undertake such
37 project.

38 (2) "Land-use improvement project"--a project for the
39 clearance, replanning, reconstruction, rehabilitation, renewal,
40 redevelopment, conservation, restoration or improvement of an
41 area, in cooperation or under agreement with a qualified
42 municipality which has designated the area blighted or in need of
43 rehabilitation.

44 (3) "Civil project"--a project designed and intended to provide
45 facilities for educational, cultural, health, recreational,
46 community or other civic purposes.

47 (4) "Utility project"--a project designed and intended to
48 provide facilities for provision of water, sewerage, solid waste
49 disposal, transportation, utility or other public services necessary
50 for the accommodation of a project of another classification
51 undertaken pursuant to P.L. , c. (C.) (pending before the
52 Legislature as this bill), but accommodation of needs greater than
53 those of the other project may be encompassed.

1 (5) "Mixed-use project"--a project consisting of housing
2 development and commercial development, in which the prorated
3 cost of the housing development is equivalent to no more than
4 one-third of the cost of the total project.

5 (6) "Multi-purpose project"--a project combining the purposes
6 of two or more of the foregoing classifications.

7 "Qualified municipality" means any municipality which at the
8 time of the initiation of a project was either eligible to receive
9 aid under the "Special Municipal Aid Act," P.L.1987, c.75
10 (C.52:27D-118.24 et seq.) or qualified as a "special needs
11 district" pursuant to the "Quality Education Act of 1990,"
12 P.L.1990, c.52 (C.18A:7D-1 et seq.).

13 "Subsidiary" means a subsidiary corporation formed by the
14 authority pursuant to section 7 of P.L. , c. (C.) (pending
15 before the Legislature as this bill).

16 4. (New section) a. There is hereby established the New Jersey
17 Redevelopment Authority as the successor to the New Jersey
18 Urban Development Corporation, except as provided in section 36
19 of P.L. , c. (C.) (pending before the Legislature as this
20 bill). For the purpose of complying with the provisions of Article
21 V, Section IV, paragraph 1 of the Constitution of the State of
22 New Jersey, this authority is allocated to the Department of the
23 Treasury; but, notwithstanding that allocation, the authority shall
24 be independent of any supervision or control by the department or
25 by any other board or officer thereof.

26 b. The authority shall constitute a body corporate and politic
27 and an instrumentality exercising public and essential
28 governmental functions, and the exercise by the authority of the
29 powers conferred by P.L. , c. (C.) (pending before the
30 Legislature as this bill) shall be deemed and held to be an
31 essential governmental function of the State.

32 c. The authority shall consist of the State Treasurer, the
33 Attorney General, the Commissioner of Community Affairs, the
34 Commissioner of Education, the Commissioner of Environmental
35 Protection, the Commissioner of Health, the Commissioner of
36 Human Services, the Commissioner of Labor, the Commissioner
37 of Transportation, and the Commissioner of Commerce and
38 Economic Development who shall be members ex officio, and five
39 public members appointed by the Governor with the advice and
40 consent of the Senate, of which one public member (who shall not
41 be a legislator) shall be appointed by the Governor upon
42 recommendation of the Senate President and one public member
43 (who shall not be a legislator) shall be appointed by the Governor
44 upon recommendation of the Speaker of the General Assembly,
45 all for terms of three years. Each member shall hold office for
46 the term of his appointment and until his successor shall have
47 been appointed and qualified. A member shall be eligible for
48 reappointment. Any vacancy in the membership occurring other
49 than by expiration of term shall be filled in the same manner as
50 the original appointment but for the unexpired term only. In
51 appointing public members, the Governor shall have regard to
52 providing an adequate depth and diversity of knowledge and
53 experience in the financial, physical and social aspects of urban
54 development, and of other relevant expertise in urban matters.

1 d. Each ex officio member may designate an officer or
2 employee of his department to represent him at authority
3 meetings, and each designee may lawfully vote and otherwise act
4 on behalf of the member so designating him. The designation
5 shall be in writing, delivered into the hands of the secretary of
6 the authority, and shall continue in effect until revoked or
7 amended in the same manner.

8 e. Each member appointed by the Governor may be removed
9 from office by the Governor, for cause, after a public hearing,
10 and may be suspended by the Governor pending the completion of
11 the hearing. Each member before entering upon his duties shall
12 take and subscribe an oath to perform the duties of his office
13 faithfully, impartially and justly to the best of his ability. A
14 record of such oaths shall be filed in the office of the Secretary
15 of State.

16 f. The Governor shall appoint a chairperson, with the advice
17 and consent of the Senate, from the members of the authority
18 other than the ex officio members and the members of the
19 authority shall elect from their remaining number a vice
20 chairperson and a treasurer thereof. The authority shall employ
21 an executive director who shall be its secretary and chief
22 executive officer. The powers of the authority shall be vested in
23 the members thereof in office from time to time and eight
24 members of the authority shall constitute a quorum at any
25 meeting thereof. Action may be taken, and motions and
26 resolutions adopted, by the authority at any meeting thereof by
27 the affirmative vote of at least eight members of the authority.
28 No vacancy in the membership of the authority shall impair the
29 right of a quorum of the members to exercise all of the powers
30 and perform all of the duties of the authority.

31 g. Each member of the authority shall execute a bond to be
32 conditioned upon the faithful performance of the duties of such
33 member in such form and amount as may be prescribed by the
34 State Comptroller. Such bonds shall be filed in the office of the
35 Secretary of State. At all times thereafter the members and
36 treasurer of the authority shall maintain such bonds in full force
37 and effect. All costs of such bonds shall be borne by the
38 authority.

39 h. The members of the authority shall serve without
40 compensation, but the authority shall reimburse its members for
41 actual expenses necessarily incurred in the discharge of their
42 duties. Notwithstanding the provisions of any other law, no
43 officer or employee of the State shall be deemed to have
44 forfeited or shall forfeit his or her office or employment or any
45 benefits or emoluments thereof by reason of his or her
46 acceptance of the office of ex officio member of the authority or
47 his or her services therein.

48 i. The authority may be dissolved by act of the Legislature on
49 condition that the authority has no debts or obligations
50 outstanding or that provision has been made for the payment or
51 retirement of such debts or obligations. Upon any such
52 dissolution of the authority, all property, funds and assets thereof
53 shall be vested in the State.

1 j. On or before March 31 of each year, the authority shall
2 make an annual report of its activities for the preceding calendar
3 year to the Governor and the Legislature. Each such report shall
4 set forth a complete operating and financial statement covering
5 the authority's operations during the year. The authority shall
6 cause an audit of its books and accounts to be made at least once
7 in each year by certified public accountants and cause a copy
8 thereof to be filed with the Secretary of State and the State
9 Comptroller.

10 k. The State Comptroller and his legally authorized
11 representatives are hereby authorized and empowered from time
12 to time to examine the accounts, books and records of the
13 authority, including its receipts, disbursements, contracts, sinking
14 funds, investments, and any other matters relating thereto and to
15 its financial standing.

16 l. No member, officer, employee or agent of the authority
17 shall be interested, either directly or indirectly, in any project or
18 in any contract, sale, purchase, lease or transfer of real or
19 personal property to which the authority is a party.

20 5. (New section) The authority shall have the following powers:

21 a. to sue and be sued;

22 b. to have a seal and alter the same at the authority's
23 pleasure;

24 c. to enter into contracts upon such terms and conditions as
25 the authority shall determine to be reasonable, including, but not
26 limited to, reimbursement for the planning, designing, financing,
27 construction, reconstruction, improvement, equipping, furnishing,
28 operation and maintenance of the project and to pay or
29 compromise any claims arising therefrom;

30 d. to make and alter by-laws for its organization and internal
31 management and, subject to agreements with noteholders or
32 bondholders, to make rules and regulations with respect to its
33 projects, operations, properties and facilities;

34 e. to invest any funds held in reserve or sinking funds, or any
35 moneys not required for immediate use and disbursement, at the
36 discretion of the authority, in obligations of this State or of the
37 United States, or obligations the principal and interest of which
38 are guaranteed by this State or the United States;

39 f. to sell, lease, assign, transfer, convey, exchange, mortgage,
40 or otherwise dispose of or encumber any project, and in the case
41 of the sale of any project, to accept a purchase money mortgage
42 in connection therewith; and to lease, repurchase or otherwise
43 acquire and hold any project which the corporation has
44 theretofore sold, leased or otherwise conveyed, transferred or
45 disposed of;

46 g. to acquire or contract to acquire from any individual,
47 partnership, trust, association or corporation, or any public
48 agency, by grant, purchase or otherwise, real or personal property
49 or any interest therein; to own, hold, clear, improve, rehabilitate
50 and develop, and to sell, assign, exchange, transfer, convey,
51 lease, mortgage or otherwise dispose of or encumber the same;

52 h. to acquire in the name of the authority by purchase or
53 otherwise, on such terms and conditions and such manner as it
54 may deem proper, or by the exercise of the power of eminent

1 domain in the manner provided by the "Eminent Domain Act of
2 1971," P.L.1971, c.361 (C.20:3-1 et seq.), any lands or interests
3 therein or other property which it may determine is reasonably
4 necessary for any project; provided, however, that the authority
5 shall not take by exercise of the power of eminent domain any
6 real property except upon consent thereto given by resolution of
7 the governing body of the municipality in which such real
8 property is located; and provided further that the authority shall
9 be limited in its exercise of the power of eminent domain to
10 municipalities receiving State aid under the provisions of
11 P.L.1978, c.14 (C.52:27D-178 et seq.), or to municipalities which
12 had a population, according to the latest federal decennial
13 census, in excess of 10,000;

14 i. to acquire, construct, reconstruct, rehabilitate, improve,
15 alter or repair or provide for construction, reconstruction,
16 rehabilitation, improvement, alteration or repair of any project;

17 j. to arrange or contract with a municipality for the planning,
18 replanning, opening, grading or closing of streets, roads,
19 roadways, alleys or other places, or for the furnishing of facilities
20 or for the acquisition by a municipality of property or property
21 rights or for the furnishing of property or services, in connection
22 with a project;

23 k. to grant options to purchase any project or to renew any
24 leases entered into by it in connection with any of its projects, on
25 such terms and conditions as it may deem advisable;

26 l. to prepare or cause to be prepared plans, specifications,
27 designs and estimates of costs for the construction,
28 reconstruction, rehabilitation, improvement, alteration or repair
29 of any project, and from time to time to modify such plans,
30 specifications, designs or estimates;

31 m. to manage any project, whether then owned or leased by
32 the authority, and to enter into agreements with any individual,
33 partnership, trust, association or corporation, or with any public
34 agency, for the purpose of causing any project to be managed;

35 n. to hold any property owned or acquired by the authority
36 either in the name of the authority or a real estate investment
37 trust established by the authority or any of its subsidiaries;

38 o. to provide advisory, consultative, training and educational
39 services, technical assistance and advice to any individual,
40 partnership, trust, association or corporation, or to any public
41 agency, in order to carry out the purposes of P.L. , c. (C.)
42 (pending before the Legislature as this bill);

43 p. to issue, purchase, pledge and sell stock in projects of the
44 authority and to purchase, sell or pledge the shares, or other
45 obligations or securities of any subsidiary corporation, on such
46 terms and conditions as the authority or subsidiary corporation
47 may deem advisable;

48 q. subject to the provisions of any contract with noteholders,
49 to consent to the modification, with respect to rate of interest,
50 time of payment or any installment of principal or interest,
51 security, or any other terms, of any loan, mortgage, commitment,
52 contract or agreement of any kind to which the authority is a
53 party;

1 r. in connection with any property on which it has made a
2 mortgage loan, to foreclose on the property or commence any
3 action to protect or enforce any right conferred upon it by any
4 law, mortgage, contract or other agreement, and to bid for or
5 purchase the property at any foreclosure or at any other sale, or
6 acquire or take possession of the property; and in such event the
7 authority may complete, administer, pay the principal of and
8 interest on any obligations incurred in connection with the
9 property, dispose of and otherwise deal with the property, in such
10 manner as may be necessary or desirable to protect the interests
11 of the authority therein;

12 s. to acquire, purchase, manage and operate, hold and dispose
13 of real and personal property or interests therein, take
14 assignments of rentals and leases and make and enter into all
15 contracts, leases, agreements and arrangements necessary or
16 incidental to the performance of its duties;

17 t. to purchase, acquire and take assignments of notes,
18 mortgages and other forms of security and evidences of
19 indebtedness;

20 u. to extend credit or make loans to any person for the
21 planning, designing, acquiring, constructing, reconstructing,
22 improving, equipping and furnishing of a project, which credits or
23 loans may be secured by loan and security agreements,
24 mortgages, leases and any other instruments, upon such terms and
25 conditions as the authority shall deem reasonable, including
26, provision for the establishment and maintenance of reserve and
27 insurance funds, and to require the inclusion in any mortgage,
28 lease, contract, loan and security agreement or other instrument,
29 such provisions for the construction, use, operation and
30 maintenance and financing of a project as the authority may
31 deem necessary or desirable;

32 v. to borrow money, secure credit against the assets of the
33 authority on a temporary, short-term, interim or long-term basis
34 and to issue bonds of the authority and to provide for the rights
35 of the holders thereof, as provided in P.L. , c. (C.) (pending
36 before the Legislature as this bill);

37 w. to make short-term loans or advances to developers for
38 construction in anticipation of the issuance of permanent loans;

39 x. to exercise sole authority for investment, reinvestment or
40 expenditure of its revenues, fund balances and appropriations
41 consistent with the purposes of P.L. , c. (C.) (pending before
42 the Legislature as this bill) on projects and investments utilizing
43 revenues from the sale of government obligation bonds, which
44 projects shall be subject to the approval of the State Treasurer,
45 and the Treasurer's actions shall be based solely on his fiduciary
46 role to ensure that all applicable federal and State tax laws are
47 adhered to regarding the investment of bond funds;

48 y. notwithstanding any law to the contrary, and upon resolution
49 of the municipal governing body, to act as the redevelopment
50 agency of any municipality in which there is not established a
51 redevelopment agency pursuant to subsection a. of section 11 of
52 P.L.1992, c.79 (C.40A:12A-11) and which is not precluded from
53 establishing such an agency;

1 z. in connection with any application for assistance under
2 P.L. , c. (C.) (pending before the Legislature as this bill) or
3 commitments therefor, to require and collect such fees and
4 charges as the authority shall determine to be reasonable;

5 aa. to establish, levy and collect, in connection with any civic
6 project or utilities project managed or operated by the authority,
7 whether then owned or leased by the authority, user fees and
8 facility charges;

9 bb. to procure insurance against any loss in connection with its
10 property and other assets and operations, in such amounts and
11 from such insurers as it deems desirable;

12 cc. to employ consulting engineers, architects, attorneys, real
13 estate counselors, appraisers, and such other consultants and
14 employees as may be required in the judgment of the authority to
15 carry out the purposes of the act, and to fix and pay their
16 compensation from funds available to the authority therefor, all
17 without regard to the provisions of Title 11A, Civil Service, of
18 the New Jersey Statutes;

19 dd. to contract for, and to accept, any gifts or grants or loans
20 of funds or property or financial or other aid in any form from
21 the federal government or any agency or instrumentality thereof,
22 or from the State or a municipality or any agency or
23 instrumentality thereof, or from any other source, and, subject to
24 the provisions of P.L. , c. (C.) (pending before the
25 Legislature as this bill) and any other applicable law, to comply
26 with the terms and conditions thereof;

27 ee. to create subsidiary corporations as provided in section 7
28 of P.L. , c. (C.) (pending before the Legislature as this bill);

29 ff. to act as a district agent pursuant to section 39 of P.L. ,
30 c. (C.) (pending before the Legislature as this bill);

31 gg. to do any and all things necessary or convenient to carry
32 out its purposes and exercise the powers given and granted in
33 P.L. , c. (C.) (pending before the Legislature as this bill);

34 6. (New section) a. In planning for the development and
35 execution of projects authorized by P.L. , c. (C.) (pending
36 before the Legislature as this bill), or for the exercise of any of
37 the other powers conferred upon the authority or its subsidiaries,
38 the authority shall consult with the heads of the principal
39 departments of State government having responsibilities or
40 conducting programs relevant to the power to be exercised or the
41 locality in which it is to be exercised, so that the projects of the
42 authority and its subsidiaries may be coordinated with parallel or
43 complementary programs of other State agencies, to their mutual
44 support and common benefit.

45 b. For the purpose of assuring effective coordination of urban
46 policies among those public agencies and officers having
47 responsibilities which affect the physical, economic and social
48 life of the State's urban areas, the Governor shall establish an
49 Urban Policy Coordinating Council within the authority to advise
50 the authority board and shall designate to serve on the council
51 designees of all Cabinet members, State authorities, boards and
52 commissions, and other State public bodies whose activities may
53 affect or be affected by the operations of the authority.

1 c. In planning and carrying out projects pursuant to P.L. , c.
2 (C.) (pending before the Legislature as this bill) the authority
3 and its subsidiaries shall endeavor to enlist the cooperation and
4 assistance, on a volunteer basis, of private business firms and
5 individual business executives whose experience and training
6 qualify them to advise the authority and its subsidiaries on the
7 design and coordination of aid and development programs for the
8 revitalization of urban centers, and to advise upon the most
9 efficient and businesslike manner of managing and directing such
10 programs.

11 7. (New section) a. In order to carry out the purposes and
12 provisions of P.L. , c. (C.) (pending before the Legislature as
13 this bill), the authority, in addition to any powers granted to it
14 elsewhere in P.L. , c. (C.) (pending before the Legislature as
15 this bill), shall have the authority to form, purchase or assume
16 control of one or more subsidiaries, in the manner and for the
17 purposes set forth in this section.

18 b. The authority may form a subsidiary by filing with the
19 Secretary of State a certificate of incorporation, which may be
20 amended from time to time and which shall set forth the name of
21 the subsidiary, its duration, the location of its principal office,
22 the joint owners thereof, and the purposes of the subsidiary.

23 c. The directors of the subsidiary shall be members or
24 employees of the authority, who shall constitute at least a
25 majority, and such other persons representing any joint owner or
26 owners as may be provided for in the agreement in connection
27 with the incorporation of the subsidiary.

28 d. The subsidiary shall have all the powers vested in the
29 authority which the authority may delegate to it by terms of the
30 agreement of incorporation, except that it shall not have the
31 power to contract indebtedness independently of the authority.
32 The subsidiary and any of its properties, functions and activities
33 shall have all the privileges, immunities, tax exemptions and
34 other exemptions as the authority's property, functions and
35 activities. The subsidiary shall also be subject to the restrictions
36 and limitations to which the authority is subject. The subsidiary
37 shall be subject to suit as if it were the authority itself.

38 e. Whenever the State or any municipality, commission, public
39 authority, agency, officer, department, board, or division is
40 authorized and empowered for any purposes of P.L. , c. (C.)
41 (pending before the Legislature as this bill) to cooperate and
42 enter into agreements with the authority or to grant any consent
43 to the authority or to grant, convey, lease or otherwise transfer
44 any property to the authority or to execute any document, the
45 State or such municipality, commission, public authority, agency,
46 officer, department, board, or division shall have the same
47 authorization and power for any of such purposes to cooperate
48 and enter into agreements with the subsidiary, to grant consents
49 to the subsidiary, to grant, convey, lease or otherwise transfer
50 property to the subsidiary and to execute documents for the
51 subsidiary.

52 f. Among the powers that shall be granted to a subsidiary
53 corporation established by the authority, or which may be
54 exercised by the authority itself, are:

1 (1) the power to participate as a co-owner or co-venturer in
2 any activity financed by a loan from the authority;

3 (2) the power to issue its stock and employ the proceeds of such
4 sales for capital investment in, or other expenses in connection
5 with, the projects of the subsidiary, upon authorization by the
6 authority; and

7 (3) the power to establish real estate investment trusts.

8 8. (New section) The authority, or any subsidiary, may enter
9 into agreements with any individual, partnership, trust,
10 association or corporation, or any public agency, under which the
11 authority or subsidiary and such other entity or entities shall
12 undertake a project as a joint venture, with the authority or
13 subsidiary providing such financial assistance, through loans,
14 grants or the acquisition of an ownership interest in the project,
15 and such technical or managerial assistance or advice, as the
16 agreement may provide. Any property to be held by the authority
17 or subsidiary under the provisions of P.L. , c. (C.) (pending
18 before the Legislature as this bill) may be held either in the name
19 of the authority or subsidiary or as a real estate investment trust.

20 9. (New section) The authority, or any subsidiary, may make
21 loans to any individual, partnership, trust, association or
22 corporation for the purpose of enabling such entity to undertake
23 any work, improvement or other activity in a qualified
24 municipality which, if undertaken by the authority or a
25 subsidiary, would be a "project" within the meaning of section 3
26 of P.L. , c. (C.) (pending before the Legislature as this bill).
27 The authority, or any subsidiary, may also pledge its credit for
28 the repayment of any such loan made for like purposes by any
29 financial institution in the State.

30 10. (New section) For the purpose of providing funds to pay all
31 or any part of the cost of any project or projects, to make loans
32 in accordance with the provisions of P.L. , c. (C.) (pending
33 before the Legislature as this bill), and for the funding or
34 refunding of any bonds, the authority shall have the power to
35 authorize or provide for the issuance of bonds pursuant to P.L. ,
36 c. (C.) (pending before the Legislature as this bill).

37 11. (New section) By resolution, the authority shall have
38 power to incur indebtedness, borrow money and issue its bonds for
39 the purposes stated in section 10 of P.L. , c. (C.) (pending
40 before the Legislature as this bill). Except as may otherwise be
41 expressly provided by the authority, every issue of its bonds shall
42 be general obligations of the authority payable from any revenues
43 or moneys of the authority or any other contracted with or
44 agreed upon source, subject only to any agreements with the
45 holders of particular bonds or notes pledging any particular
46 revenues or moneys. Bonds shall be authorized by resolution and
47 may be issued in one or more series and shall bear that date or
48 those dates, mature at that time or those times not exceeding 40
49 years from the date thereof, bear interest at a rate or rates, be
50 in that denomination or those denominations, be in such form,
51 either coupon or registered, carry such conversion or registration
52 privileges, have such rank or priority, be executed in such
53 manner, be payable from such sources in such medium of payment
54 at such place or places within or without the State, and be

1 subject to such terms of redemption (with or without premium) as
2 the resolution may provide. Bonds of the authority may be sold
3 by the authority at public or private sale at such price or prices
4 as the authority shall determine.

5 12. (New section) Any provision of any law to the contrary
6 notwithstanding, any bond or other obligation issued pursuant to
7 P.L. , c. (C.) (pending before the Legislature as this bill)
8 shall be fully negotiable within the meaning and for all purposes
9 of Title 12A, Commercial Transactions, of the New Jersey
10 Statutes, and each holder or owner of such a bond or other
11 obligation, or of any coupon appurtenant thereto, by accepting
12 such bond or coupon shall be conclusively deemed to have agreed
13 that such bond, obligation or coupon is and shall be fully
14 negotiable within the meaning and for all purposes of Title 12A of
15 the New Jersey Statutes.

16 13. (New section) In order to secure the payment of such
17 bonds and in addition to its other powers, the authority shall have
18 power by resolution to covenant and agree with the several
19 holders of such bonds, as to:

20 a. the custody, security, use, expenditure or application of the
21 proceeds of the bonds;

22 b. the use, regulation, operation, maintenance, insurance or
23 disposition of all or any part of any project or projects;

24 c. payment of the principal of or interest on the bonds, or any
25 other obligations, and the sources and methods thereof, the rank
26 or priority of any such bonds or obligations as to any lien or
27 security, or the acceleration of the maturity of any such bonds or
28 obligations;

29 d. the use and disposition of any moneys of the authority,
30 including all revenues or other moneys derived or to be derived
31 from any project or projects;

32 e. pledging, setting aside, depositing or trusteeing all or any
33 part of the revenues or other moneys of the authority to secure
34 the payment of the principal of or interest on the bonds or any
35 other obligations and the powers and duties of any trustee with
36 regard thereto;

37 f. the setting aside out of the revenues or other moneys of the
38 authority of reserves and sinking funds, and the source, custody,
39 security, regulation, application and disposition thereof;

40 g. the rents, fees or other charges for the use of any project or
41 projects, including any parts thereof theretofore constructed or
42 acquired and any parts, replacements or improvements thereof
43 thereafter constructed or acquired, and the fixing, establishment,
44 collection and enforcement of the same;

45 h. limitation on the issuance of additional bonds or any other
46 obligations or on the incurrence of indebtedness of the authority;

47 i. vesting in a trustee or trustees, fiscal or escrow agent or
48 agents within or without the State such property, rights, powers
49 and duties in trust as the authority may determine and limiting
50 the rights, duties and powers of such trustee or agent;

51 j. payment of costs or expenses incident to the enforcement of
52 the bonds or of the provisions of the resolution or of any covenant
53 or contract with the holders of the bonds;

54 k. the procedure, if any, by which the terms of any covenant

1 or contract with, or duty to, the holders of bonds may be
 2 amended or abrogated, the amount of bonds the holders of which
 3 must consent thereto, and the manner in which such consent may
 4 be given or evidenced; or

5 1. any other matter or course of conduct which, by recital in
 6 the resolution, is declared to further secure the payment of the
 7 principal of or interest on the bonds.

8 All such provisions of the resolution and all such covenants and
 9 agreements shall constitute valid and legally-binding contracts
 10 between the authority and the several holders of the bonds,
 11 regardless of the time of issuance of such bonds, and shall be
 12 enforceable by any such holder or holders by appropriate action,
 13 suit or proceeding in any court of competent jurisdiction, or by
 14 proceeding in lieu of prerogative writ.

15 14. (New section) Any pledge of revenues or other moneys
 16 made by the authority shall be valid and binding from the time
 17 that the pledge is made. The revenues or other moneys so
 18 pledged and thereafter received by the authority shall
 19 immediately be subject to the lien of such pledge without any
 20 physical delivery thereof or further act, and the lien of any such
 21 pledge shall be valid and binding as against all parties having
 22 claims of any kind in tort, contract or otherwise against the
 23 authority, irrespective of whether such parties have notice
 24 thereof. Neither the resolution nor any other instrument by which
 25 a pledge is created need be filed or recorded except in the
 26 records of the authority.

27 15. (New section) Any public or private agency, organization,
 28 corporation, or association which is not legally barred from
 29 investing in the bonds or stock of the New Jersey Housing and
 30 Mortgage Finance Agency or any of its subsidiary corporations
 31 may lawfully invest in the corresponding securities of the
 32 authority and its subsidiaries.

33 16. (New section) a. Notwithstanding the provisions of
 34 section 5 of P.L.1945, c.162 (C.54:10A-5), to the contrary, a
 35 qualified taxpayer that expands its operations in a qualified
 36 municipality shall pay tax on its income generated by new
 37 activities in a qualified municipality at the reduced rate
 38 determined by multiplying the rate of tax determined pursuant to
 39 section 5 of P.L.1945, c.162 (C.54:10A-5), by the multiplier
 40 determined pursuant to subsection b. of this section for the five
 41 fiscal or calendar accounting years next ending after the
 42 commencement of operations at a location in a qualified
 43 municipality.

44 b. For the purposes of subsection a. of this section, the tax
 45 rate multiplier for each of the five years next ending after the
 46 commencement of operations shall be as follows:

Year	Multiplier
49 First	0.00
50 Second	0.20
51 Third	0.40
52 Fourth	0.60
53 Fifth	0.80
54 Sixth year and thereafter	1.00

1 c. For the purposes of this section:

2 "Qualified taxpayer" means a taxpayer engaged in the active
3 conduct of a trade or business at a location in a qualified
4 municipality that has at least 25% of its full-time employees at
5 that location meeting one or more of the following criteria:

6 (1) resides within the qualified municipality or within another
7 qualified municipality; or

8 (2) unemployed for at least six months prior to being hired and
9 residing in New Jersey, and recipients of New Jersey public
10 assistance programs for at least six months prior to being hired,
11 or either of the aforesaid; or

12 (3) determined to be economically disadvantaged pursuant to
13 the "Job Training Partnership Act," Pub.L.97-300 (29
14 U.S.C.§1501 et seq.);

15 "Income generated by new activities in a qualified
16 municipality" means that portion of a taxpayer's entire net
17 income taxable under the Corporation Business Tax Act (1945),
18 P.L.1945, c.162 (C.54:10A-1 et seq.), that is generated by its
19 activities commencing at a location in a qualified municipality on
20 or after the designation of the municipality as qualified and that
21 is not generated by a transfer of its previous activities at a
22 location in this State to the qualified municipality.

23 d. Notwithstanding the provisions of section 19 of P.L.1983,
24 c.303 (C.52:27H-78), section 12 of P.L.1985, c.227 (C.55:19-13),
25 section 42 of P.L.1987, c.102 (C.54:10A-5.3), section 1 of
26 P.L.1993, c.150 (C.27:26A-15), section 3 of P.L.1993, c.170
27 (C.54:10A-5.6), sections 3 or 4 of P.L.1993, c.171 (C.54:10A-5.18
28 or C.54:10A-5.19), or section 1 of P.L.1993, c.175
29 (C.54:10A-5.24), to the contrary, no credits otherwise allowed
30 pursuant to those sections shall be allowed against income
31 generated by new activities in a qualified municipality for the
32 five fiscal or calendar accounting years ending after the
33 commencement of operations in a qualified municipality for
34 which the income generated by new activities in a qualified
35 municipality is allowed a multiplier pursuant to this section. For
36 the purposes of section 19 of P.L.1983, c.303 (C.52:27H-78),
37 section 12 of P.L.1985, c.227 (C.55:19-13), section 42 of
38 P.L.1987, c.102 (C.54:10A-5.3), section 1 of P.L.1993, c.150
39 (C.27:26A-15), section 3 of P.L.1993, c.170 (C.54:10A-5.6),
40 sections 3 or 4 of P.L.1993, c.171 (C.54:10A-5.18 or
41 C.54:10A-5.19), and section 1 of P.L.1993, c.175 (C.54:10A-5.24),
42 any income or liability limits established pursuant to those
43 sections shall be deemed to refer only to income that is not
44 income generated by new activities in a qualified municipality,
45 and any salary, wages or remuneration paid to employees
46 employed at the location in the qualified municipality, the cost of
47 any property installed or employed at the location in the qualified
48 municipality and any expenses incurred at or for the location in
49 the qualified municipality shall be disallowed from the inclusion
50 in any calculation under those sections.

51 17. (New section) Neither the members of the authority nor
52 any person executing bonds issued pursuant to P.L. , c. (C.)
53 (pending before the Legislature as this bill) shall be liable
54 personally on the bonds by reason of the issuance thereof. Bonds

1 or other obligations issued by the authority pursuant to P.L. ,
2 c. (C.) (pending before the Legislature as this bill) shall not be
3 in any way a debt or liability of the State or of any political
4 subdivision thereof and shall not create or constitute any
5 indebtedness, liability or obligation of the State or of any
6 political subdivision, either legal, moral or otherwise, and nothing
7 contained in P.L. , c. (C.) (pending before the Legislature as
8 this bill) shall be construed to authorize the authority to incur
9 any indebtedness on behalf of or in any way to obligate the State
10 or any political subdivision, and all such bonds shall contain on
11 the face thereof a statement to that effect.

12 18. (New section) a. No member, officer, agent or employee
13 of the authority or of any of its subsidiaries shall take any
14 official action on any matter in which he or she has a direct or
15 indirect financial interest, except that the ownership of, or
16 tenancy in, one's own private residence shall not be considered a
17 financial interest for the purposes of this section.

18 b. Any action taken or approval granted by the authority or
19 any of its subsidiaries in violation of this section is voidable.

20 c. Any person who knowingly violates any provision of this
21 section shall forfeit his office or employment and is guilty of a
22 crime of the fourth degree.

23 19. (New section) Any builder, contractor or subcontractor
24 engaged upon a project within the meaning of P.L. , c. (C.)
25 (pending before the Legislature as this bill), and any person, firm
26 or authority managing or operating such a project, including the
27 authority and its subsidiaries, shall pay the workmen employed in
28 the construction, reconstruction, demolition, or rehabilitation
29 thereof not less than the prevailing wage rate. The prevailing
30 wage rate shall be determined by the Commissioner of the New
31 Jersey Department of Labor in all cases, except that the
32 prevailing wage rate shall be determined by the Secretary of the
33 United States Department of Labor in accordance with the
34 Davis-Bacon Act as amended (40 U.S.C. § 276a to 276a-5), when
35 the loan or other assistance given by the authority in connection
36 with the work, or the funds of the authority or subsidiary thereof
37 expended for the work, are the subject of direct or indirect
38 federal assistance other than federal tax exemption of the
39 interest paid on obligations of the authority or a subsidiary
40 thereof.

41 20. (New section) Prior to the acquisition or construction of
42 any project, or any reconstruction, rehabilitation, repair,
43 renovation, preservation, or improvement of a project, the cost
44 of which undertaking is estimated to exceed \$100,000.00, the
45 authority shall:

46 a. prepare a project report which shall describe the nature and
47 scope of the project, including but not limited to its location,
48 size, cost, and purpose, a list of all entities which will occupy the
49 project and the amount of space each will occupy, the anticipated
50 annual appropriation for lease agreements, and a statement of
51 anticipated annual receipts and expenditures for the project;

52 b. submit the project report to the Senate Urban Policy and
53 Planning Committee for its review and findings as to whether the
54 project is consistent with the urban revitalization goals set forth

1 in the New Jersey Redevelopment Strategy document adopted
2 pursuant to section 30 of P.L. , c. (C.) (pending before the
3 Legislature as this bill);

4 c. conduct a public hearing in the municipality in which the
5 project is to be located, and make all responses required; except
6 that this requirement shall not apply in the case of the
7 reconstruction, rehabilitation, renovation, preservation, repair or
8 improvement of an existing building or facility owned by the
9 State and which will continue to be used for substantially the
10 same purpose after completion of the project;

11 d. submit to the Legislature the project report, the findings of
12 the Senate Urban Policy and Planning Committee, the transcript
13 of the public hearing, and documentation that:

14 (1) the project is consistent with the goals for urban
15 revitalization enunciated in the New Jersey Redevelopment
16 Strategy document adopted pursuant to section 30 of P.L. , c.
17 (C.) (pending before the Legislature as this bill);

18 (2) there is a feasible method for the relocation of families
19 and individuals displaced from the project area into decent, safe
20 and sanitary dwellings in accordance with the provisions of the
21 "Relocation Assistance Law of 1967," P.L.1967, c.79 (C.52:31B-1
22 et seq.) and the "Relocation Assistance Act," P.L.1971, c.362
23 (C.20:4-1 et seq.), whichever is applicable;

24 (3) plans and specifications for the project assure that the
25 project will comply with all applicable standards and
26 requirements prescribed by State and federal law which promote
27 the public health, protect the environment or promote the
28 conservation of energy; and

29 (4) plans and specifications for the project assure that it will
30 comply with the requirements of the "State Uniform
31 Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.).

32 For the purposes of this section "cost" means, in addition to
33 the usual connotations thereof, the cost of acquisition,
34 construction, reconstruction, rehabilitation, repair, improvement
35 and operation of all or any part of a project, and includes, but is
36 not limited to, the cost or fair market value of construction,
37 machinery and equipment, property rights, easements, privileges,
38 agreements, franchises, utility extensions, disposal facilities,
39 access roads and site development deemed by the authority to be
40 necessary or useful and convenient therewith, discount on bonds,
41 cost of issuance of bonds, engineering and inspection costs and
42 legal expenses, cost of financial, professional and other estimates
43 and advice, organization, administrative, insurance, operating and
44 other expenses of the authority or any person prior to and during
45 any acquisition or construction, reconstruction, rehabilitation,
46 repair or improvement, and all other expenses as may be
47 necessary or incident to the financing, acquisition, construction,
48 rehabilitation, repair or improvement and completion of the
49 project or part thereof, and also provision for reserves for
50 payment or security of, principal of, or interest on, the bonds
51 during any such undertaking.

52 21. (New section) a. The authority shall conduct a public
53 hearing on each project within the municipality in which the
54 project is to be located. The authority shall cause notice of the

1 hearing to be published in at least two newspapers of general
2 circulation within the municipality at least 15 days prior to the
3 date of the hearing and shall also file the notice at least 15 days
4 prior to the date of the hearing with the governing body of the
5 county and municipality in which the project is to be located.

6 The notice shall summarize the project and specify where and
7 how additional information may be obtained.

8 b. All testimony presented at the hearing and all material
9 submitted to the authority within 15 days following the hearing
10 shall be included in a hearing record to be prepared and made
11 available to the public by the authority.

12 c. The governing body of the county or municipality in receipt
13 of the notice prescribed in subsection a. of this section may file
14 with the authority, within 15 days following the hearing, a
15 written objection to the project, stating in detail the nature of
16 the objection.

17 d. The authority shall respond in writing to any objection filed
18 pursuant to subsection c. of this section, including specific
19 responses to the data, views, and arguments contained in the
20 objection.

21 22. (New section) a. The authority shall make the submission
22 to the Legislature required by subsection d. of section 20 of
23 P.L. , c. (C.) (pending before the Legislature as this bill) to
24 the President of the Senate and the Speaker of the General
25 Assembly on a day when both the Senate and the General
26 Assembly are meeting. The President of the Senate and the
27 Speaker of the General Assembly shall cause the date of
28 submission to be entered upon the Senate Journal and the Minutes
29 of the General Assembly, respectively.

30 b. Unless the project as described in the submission is
31 approved by adoption of a concurrent resolution to this effect by
32 the affirmative vote of a majority of the authorized membership
33 of both the Senate and the General Assembly within the time
34 period prescribed in this subsection, the project shall be deemed
35 disapproved and the authority shall not undertake the project.
36 The President of the Senate and the Speaker of the General
37 Assembly shall cause a concurrent resolution of approval of the
38 project to be placed before the members of the Senate and the
39 General Assembly for a recorded vote within the time period.
40 The time period shall commence on the day of submission and
41 expire on the forty-fifth day after submission, or if the Senate or
42 the General Assembly is not scheduled to meet on the forty-fifth
43 day, on the next meeting day of the Senate or General Assembly,
44 as appropriate.

45 23. (New section) a. No municipality shall modify or change
46 the drawings, plans or specifications for the construction,
47 reconstruction, rehabilitation, alteration or improvement of any
48 project of the authority, or the construction, plumbing, heating,
49 lighting or other mechanical branch of work necessary to
50 complete the work in question, nor to require that any person,
51 firm or corporation employed on any such work shall perform the
52 work in any other or different manner than that provided by the
53 drawings, plans and specifications, nor to require that any person,
54 firm or corporation obtain any other or additional authority.

1 approval, permit or certificate from the municipality in relation
2 to the work being done, and the doing of the work by any person,
3 firm or corporation in accordance with the terms of the drawings,
4 plans, specifications or contracts shall not subject the person,
5 firm or corporation to any liability or penalty, civil or criminal,
6 other than as may be stated in the contracts or incidental to the
7 proper enforcement thereof; nor shall any municipality require
8 the authority or any State agency which leases or purchases the
9 project, or any person, firm, partnership or corporation which
10 leases or purchases the project for lease or purchase to a State
11 agency, to obtain any other or additional authority, approval,
12 permit, certificate or certificate of occupancy from the
13 municipality as a condition of owning, using, maintaining,
14 operating or occupying any project acquired, constructed,
15 reconstructed, rehabilitated, altered or improved by the authority
16 or by any subsidiary thereof. The foregoing provisions shall not
17 preclude any municipality from exercising the right of inspection
18 for the purpose of requiring compliance by any project with local
19 requirements for operation and maintenance affecting the health,
20 safety and welfare of the occupants thereof, provided that the
21 compliance does not require changes, modifications or additions
22 to the original construction of the project.

23 b. Each municipality in which any project of the authority is
24 located shall provide to the project, whether then owned by the
25 authority, any subsidiary, any State agency or any person, firm,
26 partnership or corporation, police, fire, sanitation, health
27 protection and other municipal services of the same character
28 and to the same extent as those provided for other residents of
29 the municipality.

30 c. In carrying out any project, the authority may enter into
31 contractual agreements with local governmental agencies with
32 respect to the furnishing of any community, municipal or public
33 facilities or services necessary or desirable for the project, and
34 any local governmental agency may enter into these contractual
35 agreements with the authority and do all things necessary to
36 carry out its obligations under the same.

37 24. (New section) The exercise of the powers granted by P.L. ,
38 c. (C.) (pending before the Legislature as this bill) shall
39 constitute the performance of an essential governmental function
40 and the authority shall not be required to pay any taxes or
41 assessments upon or in respect of a project, or any property or
42 moneys of the authority, and the authority, its projects, property
43 and moneys and any bonds and notes issued under the provisions
44 of P.L. , c. (C.) (pending before the Legislature as this bill),
45 their transfer and the income therefrom, including any profit
46 made on the sale thereof, shall at all times be free from taxation
47 of every kind by the State except for transfer, inheritance and
48 estate taxes and by any political subdivision of the State;
49 provided, that any person occupying a project whether as lessee,
50 vendee or otherwise shall, as long as title thereto shall remain in
51 the authority, pay to the political subdivision in which such
52 project is located a payment in lieu of taxes which shall equal the
53 taxes on real and personal property, including water and sewer
54 service charges or assessments, which such person would have

1 been required to pay had it been the owner of such property
2 during the period for which such payment is made and neither the
3 authority nor its projects, properties, money or bonds and notes
4 shall be obligated, liable or subject to lien of any kind for the
5 enforcement, collection or payment thereof. If and to the extent
6 the proceedings under which the bonds authorized to be issued
7 under the provisions of P.L. , c. (C.) (pending before the
8 Legislature as this bill) so provide, the authority may agree to
9 cooperate with such person occupying a project, in connection
10 with any administrative or judicial proceedings for determining
11 the validity or amount of such payments and may agree to
12 appoint or designate and reserve the right in and for such person
13 to take all action which the authority may lawfully take in
14 respect of such payments and all matters relating thereto,
15 provided such person shall bear and pay all costs and expenses of
16 the authority thereby incurred at the request of such person or by
17 reason of any such action taken by such person on behalf of the
18 authority. If such person occupying a project has paid the
19 amounts in lieu of taxes required by this section to be paid, such
20 person shall not be required to pay any such taxes for which a
21 payment in lieu thereof has been made to the State or to any
22 political subdivision, any other statute to the contrary
23 notwithstanding.

24 25. (New section) The governing bodies of any two contiguous
25 municipalities within which is located or is to be located a New
26 Jersey Redevelopment Authority project situated in part within
27 each municipality, may by reciprocal ordinances enter into
28 agreements with each other to share all tax revenues, payments
29 in lieu of taxes or other revenues as shall be derived from the
30 entire project, and to which they are by law entitled, in such
31 proportion as they deem proper.

32 26. (New section) Any agreement entered into pursuant to
33 section 25 of P.L. , c. (C.) (pending before the Legislature as
34 this bill) for the sharing of payments and revenues derived from a
35 project shall also set forth the manner in which the costs of
36 municipal services for such project are to be apportioned and
37 specify the services to be supplied by each municipality in
38 sufficient detail so as to permit the owners, occupants and users
39 of property within the project to determine the responsibilities of
40 each participating municipality.

41 27. (New section) Notwithstanding any restriction contained
42 in any other law, the State and all political subdivisions of this
43 State, their officers, boards, commissioners, departments or
44 other agencies, all banks, bankers, trust companies, savings banks
45 and institutions, building and loan associations, savings and loan
46 associations, investment companies and other persons carrying on
47 a banking or investment business, all insurance companies,
48 insurance associations and other persons carrying on an insurance
49 business, and all executors, administrators, guardians, trustees
50 and other fiduciaries, and all other persons whatsoever who now
51 are or may hereafter be authorized to invest in bonds or other
52 obligations of the State, may properly and legally invest any
53 sinking funds, moneys or other funds, including capital, belonging
54 to them or within their control in any bonds or notes issued by the

1 authority under the provisions of P.L. , c. (C.) (pending
2 before the Legislature as this bill); and said bonds and notes are
3 hereby made securities which may properly and legally be
4 deposited with and received by any State or municipal officers or
5 agency of the State for any purpose for which the deposit of
6 bonds or other obligations of the State is now or may hereafter be
7 authorized by law.

8 28. (New section) All banks, bankers, trust companies, savings
9 banks, investment companies and other persons carrying on a
10 banking business are hereby authorized to give to the authority a
11 good and sufficient undertaking with such sureties as shall be
12 approved by the authority to the effect that such bank or banking
13 institution as hereinbefore described shall faithfully keep and pay
14 over to the order of or upon the warrant of the authority or its
15 authorized agent all such funds as may be deposited with it by the
16 authority and agreed interest thereon, at such times or upon such
17 demands as may be agreed with the authority or in lieu of such
18 sureties, deposit with the authority or its authorized agent or any
19 trustee therefor or for the holders of any bonds, as collateral,
20 such securities as the authority may approve. The deposits of the
21 authority may be evidenced by a depository collateral agreement
22 in such form and upon such terms and conditions as may be
23 agreed upon by the authority and such bank or banking institution.

24 29. (New section) The foregoing sections of P.L. , c. (C.)
25 (pending before the Legislature as this bill) shall be deemed to
26 provide a complete method for the doing of things authorized
27 thereby and shall be regarded as not in conflict with, or as
28 restrictive of, powers conferred by any other laws, and the
29 provisions of P.L. , c. (C.) (pending before the Legislature as
30 this bill) shall be complete authority for the issuance of bonds by
31 the authority and the provisions of any other laws shall not apply
32 to the issuance of such bonds.

33 30. (New section) With its first annual report, and every
34 second year thereafter, the authority shall submit a New Jersey
35 Redevelopment Strategy document, setting forth its assessment
36 of the current needs for industrial, land-use improvement, civic,
37 utility and multi-purpose projects in qualified municipalities of
38 the State; its estimate of the resources available, under the
39 provisions of P.L. , c. (C.) (pending before the Legislature as
40 this bill), from public and private sources for the undertaking of
41 such projects; and its anticipated participation in or assistance of
42 such projects during the two years next succeeding the date of
43 submission. The document shall set forth the goals and priorities
44 governing the selection of the projects it anticipates
45 participating in or assisting; and the authority shall annually
46 review and evaluate the projects actually undertaken in light of
47 the goals and priorities established therefor by the New Jersey
48 Redevelopment Strategy document. In selecting projects for its
49 participation, and in evaluating those projects in which it has
50 participated, the authority shall devise and employ techniques for
51 forecasting and measuring relevant indices of accomplishment of
52 its goals of economic revitalization, including specifically:

53 a. the number of jobs created, or to be created, by, or as a
54 result of, the project;

1 b. the cost, or estimated cost, to the State, involved in the
2 creation of those jobs;

3 c. the amount of private capital investment in, or stimulated
4 by, a project, in proportion to the public funds invested therein;
5 and

6 d. in the case of an industrial project or a multi-purpose
7 project which has, as one of its elements, a project classified as
8 an industrial project, a determination, based upon written
9 findings, that the project would not be undertaken but for the
10 participation of the authority.

11 31. (New section) a. Beginning 180 days after the effective
12 date of P.L. , c. (C.) (pending before the Legislature as this
13 bill), the Division of Investment may invest State-administered
14 pension funds in authority bonds or projects; provided, however,
15 that the amount of funds to be so invested in total shall not
16 exceed one-half of one percent of the aggregate amount of
17 pension funds invested or an aggregate of \$200 million, whichever
18 is greater.

19 b. Twelve months after the effective date of P.L. , c. (C.)
20 (pending before the Legislature as this bill), the Director of the
21 Division of Investment in the Department of the Treasury shall
22 report to the State Investment Council, the Governor and the
23 Legislature the total amount of authority bonds purchased by the
24 division and the percentage that amount represents of
25 State-administered pension funds. The director of the division
26 shall also set forth in the report what return on the investment
27 has been realized on the investment in authority bonds and how
28 that rate of return compares to the rate of return on other
29 division investments of State-administered pension funds.

30 Following the first report as required herein, the council shall
31 include this information in its report submitted to the Governor,
32 the Legislature and the State Treasurer on or before January first
33 of each year pursuant to section 13 of P.L.1950, c.270
34 (C.52:18A-91).

35 32. (New section) a. There is hereby created the New Jersey
36 Redevelopment Investment Fund, or "fund" into which shall be
37 paid:

38 (1) moneys received from the sale of authority bonds, including
39 those moneys made available through the purchase of authority
40 bonds by the Division of Investment pursuant to section 31 of
41 P.L. , c. (C.) (pending before the Legislature as this bill).

42 (2) funds appropriated by section 88 of P.L. , c. (C.)
43 (pending before the Legislature as this bill);

44 (3) repayments of loans or other payments received by the
45 authority pursuant to agreements made under authority of
46 sections 5, 7, 8 or 9 of P.L. , c. (C.) (pending before the
47 Legislature as this bill);

48 (4) funds made available for investment in North or South
49 Jersey pursuant to section 3 of P.L.1984, c.218 (C.5:12-144.1) or
50 any other bond proceeds made available for authority purposes;

51 (5) any income derived from investment pursuant to subsection
52 b. of this section;

53 (6) moneys collected as user fees and facility charges in
54 connection with any civic project or utilities project managed or

1 operated by the authority as authorized by subsection z. of
2 section 5 of P.L. , c. (C.) (pending before the Legislature as
3 this bill); and

4 (7) such additional funds as the Legislature may from time to
5 time appropriate for the purpose.

6 b. The fund shall be in the custody and control of the
7 authority, which may invest and reinvest any portion thereof not
8 immediately required for the purposes of the authority in the
9 manner provided by law for investment of public funds on
10 projects and investments utilizing revenues from the sale of
11 general obligation bonds, which projects shall be subject to the
12 approval of the State Treasurer, and the State Treasurer's
13 actions shall be based solely on his fiduciary role to ensure that
14 all applicable federal and State tax laws are adhered to regarding
15 the investment of bond funds.

16 33. (New section) a. Loan rates and maturities of loans made
17 by the New Jersey Redevelopment Authority shall be established
18 by the State Treasurer taking into consideration rates available in
19 capital markets for comparable maturities and comparable credit
20 quality. Local governments may secure interim financing under
21 this act to enable a project to be undertaken before permanent
22 financing is secured or may secure permanent financing under
23 P.L. , c. (C.) (pending before the Legislature as this bill) with
24 a final maturity related to the expected useful life of the project
25 being so financed.

26 b. Pending their application to the purposes provided in P.L. ,
27 c. (C.) (pending before the Legislature as this bill), the monies
28 in the New Jersey Redevelopment Investment Fund may be
29 invested and reinvested as are other trust funds in the custody of
30 the State Treasurer, in the manner provided by law. Net earnings
31 received from the investment or deposit of that fund shall be paid
32 into the General Fund.

33 c. No interest-free loan shall be permitted without the written
34 approval of the State Treasurer or his designee.

35 d. The State Treasurer or the Director of the Division of
36 Budget and Accounting in the Department of the Treasury shall
37 approve expenditures from the fund for administrative costs.

38 34. (New section) a. Any county, by resolution of its
39 governing body, shall have power to enter into contracts with the
40 authority relating to any project or projects situated within the
41 county; provided, however, that any such resolution shall be
42 introduced in writing at a meeting of the governing body and shall
43 be passed upon first reading which may be by title, and
44 thereafter, the resolution shall be published with notice of the
45 introduction thereof and of the date, time and place of further
46 consideration for final passage, and on the date and at the time
47 and place so advertised, all persons interested shall be given the
48 opportunity to be heard and after the hearing, the governing body
49 may proceed to reject or finally adopt the resolution by the
50 recorded affirmative votes of at least two-thirds of the full
51 membership of the governing body; and provided, further, that
52 the resolution shall contain findings and determinations of the
53 governing body (1) that the project will maintain employment
54 opportunities in the county or provide new employment

1 opportunities in the county and (2) that the contract with the
2 authority is a necessary inducement to the undertaking of the
3 project in that it makes the financing thereof feasible. The
4 contract or contracts may provide for the payment to the
5 authority by the county annually or otherwise of such sum or
6 sums of money, computed at fixed amounts or by any formula, or
7 in any other manner as may be fixed in or pursuant thereto. Any
8 contract may be made and entered into for a term beginning
9 currently or at some future or contingent date and with or
10 without consideration and for a specified or unlimited time and
11 on any terms and conditions which may be approved by the county
12 and which may be agreed to by the authority in conformity with
13 its contracts with the holders of any bonds, and shall be valid and
14 binding on the county whether or not an appropriation is made
15 thereby prior to authorization or execution of the contract.
16 Every county is hereby authorized and directed to do and perform
17 any and all acts and things necessary, convenient or desirable to
18 carry out and perform any contract entered into by it and to
19 provide for the payment or discharge of any obligation thereunder
20 in the same manner as other obligations of the county.

21 b. For the purpose of aiding the authority and cooperating in
22 the planning, designing, acquiring, constructing, reconstructing,
23 improving, equipping and furnishing of any project situate in any
24 county, any county, by ordinance of its governing body, shall have
25 power from time to time and for such period and upon such
26 terms, with or without consideration, as may be provided by the
27 ordinance and accepted by the authority:

28 (1) to appropriate moneys for the purposes of the authority
29 with respect to the project, and to loan or donate such money to
30 the authority in such installments and upon such terms as may be
31 agreed upon with the authority;

32 (2) upon authorization by it in accordance with law of the
33 performance of any act or thing which it is empowered by law to
34 authorize or perform and after appropriation of the moneys, if
35 any, necessary for that performance, to covenant and agree with
36 the authority to do and perform any act and as to the time,
37 manner and other details of its doing and performance; and

38 (3) to appropriate money for all or any part of the cost of the
39 acquisition or construction of the project, and, in accordance
40 with the limitations and exceptions thereto and in the manner or
41 mode of procedure prescribed by the local bond law to incur
42 indebtedness, borrow money and issue its negotiable bonds for the
43 purpose of the project and appropriation, and to pay the proceeds
44 of those bonds to the authority.

45 c. Any contract, and any instrument making or evidencing the
46 same, may be pledged or assigned by the authority, with the
47 consent of the county executing the contract, to secure its bonds
48 and thereafter may not be modified except as provided by the
49 terms of such instrument or by the terms of the pledge or
50 assignment.

51 35. (New section) All property of the authority shall be
52 exempt from levy and sale by virtue of an execution and no
53 execution or other judicial process shall issue against the same
54 nor shall any judgment against an authority be a charge or lien

1 upon its property; provided, that nothing herein contained shall
2 apply to or limit the rights of the holder of any bonds to pursue
3 any remedy for the enforcement of any pledge or lien given by
4 the authority on or with respect to any project or any revenues or
5 other moneys.

6 36. (New section) a. The New Jersey Economic Development
7 Authority shall repay without interest to the State Treasurer all
8 moneys realized from borrowers upon loans they obtained through
9 the New Jersey Urban Development Corporation, which loans
10 were made from the sums appropriated to the Urban
11 Development Investment Fund from the Community Development
12 Bond Fund created pursuant to section 14 of the "Community
13 Development Bond Act of 1982" (P.L.1981, c.486). The
14 repayment from moneys realized from borrowers shall be
15 considered as cash received from payments of principal and
16 interest from the borrowers and received from the liquidation of
17 collateral securing such loans. Such repayments shall be net of all
18 direct expenses incurred in servicing the loan or in protecting and
19 collecting the collateral, or both.

20 b. All sums appropriated or transferred to the New Jersey
21 Redevelopment Authority from any source, are transferred to the
22 New Jersey Redevelopment Investment Fund to carry out the
23 purposes of P.L. . c. (C.) (pending before the Legislature as
24 this bill).

25 c. The New Jersey Economic Development Authority may,
26 after negotiation and agreement with the State Treasurer, prepay
27 all outstanding appropriations due in future years to the State
28 Treasurer, discounted at an interest rate agreeable to the State
29 Treasurer and the New Jersey Economic Development Authority.

30 d. All of the functions, powers and duties of the New Jersey
31 Urban Development Corporation, except for the administration of
32 loans made prior to the effective date of this bill, are hereby
33 transferred to and vested in the New Jersey Redevelopment
34 Authority.

35

36 ARTICLE TWO - REVENUE ALLOCATION FINANCING

37

38 37. (New section) The Legislature finds and declares that:

39 a. There are areas within certain municipalities in this State
40 that deter private capital investment because of the
41 deteriorating condition of the land, buildings and infrastructure
42 within those areas.

43 b. These deteriorating areas also create an economic burden
44 for the municipality due to the limited tax base and
45 underutilization of resources.

46 c. The scarcity of resources available to municipalities for
47 redevelopment has severely hampered these municipalities'
48 ability to rehabilitate deteriorating areas.

49 d. In order to redevelop these areas in a beneficial manner,
50 municipalities should be provided the means to finance certain
51 costs of redevelopment so as to open new avenues for private
52 investment: stimulate commercial, industrial, recreational,
53 cultural, entertainment, civic and educational enterprise, and
54 create favorable conditions for increases in economic activity.

1 property values, employment opportunities and the provision of
2 affordable housing.

3 e. The use of this redevelopment tool as a catalyst for
4 economic revitalization can be maximized if employed in
5 conjunction with the redevelopment planning process established
6 pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.).

7 f. It is, therefore, in the public interest to authorize the use of
8 revenue allocation financing by municipalities to encourage
9 private investment within areas that are blighted or in need of
10 redevelopment or would otherwise remain unused.

11 38. (New section) As used in this article:

12 "Area in need of redevelopment" means a redevelopment area
13 as defined pursuant to section 3 of P.L.1992, c.79 (C.40A:12A-3).

14 "Board" means the Local Finance Board established in the
15 Division of Local Government Services in the Department of
16 Community Affairs pursuant to section 1 of P.L.1974, c.35
17 (C.52:27D-18.1).

18 "Bonds" means the bonds, notes and bond anticipation notes
19 issued to finance projects pursuant to this article.

20 "District" means the area or areas within a municipality
21 designated as a revenue allocation district pursuant to the
22 provisions of this article.

23 "District agent" means that entity designated by the municipal
24 governing body pursuant to section 39 of P.L. , c. (C.)
25 (pending before the Legislature as this bill) to administer a
26 revenue allocation plan on behalf of the municipality.

27 "Eligible revenue" means the property tax increment and any
28 other incremental revenues set forth in section 46 of P.L. , c.
29 (C.) (pending before the Legislature as this bill).

30 "Permitted investment obligations" means any securities
31 permitted for purchase by local units of government pursuant to
32 section 8 of P.L.1977, c.396 (C.40A:5-15.1).

33 "Plan" means the final revenue allocation plan developed by a
34 district agent pursuant to section 47 of P.L. , c. (C.) (pending
35 before the Legislature as this bill) and containing, among other
36 elements, the proposed projects, estimated cost of the projects,
37 sources of revenue, and the terms of any obligations,
38 undertakings or commitments to be incurred by the district agent.

39 "Pledged revenues" means those eligible revenues designated in
40 the plan for payment of project costs.

41 "Project" means the purchasing, leasing, condemning or
42 otherwise acquiring of land or other property, or an interest
43 therein, in the district or as necessary or convenient for the
44 acquisition of any right-of-way or other easement to or from the
45 revenue allocation district; the moving and relocation of persons
46 or businesses displaced by the acquisition of land or property; the
47 acquisition, construction, reconstruction or rehabilitation of land
48 or property and the improvements thereon, or the financing
49 thereof, including demolition, clearance, removal, relocation,
50 renovation, alteration, construction, reconstruction, alteration or
51 repair of any land, building, street, highway, alley, utility, mass
52 transit facility, service or other structure, infrastructure or
53 improvement in the district or necessary to effectuate the plan
54 for the district: the acquisition, construction, reconstruction,

1 rehabilitation or installation of public facilities and
2 improvements, or the financing thereof, other than facilities for
3 the general conduct of government and schools, nonprofit
4 corporation or other suitable public or private person, firm,
5 corporation or association, including educational, cultural, civic
6 and recreational facilities including, but not limited to,
7 convention centers, arenas and public meeting facilities;
8 acquisition, construction, reconstruction or rehabilitation of
9 residential structures, or the conversion to residential use of
10 structures previously designed or used for other purposes, or the
11 financing thereof, nonprofit corporation or other suitable public
12 or private person, firm, corporation or association, and which, to
13 the extent economically feasible, shall constitute housing
14 affordable to persons and families of low and moderate income
15 pursuant to P.L.1985, c.222 (C.52:27D-301 et al.) or rules and
16 regulations adopted pursuant thereto; and all costs associated
17 with any of the foregoing, including the cost of administrative
18 appraisals, legal, financial, economic and environmental analyses,
19 engineering or cleanup, planning, design, architectural, surveying
20 or other professional and technical services necessary to
21 effectuate the purposes of P.L. , c. (C.) (pending before the
22 Legislature as this bill).

23 "Project cost" means the cost of the plan or project in all or
24 any part of the district and of all and any property, rights,
25 easements, privileges, agreements and franchises deemed by the
26 district agent to be necessary or useful, and convenient therefor
27 or in connection therewith, including interest or discount on
28 bonds; cost of issuance of bonds; engineering and inspection costs;
29 legal expenses; costs of financial and other professional estimates
30 and advice; organization, administrative, operating and other
31 expenses of the district agent prior to and during the planning and
32 implementation of a development, plan or project, including such
33 provision as the district agent may determine for the payment, or
34 security for payment, of principal of or interest on bonds during
35 or after the implementation of any development, plan or project.

36 "Property tax increment" means the amount obtained by:

37 (1) multiplying the general tax rate levied each year by the
38 taxable value of all the property assessed within a district in the
39 same year, excluding any special assessments; and

40 (2) multiplying that product by a fraction having a numerator
41 equal to the taxable value of all the property assessed within the
42 district, minus the property tax increment base, and having a
43 denominator equal to the taxable value of all property assessed
44 within the district.

45 "Property tax increment base" means the aggregate taxable
46 value of all property assessed which is located within a district as
47 of October 1 of the year preceding the year in which the district
48 is authorized pursuant to this article.

49 "Redevelopment plan" means a redevelopment plan as the term
50 is defined pursuant to section 3 of P.L.1992, c.79 (C.40A:12A-3).

51 "Revenue increment base" means the amount of any eligible
52 revenues, other than the property tax increment, collected in the
53 calendar year immediately preceding the adoption of the plan.

1 "Taxing entity" means the county, the school district or
2 districts, and the municipality authorized to levy a tax on the
3 taxable property within a municipality.

4 39. (New section) A revenue allocation district shall consist of
5 all lots and streets within the borders of an area within a
6 municipality or within areas of the municipality designated in the
7 plan. The lots and streets shall be contiguous unless the
8 municipality determines that non-contiguous areas of the
9 municipality should comprise one district because those areas are
10 part of a common development project or plan. The total taxable
11 value in all districts designated shall not exceed 15 percent of the
12 total taxable property assessed within the municipality, as
13 determined by the municipal assessor, except that, upon a request
14 by the governing body, the board may approve for inclusion in the
15 district up to 20 percent of the total taxable property assessed in
16 the municipality, as determined by the municipal assessor. The
17 lots and streets to be designated as part of the plan shall be
18 designated as a revenue allocation district as part of a duly
19 adopted redevelopment plan approved by the governing body.

20 The governing body of a municipality may by ordinance
21 establish a district or districts. The ordinance shall be adopted as
22 provided in section 41 of P.L. , c. (C.) (pending before the
23 Legislature as this bill), and shall include or incorporate:

24 a. a map designating the area or areas within the municipality
25 as a district or districts;

26 b. a certification by the municipal assessor that, upon the
27 basis of property assessments as of October 1 of the year
28 preceding the certification, the total taxable property value in all
29 districts designated by the municipality, including the district
30 being proposed in the ordinance, does not exceed 15 or 20 percent
31 of the total taxable property assessed in the municipality, as
32 appropriate, as provided in the ordinance adopted in accordance
33 with the provisions of this section;

34 c. the designation of a district agent, which may be a county
35 improvement authority, a municipal redevelopment agency, a
36 local housing authority with redevelopment powers, the New
37 Jersey Redevelopment Authority established pursuant to P.L. ,
38 c. (C.) (pending before the Legislature as this bill) or one of
39 its subsidiaries or the local governing body;

40 d. a designation of all or any percentage of any eligible
41 revenue or revenues as pledged revenues;

42 e. a statement of whether or not the municipality intends that
43 the bonds issued by the district agent be guaranteed by the
44 municipality, or be issued as qualified bonds pursuant to the
45 "Municipal Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1 et
46 seq.). or both;

47 f. a proposed preliminary revenue allocation plan, as set forth
48 in section 40 of P.L. , c. (C.) (pending before the
49 Legislature as this bill); and

50 g. documentation that the district has been identified in the
51 municipality's redevelopment plan.

52 40. (New section) The proposed preliminary revenue allocation
53 plan shall include:

- 1 a. a certification by the municipal tax assessor of the property
- 2 tax increment base of the district;
- 3 b. a statement of the revenues if any to be pledged to support
- 4 bonds of the district, the percentage of such revenues to be so
- 5 pledged, and a certification by the chief financial officer of the
- 6 municipality of the revenue increment base for each of the
- 7 pledged revenues other than the property tax revenue base. If
- 8 the amount of any such revenue base cannot be certified, then
- 9 the chief financial officer shall estimate the amount and describe
- 10 the basis for preparing the estimate and the manner in which the
- 11 revenue increment base will be determined after adoption of the
- 12 plan;
- 13 c. a description of the proposed project or projects, an
- 14 estimate of their cost, a proposed construction schedule, and the
- 15 projected debt service on the bonds issued to finance the project
- 16 and the anticipated amount of private activity bonds, as that
- 17 term is defined in 26 U.S.C. §141, to be issued, if any;
- 18 d. a description of the development expected or planned within
- 19 the district, including the identification of the developers, if any,
- 20 other than the district agent or the municipality, and their
- 21 contractual relationship, if any, with the district agent or the
- 22 municipality;
- 23 e. an estimate of the taxable value of the assessed property
- 24 within a district upon completion of the projects;
- 25 f. a projection of the amount of the pledged revenues during
- 26 the period in which any bond will be outstanding;
- 27 g. a statement of whether or not the district agent intends to
- 28 create a reserve for payment of project costs prior to the
- 29 adoption of the final revenue allocation plan;
- 30 h. a statement of whether or not tax abatements or
- 31 exemptions are expected to be granted in the district; and
- 32 i. a fiscal impact statement for the taxing entities involved.
- 33 41. (New section) When an ordinance establishing or amending
- 34 a district has passed first reading, it shall be submitted as an
- 35 application, together with all included and incorporated
- 36 certificates and documents and such additional documentation as
- 37 the board may by rule prescribe, to the board and the State
- 38 Treasurer. The board shall notify the State Treasurer of its
- 39 receipt of the submission.
- 40 The board shall approve the ordinance if it determines that:
- 41 a. the planned developments are likely to be realized and
- 42 would not likely be accomplished by private enterprise without
- 43 the creation of the district and the revenue allocation financing
- 44 of the proposed project or projects;
- 45 b. the revenue increments and any other pledged revenues will
- 46 be sufficient to pay debt service on bonds issued to effectuate
- 47 the plan;
- 48 c. the credit of the municipality and its ability to pay the
- 49 principal of and interest on its debts and to provide essential
- 50 public services will not be impaired;
- 51 d. the creation of the district will contribute to the economic
- 52 development of the municipality;
- 53 e. the size of the proposed district and the amount of the
- 54 pledged revenues do not exceed the size and amount necessary to
- 55 accomplish the purposes of the plan: and

1 f. the pledged revenue or guarantees would not pose
2 inappropriate risk or undue financial hardship to the taxpayers of
3 the community in the event of default.

4 In approving ordinances, the board shall give priority to any
5 municipality in which an empowerment neighborhood has been
6 designated.

7 42. (New section) a. The board and the State Treasurer may
8 make written recommendations as to any aspect of the ordinance
9 and the preliminary revenue allocation plan and any related fiscal
10 matters of the municipality which in the opinion of the board or
11 the State Treasurer must be changed in order to effectuate the
12 plan. The board may condition its approval of the ordinance upon
13 the adoption of its recommendations by the municipality.

14 b. The board shall approve, approve with conditions, or
15 disapprove the ordinance within 60 days of its receipt of an
16 application which the board has deemed to be complete. If the
17 board does not act within 60 days the ordinance shall be deemed
18 approved. If the board disapproves the ordinance it shall, within
19 30 days of signifying its disapproval, set forth its reasons in
20 writing. The municipality may amend the ordinance and resubmit
21 it to the board and the State Treasurer.

22 c. Upon receipt of the approved ordinance from the board, the
23 municipal governing body may adopt the ordinance at a meeting
24 of the governing body by a majority of the authorized
25 membership thereof.

26 43. (New section) After adoption of the ordinance establishing
27 a district there shall be no changes in the boundaries of the
28 district, the designation of the district agent, or the designation
29 of the pledged revenues without cause and without adoption of an
30 amending ordinance approved by the board as provided in section
31 41 of P.L. , c. (C.) (pending before the Legislature as this
32 bill).

33 Cause for expanding the district or enlarging the designation of
34 pledged revenues shall be based on the need to maintain pledged
35 revenues sufficient to secure all outstanding and anticipated
36 indebtedness of the district agent or to undertake additional
37 projects.

38 Cause for contracting the district or reducing the designation
39 of pledged revenues shall be based on the need to create other
40 districts within the municipality and on the demonstration that
41 the amount of the pledged revenue is excessive for the purposes
42 of the district; however, in no case shall the size of the district
43 be contracted or the pledged revenues be reduced if the district
44 agent has issued bonds or incurred obligations and if such
45 contraction or reduction would impair the security of the bonds
46 or the district agent's ability to pay its obligations.

47 44. (New section) Whenever a district is expanded as
48 permitted under section 43 of P.L. , c. (C.) (pending before
49 the Legislature as this bill) the property tax increment base for
50 any area added to the district shall be the aggregate taxable
51 value of all property assessed which is located within the added
52 area as of October 1 of the year preceding the year in which the
53 area is added, as certified by the municipal assessor. The
54 revenue increment base of all other eligible revenues shall
55 include the amounts of all other eligible revenues from sources

1 within the added area in the calendar year preceding the year in
2 which the area is added, as certified by the chief financial officer
3 of the municipality.

4 Whenever a district is contracted as permitted under section 43
5 of P.L. , c. (C.) (pending before the Legislature as this bill)
6 the tax increment base and the increment base of all other
7 eligible revenues of the district shall be adjusted as if that area
8 had not been a part of the district at the time when it became
9 part of the district.

10 45. (New section) The district agent shall have the following
11 powers and responsibilities:

12 a. to make and enter into contracts or agreements with public
13 agencies, nonprofit corporations or other suitable public or
14 private persons, firms, corporations or associations, and to make
15 loans or grants to, or guarantee the obligations of, any other
16 public agency or corporation, as may be necessary, convenient or
17 incidental to the execution of the plan and the exercise of the
18 district agent's powers under P.L. , c. (C.) (pending before
19 the Legislature as this bill).

20 b. to enter into agreements or other transactions with, and
21 accept grants, loans, appropriations or other assistance or
22 cooperation from the United States or any agency thereof, or
23 from the State or a county or municipal governing body or any
24 agency thereof, or any nonprofit corporation or other suitable
25 public or private person, firm, corporation or association in
26 furtherance of the purposes of P.L. , c. (C.) (pending before
27 the Legislature as this bill):

28 c. to prepare and administer the plan according to the
29 provisions of P.L. , c. (C.) (pending before the Legislature as
30 this bill):

31 d. to hire or consult with private consultants when preparing
32 the plan, or to enter into agreements with public or nonprofit
33 private agencies to prepare and administer the plan;

34 e. to issue bonds for any purpose of the district authorized by
35 or pursuant to P.L. , c. (C.) (pending before the Legislature
36 as this bill), or to issue refunding bonds for the purpose of paying
37 or retiring bonds previously issued by it, and to issue notes in
38 anticipation of the issuance of bonds as provided in P.L. , c.
39 (C.) (pending before the Legislature as this bill); and

40 f. to seek and receive funds from local, State and federal
41 governments and from private sources for the purpose of
42 implementing any authorized development or project or meeting
43 any project cost.

44 Nothing herein is intended to limit the powers granted under
45 any other law or regulation to the entity acting as district agent
46 under P.L. , c. (C.) (pending before the Legislature as this
47 bill).

48 46. (New section) In addition to the property tax increment,
49 the plan may include one or more of the following eligible
50 revenues if the municipality is otherwise authorized by law to
51 collect such revenues:

52 a. incremental payments in lieu of taxes, with respect to
53 property located in the district, made pursuant to the "Long
54 Term Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et al.);

1 b. incremental revenues from payroll or wage taxes with
2 respect to activities carried on within the district;

3 c. incremental revenue from lease payments made to the
4 municipality or district agent with respect to property located in
5 the district;

6 d. the incremental revenue from payments in lieu of taxes or
7 service charges with respect to property located within the
8 district;

9 e. incremental revenue from parking taxes derived from
10 parking facilities located within the district;

11 f. admissions and sales taxes received from the operation of a
12 public facility which the district agent is authorized by law to
13 retain;

14 g. sales and excise taxes which are derived from activities
15 within the district and which are rebated to or retained by the
16 municipality pursuant to the "New Jersey Urban Enterprise Zones
17 Act," P.L.1983, c.303 (C.52:27H-60 et seq.) or any other law
18 providing for such rebate or retention;

19 h. parking revenue from public parking facilities built as part
20 of a project except for public parking facilities owned by parking
21 authorities pursuant to the "Parking Authority Law," P.L.1948,
22 c.198 (C.40:11A-1 et seq.); or

23 i. assessments levied against properties in a special
24 improvement district pursuant to section 8 of P.L.1972, c.134
25 (C.40:56-72), if consented to by the governing body of the
26 municipality in which the special improvement district is situated.

27 The incremental revenue for the revenues listed in subsections
28 b., c., d. and e. of this section shall be calculated as the
29 difference between the amount collected in any calendar year
30 from any eligible revenue source included in the plan, less the
31 revenue increment base for that eligible revenue.

32 47. (New section) Before pledging any revenues, issuing any
33 bonds, incurring any obligations or guaranteeing the obligations of
34 any other entity with respect to the project costs of any project,
35 the district agent shall adopt a final revenue allocation plan for
36 that project. That plan shall include:

37 a. a description of the project or projects to be financed,
38 including the projected cost and construction schedule;

39 b. a description of any development to be undertaken by any
40 developer in connection with the project, including an estimate of
41 the eligible revenues anticipated from the development;

42 c. a description of the eligible revenues to be pledged to the
43 support of the project, or to the bonds or other obligations to be
44 issued or incurred by the district agent;

45 d. a description of other anticipated projects for the district
46 and the anticipated means of financing those projects;

47 e. a copy of any proposed bond resolution, contract, lease or
48 other agreement to be adopted or authorized by the district
49 agent. Any proposed bond resolution shall include a description
50 of the security features of the bonds, including reserve funds or
51 other security enhancements, if any, such as a municipal
52 guarantee, qualified bond authorization, bond insurance or letter
53 of credit; the maturity schedule for the bonds; the estimated
54 interest rate; the period of capitalized interest, if any; an

1 estimate of the costs of issuance, with identification of bond
2 counsel, financial advisers, underwriters and other professionals
3 engaged to assist in the issuance of bonds; lien priorities among
4 projects, if any; and such other information as the board may
5 require; and

6 f. a certification by the chief financial officer of the property
7 tax increment base, if property tax increment revenue is to be
8 pledged, and of the revenue increment base for each other
9 pledged revenue. If the amount of any such revenue increment
10 base cannot be certified, then the chief financial officer shall
11 estimate the amount and describe the basis for preparing the
12 estimate and the manner in which the revenue increment base
13 will be determined after adoption of the final plan.

14 48. (New section) A final revenue allocation plan shall be
15 submitted to the governing body of the municipality for approval
16 by ordinance. When an ordinance embodying a final revenue
17 allocation plan has been introduced in writing at a meeting of the
18 governing body and approved on first reading, which may be by
19 title, by a majority of the authorized membership thereof, it shall
20 be submitted, together with all included and incorporated
21 certificates and documents and such additional supporting
22 documentation as the board may by rule prescribe, to the board
23 and the State Treasurer. The board shall notify the State
24 Treasurer of the receipt of the submission.

25 The board shall approve the plan if it determines that:

26 a. the planned developments are likely to be realized and
27 would not be accomplished by private enterprise without the
28 creation of the district and the financing of the proposed project
29 or projects;

30 b. the pledged revenues will be sufficient to pay debt service
31 on bonds and discharge any obligations undertaken by the district
32 agent to effectuate the plan;

33 c. the credit of the municipality and its ability to pay the
34 principal of and interest on its debts and to provide essential
35 public services will not be impaired; and

36 d. the pledged revenues or guarantees would not pose
37 inappropriate risk or undue financial hardship to the taxpayers of
38 the community in the event of default.

39 49. (New section) a. The board and the State Treasurer may
40 make written recommendations as to any aspect of the plan and
41 any related fiscal matters of the municipality or the district
42 agent which, in the determination of the board and the State
43 Treasurer, must be changed in order to effectuate the plan, and
44 the board may condition its approval of the plan upon the
45 adoption of its recommendations or those of the State Treasurer.

46 b. The board shall approve, approve with conditions, or
47 disapprove the plan within 60 days of its receipt of an application
48 which the board has deemed to be complete. If the board does
49 not act within 60 days the plan shall be deemed approved. If the
50 board disapproves the plan it shall set forth its reasons in writing
51 within 30 days of its disapproval. The governing body, upon
52 recommendation of the district agent, may amend the ordinance
53 and resubmit it to the board and the State Treasurer.

1 c. Upon receipt of the approved ordinance from the board the
2 municipal governing body may adopt the ordinance at a meeting
3 of the governing body by a majority of the authorized
4 membership thereof. Any changes to the plan as embodied in the
5 ordinance shall be by amendment of the ordinance adopted and
6 approved by the same method as prescribed in section 42 of
7 P.L. , c. (C.) (pending before the Legislature as this bill)
8 in connection with the proposed preliminary revenue allocation
9 plan included in the ordinance establishing the district.

10 50. (New section) If the preliminary revenue allocation plan
11 has designated the property tax increment as a pledged revenue,
12 the property tax increment shall be calculated and paid to the
13 revenue allocation fund or the bond trustee, as appropriate, as
14 provided hereunder.

15 a. Upon the striking of the tax rate in each year following the
16 adoption of the ordinance creating the district, the chief
17 financial officer of the municipality, with assistance provided by
18 the assessor and collector, shall calculate the amount of
19 property tax increment, if any, for each revenue allocation
20 district within the municipality and shall certify to the district
21 agent of each such district a copy of that calculation. Thereafter
22 the chief financial officer shall, within 10 days after each date
23 fixed by statute for the payment of property taxes, cause to be
24 deposited in the revenue allocation fund of the district agent or
25 paid to the trustees as provided in the resolution authorizing the
26 issuance of bonds the percentage of the property tax increments
27 certified in the plan as designated to be so deposited or paid. The
28 calculation of the property tax increment shall be based on the
29 amount to be billed at the quarterly payment date, regardless of
30 whether or not the increment is actually collected from the
31 taxpayers within the district.

32 b. Whenever an added assessment shall occur within a district,
33 the chief financial officer of the municipality shall notify the
34 district agent and thereafter shall, within 10 days of the date
35 fixed by law for payment of property taxes on such added
36 assessment, cause to be paid to the revenue allocation fund or the
37 bond trustee, as appropriate, the property taxes, or a percentage
38 thereof as designated in the plan, billed upon such added
39 assessment, regardless of whether or not the tax or any portion
40 thereof is actually collected.

41 c. Whenever an omitted assessment which if not omitted would
42 have been included in the computation of the tax increment of a
43 district occurs, the chief financial officer of the municipality
44 shall notify the district agent and thereafter shall, within 10 days
45 after the date fixed by statute for payment of taxes upon such
46 omitted assessments, cause to be deposited to the revenue
47 allocation fund or paid to the bond trustees of the district, as
48 appropriate, the proportion of tax upon such omitted assessments
49 designated in the plan for such deposit or payment, regardless of
50 whether or not the tax or any portion thereof is actually
51 collected.

52 d. In no event shall any changes in assessed valuation within a
53 district due to appeals or correction of errors with respect to a
54 tax year subsequent to the creation of the district alter the

1 amount of property tax increment certified pursuant to this
2 section for that tax year.

3 e. In no event shall any changes in assessed valuation within a
4 district due to appeals or correction of errors alter the property
5 tax increment base of the district.

6 f. Whenever a revaluation or general reassessment occurs in a
7 municipality which has designated one or more districts, the
8 property tax increment base for each district shall be adjusted to
9 equal the absolute difference between the taxable value of the
10 property in the district after revaluation or reassessment less the
11 amount of the property tax increment base for the year
12 immediately prior to the revaluation or reassessment divided by
13 the adjusted tax rate. The adjusted tax rate shall be a fraction,
14 the numerator of which is the total tax levy of the municipality
15 before revaluation or reassessment and the denominator of which
16 is the total taxable value of all taxable property in the
17 municipality after revaluation or reassessment.

18 51. (New section) If the preliminary revenue allocation plan
19 has designated any eligible revenues, in addition to or other than
20 the property tax increment, as a pledged revenue, the other
21 pledged revenues shall be deposited as provided in this section.

22 a. The collector of any pledged revenues shall certify to the
23 municipal chief financial officer the amount of the eligible
24 revenue collected in the preceding calendar year no later than
25 January 30 of each year and shall pay to the municipality such
26 amount, or the percentage thereof designated in the plan,
27 beginning in the first calendar year after the creation of the
28 district.

29 b. The municipality shall include in its budget the amount
30 certified as collected in the preceding year and shall pay to the
31 district agent for deposit in the revenue allocation financing fund
32 the amount certified in the plan as designated for such payment.

33 c. Payments in lieu of taxes shall be deposited in four equal
34 installments, regardless of the date or dates fixed for such
35 payments by statute, agreement or otherwise.

36 52. (New section) The district agent shall submit its operating
37 budget for the district annually to the Director of the Division of
38 Local Government Services in the Department of Community
39 Affairs and to the State Treasurer. If the district agent certifies
40 that the budget is in compliance with a preliminary or final
41 financing plan and all other relevant statutes and rules, the
42 director shall approve the budget within 45 days of receipt. If
43 the director disapproves the budget he shall state the reasons
44 therefor. The district agent may then make the necessary
45 changes and resubmit the budget for approval. The director may
46 adopt rules and regulations in accordance with the
47 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
48 seq.), to insure the fiscal integrity of districts and effectuate the
49 intent of P.L. , c. (C.) (pending before the Legislature as this
50 bill).

51 53. (New section) The district agent shall establish and
52 maintain a special fund called the "(Name of district agent)
53 Revenue Allocation Fund," and herein referred to as "district
54 fund" or "fund."

1 The fund shall be used by the district agent for purposes of
2 P.L. , c. (C.) (pending before the Legislature as this bill),
3 including but not limited to:

4 a. paying the project costs;

5 b. paying the principal of and interest on bonds or other
6 obligations issued or guaranteed pursuant to P.L. , c. (C.)
7 (pending before the Legislature as this bill);

8 c. prepaying the principal of and interest on the bonds or other
9 obligations;

10 d. paying additional property tax increment revenue, if any, to
11 taxing entities, as provided for in subsections b. and c. of section
12 54 of P.L. , c. (C.) (pending before the Legislature as this
13 bill) or in the final revenue allocation plan; and

14 e. reimbursing the municipality for any payments made by the
15 State pursuant to the "Municipal Qualified Bond Act," P.L.1976,
16 c.38 (C.40A:3-1 et seq.) to pay debt service on any qualified
17 bonds issued pursuant to section 61 of P.L. , c. (C.) (pending
18 before the Legislature as this bill).

19 54. (New section) a. Prior to the adoption of a final revenue
20 allocation plan, the district agent may draw money from the
21 revenue allocation fund for purposes of paying all project costs
22 incurred in connection with the development of the final revenue
23 allocation plan as provided in the approved operating budget,
24 including a reserve for project costs if such reserve is part of the
25 preliminary plan.

26 b. At the end of each calendar year, any moneys in the fund
27 not required by the district agent for development of the plan
28 shall be distributed to the taxing entities that shall forgo the
29 pledged revenues. The revenues shall be distributed by the
30 district agent in proportion to the taxing effort of each taxing
31 entity in the year of distribution.

32 c. After the adoption of the final revenue allocation plan the
33 district agent may decide to distribute to the taxing entities that
34 shall forgo the revenues pursuant to P.L. , c. (C.) (pending
35 before the Legislature as this bill) a portion of the revenue
36 increments received by the district agent not pledged to the
37 payment of debt service or necessary to pay project costs. The
38 revenues shall be distributed in proportion to the taxing effort of
39 each such taxing entity in the year of distribution.

40 d. Moneys in the fund may be invested in the State of New
41 Jersey Cash Management Fund established pursuant to section 1
42 of P.L.1977, c.281 (C.52:18A-90.4) or in any securities that a
43 local government is permitted to purchase pursuant to section 8
44 of P.L.1977, c.396 (C.40A:5-15.1).

45 55. (New section) Except where the municipal governing body
46 has designated itself as the district agent, any action of the
47 district agent shall be subject to the veto of the mayor of the
48 municipality. The veto shall be exercised by the veto of the
49 minutes of the district agent by the mayor. The mayor shall have
50 10 days, Saturdays, Sundays and legal holidays excepted, after
51 receipt of the minutes to exercise the veto. If a mayoral veto is
52 exercised during that period, the action of the district agent shall
53 be considered null and void. If no veto is exercised during that
54 period, the action of the district agent shall be considered valid.

1 The mayor, upon receipt of the minutes, may in writing notify the
2 district agent of the approval of the minutes before the
3 expiration of the 10-day period. Where the municipal governing
4 body has designated itself as the district agent, the mayor shall
5 have only such veto powers as are granted to the mayor by law.

6 The veto power shall be exercised with due regard for the
7 rights of the holders of bonds issued by the district agent and
8 shall not limit, restrict or alter the obligations or powers of the
9 district agent to carry out and perform in every detail each and
10 every covenant, agreement or contract entered into with respect
11 to the bonds or for the benefit, protection or security of the bond
12 holders.

13 56. (New section) Subject to the limitations contained in
14 P.L. , c. (C.) (pending before the Legislature as this bill),
15 each district shall remain in existence until obligations for any
16 project in that district cease to be outstanding; provided,
17 however, the district may be terminated if sufficient moneys
18 have been deposited in the revenue allocation fund for the full
19 payment of the principal of and interest on the bonds at maturity
20 or full payment of any other obligations, and if the board
21 approves the dissolution of the district. The Division of Local
22 Government Services in the Department of Community Affairs
23 may recommend to the municipality the dissolution of a district
24 which has not taken substantial steps to implement the plan, so
25 long as there are no bonded obligations outstanding or contractual
26 obligations to pay any part of project costs.

27 57. (New section) a. In calculating the general tax rate levied
28 each year, the aggregate amount of the ratable increments of the
29 tax increment districts shall not be considered a part of the total
30 taxable value of land and improvements within the municipality.

31 b. In calculating the net valuation on which school district
32 taxes are apportioned, the aggregate amount of the ratable
33 increments in the tax increment district shall be excluded.

34 c. For purposes of this section, "ratable increment" means the
35 taxable value of all property assessed within a district for the tax
36 year, minus the tax increment base.

37 58. (New section) Upon approval of the resolution by the
38 board and adoption of an ordinance approving or adopting the
39 final revenue allocation plan by the municipal governing body, the
40 district agent shall have the power to incur indebtedness, borrow
41 money and issue its bonds or notes for purposes of financing a
42 project or funding or refunding its bonds or notes. If the district
43 agent is the municipal governing body, any pledge of revenues or
44 funds and obligations incurred shall be limited to the revenues
45 and property accruing to the municipality as district agent and
46 shall not be deemed to include any other municipal revenue or
47 property unless such revenues are pledged or obligations are
48 incurred pursuant to P.L. , c. (C.) (pending before the
49 Legislature as this bill). The district agent may from time to
50 time issue its bonds or notes in such principal amounts as in the
51 opinion of the district agent are necessary to provide sufficient
52 funds for all or any portion of project costs, including the
53 payment, funding or refunding of the principal of or interest or
54 redemption premiums on any bonds or notes issued by it, whether

1 the bonds or notes or interest to be funded or refunded has or has
2 not become due; the establishment or increase of such reserves to
3 secure or to pay the bonds or notes or interest thereon; and all
4 other costs or expenses of the district agent incident to and
5 necessary to carrying out its corporate purposes and powers.

6 Any provisions of law to the contrary notwithstanding, a bond
7 issued pursuant to P.L. , c. (C.) (pending before the
8 Legislature as this bill) shall be fully negotiable within the
9 meaning and for all purposes of Title 12A of the New Jersey
10 Statutes, and each holder of the bond, or a coupon appurtenant
11 thereto, by accepting the bond or coupon shall be conclusively
12 deemed to have agreed that the bond or coupon is and shall be
13 fully negotiable within the meaning and for the purposes of that
14 title.

15 59. (New section) Bonds or notes of the district agent shall be
16 authorized by a resolution or resolutions of the district agent and
17 may be issued in one or more series and shall bear such dates,
18 mature at such times, bear interest at such rates of interest per
19 annum, be in such denominations, be in such form, either coupon
20 or registered, carry such conversion or registration privileges,
21 have such rank or priority, be executed in such manner, be
22 payable from such sources and in such medium of payment at
23 such places within or without the State, and be subject to such
24 terms of redemption, with or without premium, as the resolution
25 or resolutions may provide.

26 Bonds or notes of the district agent may be sold at public or
27 private sale at such price and in such manner as the district agent
28 shall determine. Every bond shall mature and be paid not later
29 than 35 years from the date thereof.

30 Bonds or notes may be issued under the provisions of P.L. ,
31 c. (C.) (pending before the Legislature as this bill) without any
32 other proceeding or the occurrence of any other conditions or
33 other things than those proceedings, conditions or things which
34 are specifically required by P.L. , c. (C.) (pending before the
35 Legislature as this bill).

36 Bonds or notes of the district agent issued under the provisions
37 of P.L. , c. (C.) (pending before the Legislature as this bill)
38 shall contain a statement to the effect that they are issued
39 pursuant to P.L. , c. (C.) (pending before the Legislature as
40 this bill) and entitled to the provisions of P.L. , c. (C.)
41 (pending before the Legislature as this bill).

42 60. (New section) Each issue of bonds or notes of the district
43 may, if it is determined by the district agent, be general
44 obligations thereof payable out of any revenues, receipts or funds
45 held by the district agent, subject only to any agreements with
46 the holders of particular bonds or notes pledging any particular
47 revenues or funds, and may be secured by one or more of the
48 following:

49 a. pledge of eligible revenues and any other revenues derived
50 from leases, sales agreements, service contracts or similar
51 contractual arrangements with one or more persons, firms,
52 partnerships or corporations, whether or not the same relate to
53 the project or part thereof financed with the bonds or notes;

1 b. pledge of grants, subsidies, contributions or other payments
2 to be received from the United States of America or any
3 instrumentality thereof, or from any State, county or municipal
4 governmental body or agency;

5 c. a first mortgage on all or any part of the property, real or
6 personal, of the district agent then owned or thereafter to be
7 acquired; or

8 d. pledge of any moneys, funds, accounts, securities and other
9 funds, including the proceeds of the bonds or notes.

10 61. (New section) The municipal governing body may issue
11 general obligation bonds to guarantee payment of the bonds or
12 notes pursuant to the provisions of the "Local Bond Law,"
13 N.J.S.40A:2-1 et seq. Such guarantees shall be set forth in the
14 final revenue allocation plan approved pursuant to section 47 of
15 P.L. , c. (C.) (pending before the Legislature as this bill).

16 The district agent may file an application with the board to
17 qualify an issue of its bonds pursuant to the "Municipal Qualified
18 Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.). Intention to file
19 such an application shall be set forth in the final revenue
20 allocation plan approved pursuant to section 47 of P.L. , c.
21 (C.) (pending before the Legislature as this bill). Bonds may be
22 issued by the district agent as municipal qualified bonds upon the
23 review and approval of the board as provided in the "Municipal
24 Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.). In
25 considering the ordinance, the board may require the governing
26 body to adopt resolutions restricting or limiting any future
27 issuance of bonds for any purpose.

28 Upon the issuance of such bonds and certification to the State
29 Treasurer of the name and address of the paying agent, the
30 maturity schedule, interest rates and dates of payment of debt
31 service, the State Treasurer shall withhold municipal qualified
32 revenues payable to the municipality in amounts sufficient to pay
33 debt service on such bonds as the same shall mature and become
34 due. The State Treasurer shall on or before each principal and
35 interest payment date forward such withheld amounts to the
36 paying agent for the sole purpose of paying debt service on such
37 bonds. As such withheld amounts are forwarded to the paying
38 agent, the district agent shall return a like amount of eligible
39 revenues received by the district agent, if any, which may be
40 applied to the payment of municipal operating expenses.

41 62. (New section) In any resolution of the district agent
42 authorizing or relating to the issuance of any bonds or notes, the
43 district agent, in order to secure the payment of the bonds or
44 notes and in addition to its other powers, shall have power by
45 provisions in that resolution, which shall constitute covenants by
46 the district agent and contracts with the holders of the bonds or
47 notes, to:

48 a. secure the bonds or notes as provided in section 61 of
49 P.L. , c. (C.) (pending before the Legislature as this bill);

50 b. covenant against pledging all or any part of its revenues or
51 receipts from its lease, sales arrangement, service contracts or
52 other security instruments, of the revenues or receipts under any
53 of the foregoing or the proceeds thereof, or against mortgaging
54 or leasing all or any part of the its real or personal property then

1 owned or thereafter acquired, or against permitting or suffering
2 any of the foregoing;

3 c. covenant with respect to limitations on any right to sell,
4 mortgage, lease or otherwise dispose of any project or any part
5 thereof or any property of any kind;

6 d. covenant as to any bonds and notes to be issued and the
7 limitations thereon and the terms and conditions thereof and as
8 to the custody, application, investment, and disposition of the
9 proceeds thereof;

10 e. covenant as to the issuance of additional bonds or notes or
11 as to limitations on the issuance of additional bonds or notes and
12 on the incurring of other debts by it;

13 f. covenant as to the payment of the principal of or interest on
14 the bonds or notes, or any other obligations, as to the sources and
15 methods of the payment, as to the rank or priority of the bonds,
16 notes or obligations with respect to any lien or security or as to
17 acceleration of the maturity of the bonds, notes or obligations;

18 g. provide for the replacement of lost, stolen, destroyed or
19 mutilated bonds or notes;

20 h. covenant against extending the time for the payment of
21 bonds or notes or interest thereon;

22 i. covenant as to the redemption of bonds or notes and
23 privileges of exchange thereof for other bonds or notes of the
24 district agent;

25 j. covenant as to the fixing and collection of rents, fees, rates
26 and other charges, the amount to be raised each year or other
27 period of time by rents, fees, rates and other charges and as to
28 the use and disposition to be made thereof;

29 k. covenant to create or authorize the creation of special
30 funds or moneys to be held in pledge or otherwise for
31 construction, operating expenses, tax rebate, payment or
32 redemption of bonds or notes; reserves or other purposes and as
33 to the use, investment, and disposition of the moneys held in
34 these funds;

35 l. establish the procedure, if any, by which the terms of any
36 contract or covenant with or for the benefit of the holders of
37 bonds or notes may be amended or abrogated, the amount of
38 bonds or notes the holders of which must consent thereto, and the
39 manner in which the consent may be given;

40 m. covenant as to the construction, improvement, operation or
41 maintenance of any project and its other real and personal
42 property, the replacement thereof, the insurance to be carried
43 thereon, and the use and disposition of insurance moneys;

44 n. provide for the release of property, leases or other
45 agreements, or revenues and receipts from any pledge or
46 mortgage and to reserve rights and powers in, or the right to
47 dispose of, property which is subject to a pledge or mortgage;

48 o. provide for the rights and liabilities, powers and duties
49 arising upon the breach of any covenant, condition or obligation
50 and prescribe the events of default and the terms and conditions
51 upon which any or all of the bonds, notes or other obligations of
52 the district agent shall become or may be declared due and
53 payable before maturity and the terms and conditions upon which
54 the declaration and its consequences may be waived;

1 p. vest in a trustee or trustees within or without the State
2 such property rights, powers and duties in trust as the district
3 agent may determine, including the right to foreclose any
4 mortgage, which may include any or all of the rights, powers and
5 duties of any trustee appointed by the holders of any bonds or
6 notes issued pursuant to this section and to limit or abrogate the
7 right of the holders of any bonds or notes of the district agent to
8 appoint a trustee under P.L. , c. (C.) (pending before the
9 Legislature as this bill), and to limit the rights, duties and powers
10 of the trustee;

11 q. execute all mortgages, leases, sales agreements, service
12 contracts, bills of sale, conveyances, deeds of trust and other
13 instruments necessary or convenient in the exercise of its powers
14 or in the performance of its covenants or duties;

15 r. pay the costs or expenses incident to the enforcement of the
16 bonds or notes or of the provisions of the resolution or of any
17 covenant or agreement of the district agent with the holders of
18 its bonds or notes;

19 s. limit the rights of the holders of any bonds or notes to
20 enforce any pledge or covenant securing bonds or notes; and

21 t. make covenants other than or in addition to the covenants
22 authorized by P.L. , c. (C.) (pending before the Legislature
23 as this bill) of like or different character, and to make such
24 covenants to do or refrain from doing such acts and things as may
25 be necessary, or convenient and desirable, in order to better
26 secure bonds or notes or which, in the absolute discretion of the
27 district agent will tend to make bonds or notes more marketable,
28 notwithstanding that the covenants, acts or things may not be
29 enumerated herein.

30 63. (New section) Any pledge of revenues, receipts, moneys,
31 funds, levies, sales agreements, service contracts or other
32 property or instruments made by the district agent shall be valid
33 and binding from the time when the pledge is made. The
34 revenues, receipts, moneys, funds or other property so pledged
35 and thereafter received by the district agent or a subsidiary shall
36 immediately be subject to the lien of the pledge without any
37 physical delivery thereof or further act, and the lien of any
38 pledge shall be valid and binding as against all parties having
39 claims of any kind in tort, contract or otherwise against the
40 district agent irrespective of whether the parties have notice
41 thereof. Neither the resolution nor any other instrument by
42 which a pledge under this section is created need be filed or
43 recorded except in the records of the district agent.

44 64. (New section) Neither the directors of the district agent
45 nor any person executing bonds or notes issued pursuant to P.L. ,
46 c. (C.) (pending before the Legislature as this bill) shall be
47 liable personally on the bonds or notes by reason of the issuance
48 thereof.

49 65. (New section) The district agent may establish such
50 reserves, funds or account as may be, in its discretion, necessary
51 or desirable to further the accomplishment of the purposes of the
52 district agent or to comply with the provisions of any agreement
53 made by or any resolution of the district agent.

54 The State and all public officers, governmental units and

1 agencies thereof, all banks, trust companies, savings banks and
2 institutions, building and loan associations, savings and loan
3 associations, investment companies, and other persons carrying
4 on a banking business, all insurance companies, insurance
5 associations and other persons carrying on an insurance business,
6 and all executors, administrators, guardians, trustees and other
7 fiduciaries may legally invest any sinking funds, moneys or other
8 funds belonging to them or within their control in any bonds or
9 notes issued pursuant to P.L. , c. (C.) (pending before the
10 Legislature as this bill), and such bonds or notes shall be
11 authorized security for any and all public deposits.

12 66. (New section) Bonds, notes or other obligations issued
13 pursuant to P.L. , c. (C.) (pending before the Legislature as
14 this bill) are for an essential public and governmental purpose,
15 and the bonds, notes or other obligations, their transfer and the
16 interest and premium, if any, thereon and the income therefrom,
17 including any profit made on the sale thereof, and all
18 assessments, charges, funds, revenues, income and other moneys
19 pledged or available to pay or secure the payments of the bonds,
20 or interest thereon, shall be exempt from taxation of every kind
21 by the State and the municipality, except transfer inheritance
22 and estate taxes unless exemptions from those taxes have been
23 provided under other laws.

24 67. (New section) If any section, part, phrase, or provision of
25 P.L. , c. (C.) (pending before the Legislature as this bill) of
26 the application thereof to any person, project or circumstances,
27 be adjudged invalid by any court of competent jurisdiction, such
28 judgment shall be confined in its operation to the section, part,
29 phrase, provision or application directly involved in the
30 controversy in which such judgment shall have been rendered and
31 shall not affect or impair the validity of the remainder of P.L. ,
32 c. (C.) (pending before the Legislature as this bill) or the
33 application thereof to other persons, projects or circumstances.

34 .

35 ARTICLE 3 - ACCELERATED FORECLOSURE ON 36 ABANDONED PROPERTY

37

38 68. (New section) For the purposes of this article:
39 "Abandoned property" means a parcel of land containing at
40 least one building which is vacant and in a state of disrepair
41 through neglect, lack of maintenance or use, fire, accident or
42 other calamity, to the extent that the land is unfit for human
43 habitation or occupancy or use; any building in which more than
44 fifty percent of the windows thereof are broken or covered with
45 an opaque covering such as wooden boards and which is not
46 undergoing rehabilitation shall be considered abandoned property
47 for the purposes of this definition.

48 69. (New section) a. Any municipality may adopt an
49 ordinance directing the tax collector to undertake an inventory of
50 abandoned property in the municipality. The authority may
51 undertake the inventory in any municipality which does not adopt
52 an ordinance, provide the inventory to the local tax collector, and
53 exercise any other power granted to the municipality pursuant to
54 P.L. , c. (C.) (pending before the Legislature as this bill).

1 b. The tax collector, within 10 days of the completion of the
2 inventory of abandoned properties prepared pursuant to
3 subsection a. of this section or within 10 days of receiving the
4 completed inventory from the authority, shall notify by certified
5 mail the owner of record of every property included on the
6 inventory and shall cause the inventory to be published in the
7 official newspaper of the municipality.

8 c. Any owner may challenge the inclusion of his property on
9 the list of abandoned properties by appealing that determination
10 to the tax collector or authority, as appropriate, within 30 days
11 of the owner's receipt of the certified notice or 40 days from the
12 date upon which the notice was sent. Any property included on
13 the list shall be presumed to be abandoned unless the owner can
14 demonstrate that the property was erroneously included on the
15 list. The owner may appeal any determination of the tax
16 collector to the governing body, however the appeal shall be filed
17 within 10 days of the date upon which the tax collector issued the
18 decision which is the subject of the appeal.

19 d. Once the period of appeal has expired, the full and fair
20 value of any property on the list of abandoned properties shall be
21 valued and assessed in the same manner as any property in which
22 all property rights have been suspended until such time as the
23 property is brought into compliance with all applicable building
24 codes, standards and environmental regulations established
25 pursuant to State law.

26 70. (New section) a. Notwithstanding the provisions of any
27 other law to the contrary, any property on the abandoned
28 property list which has not been appealed by the owner may be
29 sold in the manner set forth in the "tax sale law," R.S.54:5-1 et
30 seq. on or after the 90th day following the provision of notice
31 pursuant to subsection b. of section 69 of P.L. c.
32 (C.) (pending before the Legislature as this bill) if the
33 property taxes due on the property are not current as of the date
34 of the notice.

35 b. Notwithstanding the provisions of any other law to the
36 contrary, the authority or any of its subsidiaries, by determining
37 that a parcel of abandoned property situated in a qualified
38 municipality threatens the life, health and safety of the
39 neighborhood, is inimical to its economic well-being and would
40 seriously impede revitalization efforts, may acquire the property
41 on or after the 90th day following the provision of notice as
42 provided in subsection a. of this section pursuant to the "tax sale
43 law," R.S.54:5-1. The authority may purchase the tax lien for
44 \$1.00 and, in the event that the owner of record does not redeem
45 the tax sale certificate, the lien shall be recorded as the personal
46 liability of the owner of record of the property.

47 71. (New section) a. Any owner may remove a property from
48 the list of abandoned properties prior to sale by paying all taxes
49 and municipal liens due, including interest and penalties and by:

50 (1) posting cash or a bond equal to the cost of rendering the
51 property fully habitable and in full compliance with all applicable
52 housing and building codes, as determined by the public officer; or

53 (2) demonstrating to the satisfaction of the public officer that
54 the conditions rendering the property abandoned have been

1 remedied in full and that the property is habitable and in full
2 compliance with all applicable housing and building codes;
3 provided, however, that where the public officer finds that the
4 owner is actively engaged in rendering the property habitable as
5 evidenced by significant rehabilitation activity on the property,
6 the public officer may grant an extension of time of not more
7 than 120 days for the owner to complete all work necessary for
8 the property to be in full compliance with all applicable codes,
9 during which time no further proceedings will be taken against
10 the owner. If the property has been identified by the authority
11 pursuant to subsection b. of section 70 of P.L. , c. (C.)
12 (pending before the Legislature as this bill), the owner shall also
13 be required to post a cash or bond to cover the cost of any
14 environmental cleanup required on the property, evidenced by a
15 certification by the Department of Environmental Protection
16 that the cash or bond adequately covers the cost of the cleanup.

17 b. If the owner has posted cash or a bond in order to have a
18 property removed from the list of abandoned properties and the
19 property has not been rendered habitable and in full compliance
20 with all applicable codes within one year of the date of posting
21 the cash or bond, or, in the case of a property which requires
22 cleanup, if the cleanup has not been substantially completed, the
23 cash or bond shall be forfeited to the municipality or authority,
24 as appropriate, which shall use the cash or bond and any interest
25 which has accrued thereon for the purpose of demolishing or
26 rehabilitating the property or performing the environmental
27 cleanup. Any funds remaining after the property has been
28 demolished, rehabilitated or cleaned up shall be returned to the
29 owner.

30 72. (New section) a. When a person other than the
31 municipality or New Jersey Redevelopment Authority purchases a
32 property on the list of abandoned properties at tax sale, the
33 purchaser may institute an action to foreclose the right of
34 redemption at any time after the expiration of six months
35 following the date of sale.

36 b. When the municipality is the purchaser at tax sale of any
37 property on the list of abandoned properties or where the
38 authority acquires the property, the purchaser or the authority
39 may institute an action to foreclose the right of redemption at
40 any time after the expiration of 10 days following the date of
41 sale. On instituting the action, the right to redeem shall exist
42 and continue to exist until barred by the judgment of the Superior
43 Court; provided, however, that no redemption shall be permitted
44 except where the owner:

45 (1) posts cash or a bond equal to the cost of rendering the
46 property fully habitable and in full compliance with all applicable
47 housing and building codes, as determined by the judge; or

48 (2) demonstrates to the judge that the conditions rendering the
49 property abandoned have been remedied in full and that the
50 property is habitable and in full compliance with all applicable
51 housing and building codes.

52 73. (New section) Once a final judgment barring the right of
53 redemption with respect to a property on the list of abandoned
54 properties has been recorded, no court shall entertain any

1 application to reopen such judgment at any time except on the
2 grounds of lack of jurisdiction or fraud in the conduct of the
3 action; in any such proceeding, the provisions of P.L. , c. (C.)
4 (pending before the Legislature as this bill) shall be construed
5 liberally in favor of the purchaser.

6

7 ARTICLE 4 - NEIGHBORHOOD EMPOWERMENT PROGRAM

8

9 74. (New section) a. Within one year of the effective date of
10 P.L. , c. (C.) (pending before the Legislature as this bill), the
11 New Jersey Redevelopment Authority shall distribute to the clerk
12 of each qualified municipality eligibility guidelines for
13 participation in the empowerment neighborhood program. The
14 eligibility guidelines shall be established by the authority but
15 shall require the approval of the Urban Policy Coordinating
16 Council established pursuant to section 6 of P.L. c.
17 (C.) (pending before the Legislature as this bill) prior to
18 being issued.

19 b. In order to be eligible for participation in the empowerment
20 neighborhood program, a qualified municipality shall
21 demonstrate, to the satisfaction of the authority, that the
22 municipality will forgive back taxes on properties which have
23 remained tax delinquent for at least three years and which, in the
24 determination of the municipality or the authority, will not be
25 redeveloped without public intervention. In addition, priority
26 shall be given to those municipalities which have adopted an
27 ordinance pursuant to section 69 of P.L. c. (C.)
28 (pending before the Legislature as this bill) initiating accelerated
29 foreclosure of abandoned properties.

30 75. (New section) Before applying for participation in the
31 empowerment neighborhood program, the municipal governing
32 body shall cause a preliminary comprehensive plan to be
33 formulated, either by the planning board or the governing body,
34 with the assistance of those officers and agencies of the
35 municipality as the governing body shall designate. The
36 preliminary comprehensive plan shall set forth the boundaries of
37 the proposed empowerment neighborhood, findings of fact
38 concerning the economic and social conditions existing in the
39 area proposed for an empowerment neighborhood, and the
40 municipality's policy and intentions for addressing those
41 conditions and shall include a statement of:

42 a. how existing powers granted to the municipality by law will
43 be utilized to further economic development;

44 b. how State moneys and other assistance made available by
45 the authority will be utilized to further economic revitalization
46 goals;

47 c. how public participation was elicited in preparing the
48 comprehensive plan, including local associations and voluntary
49 community organizations supported by residents and businesses in
50 the empowerment neighborhood;

51 d. how planning and zoning laws will be utilized to enhance the
52 attractiveness of the empowerment neighborhood to potential
53 developers;

54 e. what infrastructure needs exist within the empowerment

1 neighborhood and State participation which needs to be secured in
2 order to promote economic activity;

3 f. an inventory of sites in the empowerment neighborhood
4 which require any environmental cleanup;

5 g. proposed projects which may be initiated or advanced with
6 authority assistance; and

7 h. the availability and efficiency of support services, public
8 and private, generally used by and necessary to the efficient
9 functioning of commercial and industrial facilities in the area and
10 the extent to which the increase or improvement is to be
11 provided and financed by the municipal government or by other
12 entities.

13 76. (New section) In designating qualified municipalities for
14 participation in the empowerment neighborhood program, the
15 authority shall accord preference to comprehensive plans which:

16 a. have the greatest potential for success in stimulating
17 primarily new economic activity in the area;

18 b. are designed to address the greatest degree of urban
19 distress, as measured by existing levels of unemployment,
20 poverty, and property tax arrearages;

21 c. demonstrate the most substantial and reliable commitments
22 of resources by empowerment neighborhood businesses,
23 associations, voluntary community organizations and other
24 private entities to the economic success of the empowerment
25 neighborhood;

26 d. demonstrate the most substantial effort and commitment by
27 the municipality to encourage economic activity in the area and
28 to remove disincentives for job creation compatible with the
29 fiscal condition of the municipality; and

30 e. demonstrate most convincingly to the authority how the
31 proposed plan will increase jobs and ratables in the neighborhood,
32 thereby lessening the need for municipal tax increases.

33 77. (New section) In addition to the considerations set forth in
34 section 76 of P.L. , c. (C.) (pending before the Legislature
35 as this bill), the authority in evaluating a comprehensive plan for
36 designation purposes shall consider:

37 a. the likelihood of attracting other State or federal assistance
38 or both to projects in the designated area;

39 b. the adverse or beneficial effects of an empowerment
40 neighborhood located at the proposed area upon economic
41 development activities or projects of State or other public
42 agencies which are in operation or are approved for operation in
43 the qualified municipality;

44 c. the degree of commitment made by public and private
45 entities to utilize minority contractors and assure equal
46 opportunities for employment in connection with any construction
47 or reconstruction to be undertaken in the eligible area;

48 d. the impact of the comprehensive plan upon the social,
49 natural and historic environment of the proposed empowerment
50 neighborhood; and

51 e. the degree to which the implementation of the plan involves
52 the relocation of residents from the proposed empowerment
53 neighborhood and the adequacy of commitments and provisions
54 with respect thereto.

1 78. (New section) Any qualified municipality may designate
2 any area set forth in the comprehensive plan as an empowerment
3 neighborhood. Upon receipt of an application from a qualified
4 municipality, the authority shall review the application to
5 determine whether or not it meets the minimum criteria
6 established pursuant to subsection b. of section 74 of P.L. ,
7 c. (C.) (pending before the Legislature as this bill).
8 The authority shall complete its review within 90 days of
9 receiving an application, but may extend this time period by an
10 additional 60 days if necessary.

11 79. (New section) a. Once the authority has identified those
12 qualified municipalities whose comprehensive plans fulfill the
13 criteria for designation set forth in sections 76 and 77 of P.L. ,
14 c. (C.) (pending before the Legislature as this bill), the
15 authority shall hold a series of three public hearings, one in
16 northern New Jersey, one in Trenton, and one in southern New
17 Jersey for the purpose of receiving public comments on the
18 applications. The authority shall give at least 30 days' public
19 notice of each hearing in advertisements in at least two
20 newspapers which circulate in the area served by the hearing and
21 at least 30 days' notice to the governing body and planning board
22 of each county and municipality in the area served by the hearing.

23 b. Taking full account of the testimony presented at the public
24 hearings, the authority shall make a determination regarding the
25 designation of empowerment neighborhoods within 30 days of the
26 final hearing.

27 c. Initially, the authority shall designate six empowerment
28 neighborhoods and in each subsequent application cycle shall
29 designate an additional six neighborhoods. The application
30 process for each application cycle, including the public hearings,
31 shall occur as set forth in this section.

32 80. (New section) Any municipality in which an empowerment
33 neighborhood has been designated shall be eligible for
34 investments by the authority from the New Jersey
35 Redevelopment Investment Fund in infrastructure improvements
36 and any other projects which the authority may choose to invest
37 in, however the authority shall give priority to financing projects
38 in empowerment neighborhoods. In addition, the following powers
39 may be exercised by municipalities in empowerment
40 neighborhoods:

41 a. Notwithstanding the provisions of the "Local Lands and
42 Buildings Law," P.L.1971, c.199 (C.40A:12-1 et seq.) or any other
43 law to the contrary, the authority may convey property acquired
44 pursuant to subsection b. of section 70 of P.L. , c.
45 (C.) (pending before the Legislature as this bill) to a
46 private developer for nominal consideration in connection with a
47 project approved by the authority;

48 b. Any person who owns or has acquired property in a
49 designated empowerment neighborhood which is the site of a
50 hazardous substance discharge, and did not discharge the
51 hazardous substance and who was in no way responsible for or
52 associated with the actions which caused the initial discharge,
53 and would, except for the provisions of this section, be liable for
54 cleanup and removal costs pursuant to section 8 of P.L.1976.

1 c.141 (C.58:10-23.11g), shall not be required to pay cleanup and
2 removal costs greater than 133% of the appraised value of the
3 property subject to the cleanup and removal if that property has
4 been transferred to the property owner subsequent to having been
5 acquired by the municipality or the authority through the
6 accelerated foreclosure process and is to be redeveloped as part
7 of a project undertaken by or in association with the authority.
8 The difference between the cost of the cleanup and removal and
9 the cost allocated to the property owner shall be paid from any
10 funds made available for the cleanup and removal pursuant to
11 sections 27 or 28 of P.L.1993, c.139 (C.58:10B-5 or C.58:10B-6),
12 the New Jersey Redevelopment Investment Fund established
13 pursuant to section 32 of P.L. , c. (C.) (pending before the
14 Legislature as this bill) or from other persons liable pursuant to
15 section 8 of P.L.1976, c.141 (C.58:10-23.11g). The limit on
16 liability provided in this section shall apply on a per property
17 basis even if more than one person has acquired the property.

18 The authority shall, to the extent possible, make funds
19 available on the same basis to persons situated in a qualified
20 municipality in which a designated empowerment neighborhood is
21 located, but outside neighborhood boundaries.

22

23 ARTICLE 5 - URBAN SITE REMEDIATION STANDARDS

24

25 81. Section 35 of P.L.1993, c.139 (C.58:10B-12) is amended to
26 read as follows:

27 35. a. The Department of Environmental Protection [and
28 Energy] shall adopt minimum remediation standards for soil,
29 groundwater, and surface water quality necessary for the
30 remediation of contamination of real property. The remediation
31 standards shall be developed to ensure that the potential for harm
32 to public health and safety and to the environment is minimized
33 to acceptable levels, taking into consideration the location, the
34 surroundings, the intended use of the property, the potential
35 exposure to the discharge, and the surrounding ambient
36 conditions, whether naturally occurring or man-made.

37 Until the minimum remediation standards for the protection of
38 public health and safety as described herein are adopted, the
39 department shall apply public health and safety remediation
40 standards for contamination at a site on a case-by-case basis
41 based upon the considerations and criteria enumerated in this
42 section.

43 The department shall not propose or adopt remediation
44 standards protective of the environment pursuant to this section,
45 except standards for groundwater or surface water, until
46 recommendations are made by the Environment Advisory Task
47 Force created pursuant to section 37 of P.L.1993, c.139. Until
48 the Environment Advisory Task Force issues its recommendations
49 and the department adopts remediation standards protective of
50 the environment as required by this section, the department shall
51 continue to determine the need for and the application of
52 remediation standards protective of the environment on a
53 case-by-case basis in accordance with the guidance and
54 regulations of the United States Environmental Protection

1 Agency pursuant to the "Comprehensive Environmental Response,
2 Compensation and Liability Act of 1980," 42 U.S.C. §9601 et seq.
3 and other statutory authorities as applicable.

4 b. In developing minimum remediation standards the
5 department shall:

6 (1) base the standards on generally accepted and peer reviewed
7 scientific evidence or methodologies;

8 (2) base the standards upon reasonable assumptions of exposure
9 scenarios as to amounts of contaminants to which humans or
10 other receptors will be exposed, when and where those exposures
11 will occur, and the amount of that exposure;

12 (3) avoid the use of redundant conservative assumptions. The
13 department shall avoid the use of redundant conservative
14 assumptions by the use of parameters that provide an adequate
15 margin of safety and which avoid the use of unrealistic
16 conservative exposure parameters and which guidelines make use
17 of the guidance and regulations for exposure assessment
18 developed by the United States Environmental Protection Agency
19 pursuant to the "Comprehensive Environmental Response,
20 Compensation, and Liability Act of 1980," 42 U.S.C. §9601 et
21 seq. and other statutory authorities as applicable; and

22 (4) where feasible, establish the remediation standards as
23 numeric or narrative standards setting forth acceptable levels or
24 concentrations for particular contaminants.

25 c. (1) The department shall develop residential and
26 nonresidential soil remediation standards that are protective of
27 public health and safety. For contaminants that are mobile and
28 transportable to groundwater, the residential and nonresidential
29 soil remediation standards shall be protective of groundwater and
30 surface water. Residential soil remediation standards shall be set
31 at levels or concentrations of contamination for real property
32 based upon the use of that property for residential or similar uses
33 and which will allow the unrestricted use of that property without
34 exceeding a health risk level greater than that provided in
35 subsection d. of this section. Nonresidential soil remediation
36 standards shall be set at levels or concentrations of contaminants
37 that recognize the lower likelihood of exposure to contamination
38 on property that will not be used for residential or similar uses.
39 Whenever real property is remediated to a nonresidential soil
40 remediation standard, except as otherwise provided in paragraph
41 (3) of subsection g. of this section, the department shall require,
42 pursuant to section 36 of P.L.1993, c.139 (C.58:10B-13), that the
43 use of the property be restricted to nonresidential or other uses
44 compatible with the extent of the contamination of the soil and
45 that access to that site be restricted in a manner compatible with
46 the allowable use of that property.

47 (2) The department may develop differential remediation
48 standards for surface water or groundwater that take into
49 account the current, planned, or potential use of that water in
50 accordance with the "Clean Water Act" (33 U.S.C. §1251 et seq.)
51 and the "Water Pollution Control Act," P.L.1977, c.74
52 (C.58:10A-1 et seq.).

53 d. In developing minimum remediation standards intended to
54 be protective of public health and safety, the department shall

1 identify the hazards posed by a contaminant to determine
2 whether exposure to that contaminant can cause an increase in
3 the incidence of an adverse health effect and whether the
4 adverse health effect may occur in humans. The department
5 shall set minimum soil remediation standards for both residential
6 and nonresidential uses that:

7 (1) for human carcinogens, as categorized by the United States
8 Environmental Protection Agency, will result in an additional
9 cancer risk of one in one million;

10 (2) for noncarcinogens, will limit the Hazard Index for any
11 given effect to a value not exceeding one.

12 The health risk levels established in this subsection are for any
13 particular contaminant and not for the cumulative effects of
14 more than one contaminant at a site.

15 e. Remediation standards and other requirements established
16 pursuant to this section shall apply to remediation activities
17 required pursuant to the "Spill Compensation and Control Act,"
18 P.L.1976, c.141 (C.58:10-23.11 et seq.), the "Water Pollution
19 Control Act," P.L.1977, c.74 (C.58:10A-1 et seq.), P.L.1986,
20 c.102 (C.58:10A-21 et seq.), the "Industrial Site Recovery Act,"
21 P.L.1983, c.330 (C.13:1K-6 et al.), the "Solid Waste Management
22 Act (1970)," P.L.1970, c.39 (C.13:1E-1 et seq.), the
23 "Comprehensive Regulated Medical Waste Management Act,"
24 P.L.1989, c.34 (C.13:1E-48.1 et seq.), the "Major Hazardous
25 Waste Facilities Siting Act," P.L.1981, c.279 (C.13:1E-49 et
26 seq.), the "Sanitary Landfill Facility Closure and Contingency
27 Fund Act," P.L.1981, c.306 (C.13:1E-100 et seq.), the "Regional
28 Low-Level Radioactive Waste Disposal Facility Siting Act,"
29 P.L.1987, c.333 (C.13:1E-177 et seq.), or any other law or
30 regulation by which the State may compel a person to perform
31 remediation activities on contaminated property. However,
32 nothing in this subsection shall be construed to limit the authority
33 of the department to establish discharge limits for pollutants or
34 to prescribe penalties for violations of those limits pursuant to
35 the "Water Pollution Control Act," P.L.1977, c.74 (C.58:10A-1 et
36 seq.) or to require the complete removal of nonhazardous solid
37 waste pursuant to law.

38 f. (1) A person performing a remediation of contaminated real
39 property, in lieu of using the established minimum soil
40 remediation standard for either residential use or nonresidential
41 use adopted by the department pursuant to subsection c. of this
42 section, may submit to the department a request to use an
43 alternative residential use or nonresidential use soil remediation
44 standard. The use of an alternative soil remediation standard
45 shall be based upon site specific factors which may include (1)
46 physical site characteristics which may vary from those used by
47 the department in the development of the soil remediation
48 standards adopted pursuant to this section; or (2) a site specific
49 risk assessment. If a person performing a remediation requests to
50 use an alternative soil remediation standard based upon a site
51 specific risk assessment, that person shall demonstrate to the
52 department that the requested deviation from the risk assessment
53 protocol used by the department in the development of soil
54 remediation standards pursuant to this section is consistent with

1 the guidance and regulations for exposure assessment developed
2 by the United States Environmental Protection Agency pursuant
3 to the "Comprehensive Environmental Response, Compensation,
4 and Liability Act of 1980," 42 U.S.C. §9601 et seq. and other
5 statutory authorities as applicable. A site specific risk
6 assessment may consider exposure scenarios and assumptions that
7 take into account the form of the contaminant present, natural
8 biodegradation, fate and transport of the contaminant, and
9 available toxicological data that are based upon generally
10 accepted and peer reviewed scientific evidence or methodologies.

11 Upon a determination by the department that the requested
12 alternative remediation standard is protective of public health
13 and safety, as established in subsection d. of this section, and
14 protective of the environment pursuant to subsection a. of this
15 section, the alternative residential use or nonresidential use soil
16 remediation standard shall be approved by the department.

17 (2) The department may, upon its own initiative, require an
18 alternative remediation standard for a particular contaminant for
19 a specific real property site, in lieu of using the established
20 minimum residential use or nonresidential use soil remediation
21 standard adopted by the department for a particular contaminant
22 pursuant to this section. The department may require an
23 alternative remediation standard pursuant to this paragraph upon
24 a determination by the department, based on the weight of the
25 scientific evidence, that due to specific physical site
26 characteristics of the subject real property, the use of the
27 adopted residential use or nonresidential use soil remediation
28 standards would not be protective of public health or safety or of
29 the environment, as appropriate.

30 g. The development, selection, and implementation of any
31 remediation standard or remedial action shall ensure that it is
32 protective of public health, safety, and the environment, as
33 applicable, as provided in this section. In determining the
34 appropriate remedial action that shall occur at a site in order to
35 meet the established remediation standards, the department, or
36 any person performing the remediation, shall base its decision on
37 the following factors:

38 (1) Permanent and nonpermanent remedies shall be allowed
39 except that permanent remedies shall be preferred over
40 nonpermanent remedies for remedial actions;

41 (2) Contamination may, upon the department's approval, be
42 left onsite at levels or concentrations that exceed the minimum
43 soil remediation standards for residential use or nonresidential
44 use if the implementation of institutional or engineering controls
45 at that site will result in the protection of public health, safety
46 and the environment at the risk level established in subsection d.
47 of this section and if the requirements established in subsections
48 a., b., c. and d. of section 36 of P.L.1993, c.139 (C.58:10B-13) are
49 met;

50 (3) Real property on which there is soil that has not been
51 remediated to the residential soil remediation standards, or real
52 property on which the soil, groundwater, or surface water has
53 been remediated to meet the required health risk level by the use
54 of engineering or institutional controls, may be developed or used

1 for residential purposes, or for any other similar purpose, if (a) all
2 areas of that real property at which a person may come into
3 contact with soil are remediated to meet the residential soil
4 remediation standards and (b) it is clearly demonstrated that for
5 all areas of the real property, other than those described in
6 subparagraph (a) above, engineering and institutional controls can
7 be implemented and maintained on the real property sufficient to
8 meet the health risk level as established in subsection d. of [this]
9 section 35 of P.L.1993, c.139 (C.58:10B-12);

10 (4) Remediation shall not be required beyond the regional
11 natural background levels for any particular contaminant. The
12 department shall develop regulations that set forth a process to
13 identify background levels of contaminants for a particular
14 region. For the purpose of this paragraph "regional natural
15 background levels" means the concentration of a contaminant
16 consistently present in the environment of the region of the site
17 and which has not been influenced by localized human activities;

18 (5) Remediation shall not be required of the owner or operator
19 of real property for contamination coming onto the site from
20 another property owned and operated by another person, unless
21 the owner or operator is in any way responsible for the discharge;

22 (6) Groundwater that is contaminated shall not be required to
23 be remediated to a level or concentration for any particular
24 contaminant lower than the level or concentration that is
25 migrating onto the property from another property owned and
26 operated by another person;

27 (7) The technical performance, effectiveness and reliability of
28 the proposed remedial action in attaining and maintaining
29 compliance with applicable remediation standards and required
30 health risk levels. In reviewing a proposed remedial action, the
31 department shall also consider the ability of the owner or
32 operator to implement the proposed remedial action within a
33 reasonable time frame without jeopardizing public health, safety
34 or the environment;

35 (8) In the case of a proposed remedial action that will not
36 meet the established minimum residential use soil remediation
37 standards, the cost of all available permanent remedies is
38 unreasonable, as determined by department rules designed to
39 provide a cost-based preference for the use of permanent
40 remedies. The department shall adopt regulations, no later than
41 18 months after the effective date of this act, establishing
42 criteria and procedures for allowing a person to demonstrate that
43 the cost of all available permanent remedies is unreasonable.
44 Until the department adopts those regulations, it shall not require
45 a person performing a remedial action to implement a permanent
46 remedy, unless the cost of implementing a nonpermanent remedy
47 is 50 percent or more than the cost of implementing a permanent
48 remedy; provided, however, that the preceding provision shall not
49 apply to any owner or operator of an industrial establishment who
50 is implementing a remedial action pursuant to subsection i. of
51 section 4 of P.L.1983, c.330 (C.13:1K-9);

52 (9) The use of the established nonresidential soil remediation
53 standard shall not be unreasonably disapproved by the department.

1 The department may require the person performing the
2 remediation to supply the information required pursuant to this
3 subsection as is necessary for the department to make a
4 determination.

5 h. (1) The department shall adopt regulations which establish
6 a procedure for a person to demonstrate that a particular parcel
7 of land contains large quantities of historical fill material. Upon
8 a determination by the department that large quantities of
9 historic fill material exist on that parcel of land, there is a
10 rebuttable presumption that the department shall not require any
11 person to remove or treat the fill material in order to comply
12 with a remediation standard. In these areas the department shall
13 establish by regulation the requirement for engineering or
14 institutional controls that are designed to prevent exposure of
15 these contaminants to humans, that allow for the continued use
16 of the property, that are less costly than removal or treatment,
17 which maintain the health risk levels as established in subsection
18 d. of this section, and, as applicable, are protective of the
19 environment. The department may rebut the presumption only
20 upon a finding by the preponderance of the evidence that the use
21 of engineering or institutional controls would not be effective in
22 protecting public health, safety, and the environment. For the
23 purposes of this paragraph "historic fill material" means
24 generally large volumes of non-indigenous material, used to raise
25 the topographic elevation of a site, which were contaminated
26 prior to emplacement and are in no way connected with the
27 operations at the location of emplacement and which include, but
28 are not limited to, construction debris, dredge spoils, incinerator
29 residue, demolition debris, fly ash, and non-hazardous solid
30 waste. Historic fill material shall not include any material which
31 is substantially chromate chemical production waste or any other
32 chemical production waste or waste from processing of metal or
33 mineral ores, residues, slags or tailings.

34 (2) The department shall develop recommendations for
35 remedial actions in large areas of historic industrial
36 contamination. These recommendations shall be designed to
37 meet the health risk levels established in subsection d. of this
38 section, and to be protective of the environment and shall take
39 into account the industrial history of these sites, the extent of
40 the contamination that may exist, the costs of remedial actions,
41 the economic impacts of these policies, and the anticipated uses
42 of these properties. The department, within one year of the
43 enactment of this act, shall issue a report to the Senate
44 Environment Committee and to the Assembly Energy and
45 Hazardous Waste Committee, or their successors, explaining
46 these recommendations and making any recommendations for
47 legislative or regulatory action.

48 (3) The department may not, as a condition of allowing the use
49 of a nonresidential use soil remediation standard, or the use of
50 institutional or engineering controls, require the owner of that
51 real property, except as provided in section 36 of P.L.1993, c.139
52 (C.58:10B-13), to restrict the use of that property through the
53 filing of a deed easement, covenant, or condition.

54 (4) The department shall adopt regulations whereby a person

1 who is performing a remediation on real property located in a
2 qualified municipality, may apply for that property to receive an
3 urban redevelopment remediation exemption. Upon a
4 determination that a parcel of real property qualifies for the
5 exemption because of its location in a qualified municipality,
6 there is a rebuttable presumption that the department shall not
7 require any person to remove or treat any soil on that property in
8 order to comply with a remediation standard. For properties that
9 qualify for the exemption the department shall establish by
10 regulation the requirement for engineering or institutional
11 controls that are designed to prevent exposure of contaminants to
12 humans, that allow for the continued use of the property, that are
13 less costly than removal or treatment, which maintain the health
14 risk levels as established in subsection d. of this section, and, as
15 applicable, are protective of the environment. Notwithstanding
16 the exemption granted pursuant to this paragraph, the
17 department may require the removal of the source of continuing
18 contamination. The department may rebut the presumption only
19 upon a finding by the preponderance of the evidence that the use
20 of engineering or institutional controls would not be effective in
21 protecting public health, safety, and the environment.

22 i. The department may not require a remedial action workplan
23 to be prepared or implemented or engineering or institutional
24 controls to be imposed upon any real property unless sampling
25 performed at that real property demonstrates the existence of
26 contamination above the applicable remediation standards.

27 j. Upon the approval by the department of a remedial action
28 workplan, or similar plan that describes the extent of
29 contamination at a site and the remedial action to be
30 implemented to address that contamination, the department may
31 not subsequently require a change to that workplan or similar
32 plan in order to compel a different remediation standard due to
33 the fact that the established remediation standards have changed;
34 however, the department may compel a different remediation
35 standard if the difference between the new remediation standard
36 and the remediation standard approved in the workplan or other
37 plan differs by an order of magnitude. The limitation to the
38 department's authority to change a workplan or similar plan
39 pursuant to this subsection shall only apply if the workplan or
40 similar plan is being implemented in a reasonable timeframe, as
41 may be indicated in the approved remedial action workplan or
42 similar plan.

43 k. Notwithstanding any other provisions of this section, all
44 remediation standards and remedial actions that involve real
45 property located in the Pinelands area shall be consistent with
46 the provisions of the "Pinelands Protection Act," P.L.1979, c.111
47 (C.13:18A-1 et seq.), any rules and regulations promulgated
48 pursuant thereto, and with section 502 of the "National Parks and
49 Recreation Act of 1978," [16 U.S.C. §4711] 16 U.S.C. §471.

50 l. Upon the adoption of a remediation standard for a particular
51 contaminant in soil, groundwater, or surface water pursuant to
52 this section, the department may amend that remediation
53 standard only upon a finding that a new standard is necessary to
54 maintain the health risk levels established in subsection d. of

1 section 35 of P.L.1993, c.139 (C.58:10B-12) or to protect the
2 environment, as applicable. The department may not amend a
3 public health based soil remediation standard to a level that
4 would result in a health risk level more protective than that
5 provided for in subsection d. of section 35 of P.L.1993, c.139
6 (C.58:10B-12).

7 m. Nothing in P.L.1993, c.139 shall be construed to restrict or
8 in any way diminish the public participation which is otherwise
9 provided under the provisions of the "Spill Compensation and
10 Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.).
11 (cf: P.L.1993, c.139, s.35)

12 82. (New section) a. There is created within the Department
13 of Environmental Protection a Site Remediation Neighborhood
14 Empowerment Unit. The unit shall be responsible for the
15 oversight and approval of site remediations conducted in areas
16 designated as empowerment neighborhoods pursuant to article 4
17 of P.L. , c. (C.) (pending before the Legislature as this
18 bill). The unit shall be headed by a director who shall be a person
19 of sufficient education and technical expertise to perform the
20 functions of the position. The Commissioner of Environmental
21 Protection shall vest in the director sufficient authority to
22 properly manage and expedite the permit approval process for
23 site remediations in empowerment neighborhoods. The director
24 shall report directly to the assistant commissioner responsible for
25 site remediations. The assistant commissioner shall meet
26 regularly with the director to ensure the proper and efficient
27 operation of the unit.

28 b. The director shall have the authority to coordinate site
29 remediations in empowerment neighborhoods with entities in the
30 department, other State departments, agencies, or authorities,
31 and with local governmental entities and private entities having
32 an interest in a particular site remediation project. The
33 coordination activities shall be geared toward developing an
34 acceptable remediation at the applicable site in an expedited
35 manner. Where appropriate, the unit shall attempt to review,
36 coordinate, and approve site remediation activities in a manner
37 that allows for all parties with an interest in a site remediation
38 to be involved in the decision making process.

39 c. The Commissioner of Environmental Protection shall assign
40 sufficient and appropriate staff to the unit so as to allow the unit
41 to expeditiously review and approve remediations in neighborhood
42 empowerment areas.

43 d. The department shall provide guidance and concept approval
44 for a person who is performing or proposing to perform a
45 remediation in an empowerment neighborhood in order to assist
46 that person in making decisions relating to the site remediation.
47 Upon the request of a person performing or proposing to perform
48 the remediation, personnel of the Site Remediation Neighborhood
49 Empowerment Unit shall hold monthly meetings with that person
50 and all other relevant persons in an effort to resolve problems
51 and issues relating to the site remediation.

52 e. Upon the submittal of the complete and accurate results of a
53 phase of a remediation or of any other document required to be
54 submitted that requires the department's review and approval in

1 order to comply with the applicable laws and regulations
2 concerning a site remediation conducted in an area designated as
3 an empowerment neighborhood, the department shall review and
4 approve, approve with conditions, or disapprove the submission or
5 other documents within the following timeframes:

- 6 (1) preliminary assessment - 15 days;
- 7 (2) site investigation - 15 days;
- 8 (3) remedial investigation workplan - 30 days;
- 9 (4) remedial investigation report - 60 days;
- 10 (5) remedial action workplan - 90 days;
- 11 (6) remedial action progress reports - 30 days;
- 12 (7) remedial action final report - 45 days;
- 13 (8) any other document - 15 days.

14 83. Section 3 of P.L.1984, c.218 (C.5:12-144.1) is amended to
15 read as follows:

16 3. a. (1) Commencing with the first annual tax return of a
17 licensee for any calendar year beginning after December 31,
18 1983, there is imposed an investment alternative tax on the gross
19 revenues as defined in section 24 of P.L.1977, c.110 (C.5:12-24)
20 of the licensee in the amount of 2.5% of those gross revenues.
21 The tax imposed with respect to each calendar year shall be due
22 and payable on the last day of April next following the end of the
23 calendar year. The State Treasurer shall have a lien against the
24 property constituting the casino of a licensee for the amount of
25 any tax not paid when due. No tax shall be imposed, however, on
26 the gross revenues received by a licensee during the first 12
27 months of the operation of any casino that commences operation
28 after January 1, 1984.

29 (2) A licensee shall pay to the State Treasurer on or before the
30 15th day of the first, fourth, seventh, and 10th months of each
31 year as partial payment of the investment alternative tax
32 imposed pursuant to paragraph (1) of this subsection an amount
33 equal to 1.25% of the estimated gross revenues for the
34 three-month period immediately preceding the first day of those
35 months. The moneys received shall be placed in an escrow
36 account and shall be held until the licensee directs that the
37 moneys be transferred to the Casino Reinvestment Development
38 Authority for the purchase of bonds issued by or offered through
39 the Casino Reinvestment Development Authority or pursuant to a
40 contract for such a purchase, be made available to the licensee
41 for a direct investment approved by the authority, or be
42 transferred to the Casino Revenue Fund as partial payment of the
43 investment alternative tax imposed pursuant to paragraph (1) of
44 this subsection. Any interest derived from the moneys in the
45 escrow account shall be paid or made available to the Casino
46 Revenue Fund. If a licensee fails to pay the amount due or
47 underpays by an unjustifiable amount, the Casino Control
48 Commission shall impose a fine of 5% of the amount due or of the
49 underpayment, as the case may be, for each month or portion
50 thereof the licensee is in default of payment, up to 25% of the
51 amount in default. Any fine imposed shall be paid to the Casino
52 Reinvestment Development Authority and shall be used for the
53 purposes of this 1984 amendatory and supplementary act.

54 b. Each licensee shall be entitled to an investment tax credit

1 against the tax imposed by subsection a. of this section, provided
2 the licensee shall pay over the moneys required pursuant to
3 section 5 of P.L.1993, c.159 (C.5:12-173.5):

4 (1) for the first 10 years of a licensee's tax obligation, in an
5 amount equal to twice the purchase price of bonds issued by the
6 Casino Reinvestment Development Authority pursuant to sections
7 14 and 15 of [this 1984 amendatory and supplementary act]
8 P.L.1984, c.218 (C.5:12-162 and C.5:12-163), purchased by the
9 licensee, or twice the amount of the investments authorized in
10 lieu thereof, and (2) for the remainder of a licensee's tax
11 obligation, in an amount equal to twice the purchase price of
12 bonds issued by the Casino Reinvestment Development Authority
13 pursuant to sections 14 and 15 of [this 1984 amendatory and
14 supplementary act] P.L.1984, c.218 (C.5:12-162 and C.5:12-163),
15 purchased by the licensee, or twice the amount of the
16 investments authorized in lieu thereof, and twice the amount of
17 investments made by a licensee in other approved eligible
18 investments made pursuant to section 25 of [this act] P.L.1984,
19 c.218 (C.5:12-173). The Casino Reinvestment Development
20 Authority shall have the power to enter into a contract or
21 contracts with a licensee pursuant to which the Casino
22 Reinvestment Development Authority agrees to issue and sell
23 bonds to the licensee, and the licensee agrees to purchase the
24 bonds issued by or offered through the Casino Reinvestment
25 Development Authority. in annual purchase price amounts as will
26 constitute a credit against at least 50% of the tax to become due
27 in any future year or years. The contract may contain those
28 terms and conditions relating to the terms of the bonds and to the
29 issuance and sale of the bonds to the licensee as the Casino
30 Reinvestment Development Authority shall deem necessary or
31 desirable. The contract shall not be deemed to be in violation of
32 section 104 of P.L.1977, c.110 (C.5:12-104). After the first 10
33 years of a licensee's investment alternative tax obligation, a
34 licensee will have the option of entering into a contract with the
35 Casino Reinvestment Development Authority to have its tax
36 credit comprised of direct investments in approved eligible
37 projects. These direct investments shall not comprise more than
38 50% of a licensee's eligible tax credit in any one year.

39 The entering of a contract pursuant to this section shall be
40 sufficient to entitle a licensee to an investment tax credit for the
41 appropriate tax year.

42 c. A contract entered into between a licensee and the Casino
43 Reinvestment Development Authority may provide for a deferral
44 of payment for and delivery of bonds required to be purchased
45 and for a deferral from making approved eligible investments in
46 any year, but no deferral shall occur more than two years
47 consecutively. A deferral of payment for any bonds required to
48 be purchased by a licensee and a deferral from making approved
49 eligible investments may be granted by the Casino Reinvestment
50 Development Authority only upon a determination by the Casino
51 Control Commission that purchase of these bonds or making
52 approved eligible investments would cause extreme financial
53 hardship to the licensee and a determination by the Casino
54 Reinvestment Development Authority that the deferral of the

1 payment would not violate any covenant or agreement or impair
2 any financial obligation of the Casino Reinvestment Development
3 Authority. The contract may establish a late payment charge to
4 be paid in the event of deferral or other late payment at a rate as
5 shall be agreed to by the Casino Reinvestment Development
6 Authority. If a deferral of purchase or investment is granted, the
7 licensee shall be deemed to have made the purchase or
8 investment at the time required by the contract, except that if
9 the purchase is not made at the time to which the purchase or
10 investment was deferred, then the licensee shall be deemed not
11 to have made the purchase or investment. The Casino Control
12 Commission shall adopt regulations establishing a uniform
13 definition of extreme financial hardship applicable to all these
14 contracts. If a licensee petitions the Casino Reinvestment
15 Development Authority for a deferral, the Casino Reinvestment
16 Development Authority shall give notice of that petition to the
17 Casino Control Commission and to the Division of Gaming
18 Enforcement within three days of the filing of the petition. The
19 Casino Control Commission shall render a decision within 60 days
20 of notice as to whether the licensee has established extreme
21 financial hardship, after consultation with the Division of Gaming
22 Enforcement. The Casino Reinvestment Development Authority
23 shall render a decision as to the availability of the deferral within
24 10 days of the receipt by it of the decision of the Casino Control
25 Commission and shall notify the Division of Gaming Enforcement
26 and the Casino Control Commission of that decision. If a
27 deferral is granted, the Casino Reinvestment Development
28 Authority may determine whether the purchases or investments
29 shall be made in a lump sum, made over a period of years, or
30 whether the period of obligation shall be extended an additional
31 period of time equivalent to the period of time deferred.

32 d. The license of any licensee which has defaulted in its
33 obligation to make any purchase of bonds or investment in any
34 approved eligible project under a contract entered into pursuant
35 to subsection b. of this section for a period of 90 days may be
36 suspended by the Casino Control Commission until that purchase
37 is made or deferred in accordance with subsection b. of this
38 section, or a fine or other penalty may be imposed upon the
39 licensee by the commission. If the Casino Control Commission
40 elects not to suspend the license of a licensee after the licensee
41 has first defaulted in its obligation but instead imposes some
42 lesser penalty and the licensee continues to be in default of its
43 obligation after a period of 30 additional days and after any
44 additional 30-day period, the commission may impose another
45 fine or penalty upon the licensee, which may include suspension
46 of that licensee's license. The fine shall be 5% of the amount of
47 the obligation owed for each month or portion thereof a licensee
48 is in default, up to 25% of that obligation; shall be paid to the
49 Casino Reinvestment Development Authority; and shall be used
50 for the purposes of [this 1984 amendatory and supplementary act]
51 P.L.1984, c.218 (C.5:12-153 et al.).

52 e. A contract entered into by a licensee and the Casino
53 Reinvestment Development Authority pursuant to subsection b.
54 of this section may provide that after the first 10 years of a

1 licensee's investment alternative tax obligation imposed by
 2 subsection a. of this section, the Casino Reinvestment
 3 Development Authority may repurchase bonds previously sold to
 4 the licensee, which were issued after the 10th year of a
 5 licensee's investment alternative tax obligation, by the Casino
 6 Reinvestment Development Authority, if the Casino
 7 Reinvestment Development Authority determines that the
 8 repurchase will not violate any agreement or covenant or impair
 9 any financial obligation of the Casino Reinvestment Development
 10 Authority and that the licensee will reinvest the proceeds of the
 11 resale in an eligible project approved by the Casino Reinvestment
 12 Development Authority.

13 f. (1) During the 25 years a licensee is obligated to pay an
 14 investment alternative tax pursuant to subsection k. of this
 15 section, the total of (a) the proceeds of all bonds purchased by a
 16 licensee from or through the Casino Reinvestment Development
 17 Authority and (b) all approved investments in eligible projects by
 18 a licensee shall be devoted to the financing of projects in the
 19 following areas and amounts:

20	21	22	23	24	25	26	27
	Areas	Years	Years	Years	Years	Years	Years
		1-3	4-5	6-10	11-15	16-20	21-25
24	(a) Atlantic City	100%	90%	80%	50%	30%	20%
25	(b) South Jersey		8%	12%	28%	43%	45%
26	(c) North Jersey		2%	8%	, 22%	27%	35%

28 For the purposes of this paragraph, "South Jersey" means the
 29 counties of Atlantic, Burlington, Camden, Cape May,
 30 Cumberland, Gloucester, Mercer, Ocean, and Salem; and "North
 31 Jersey" means the remaining 12 counties of the State. For the
 32 purposes of [this 1984 amendatory and supplementary act]
 33 P.L.1984, c.218 (C.5:12-153 et al.), bond "proceeds" means all
 34 funds received from the sale of bonds and any funds generated or
 35 derived therefrom.

36 In the financing of projects outside Atlantic City, the [Casino
 37 Reinvestment Development] New Jersey Redevelopment
 38 Authority shall give priority to the revitalization of the urban
 39 areas of this State in the ways specified in section 12 of [this
 40 1984 amendatory and supplementary act] P.L.1984, c.218
 41 (C.5:12-160). Those areas shall include, but not be limited to, [all
 42 municipalities qualifying for aid pursuant to P.L.1978, c.14
 43 (C.52:27D-178 et seq.)] qualified municipalities as defined
 44 pursuant to section 3 of P.L. c. (C.) (pending before
 45 the Legislature as this bill).

46 Within nine months from the effective date of this 1984
 47 amendatory and supplementary act, the Casino Reinvestment
 48 Development Authority shall determine the allocation of
 49 projected available moneys to municipalities in South Jersey for
 50 the first seven years of their receipt of funds, giving priority to
 51 the revitalization of the urban areas of the region. Municipalities
 52 receiving such an allocation shall present to the Casino
 53 Reinvestment Development Authority for its approval
 54 comprehensive plans or projects for which the allocations shall be

1 used. Any such comprehensive plan or project may be submitted
2 to the Casino Reinvestment Development Authority for a
3 determination of eligibility at any time prior to the year for
4 which the funds are allocated, and the Casino Reinvestment
5 Development Authority shall make a determination of eligibility
6 of the plan or project within a reasonable amount of time. If the
7 Casino Reinvestment Development Authority makes a positive
8 determination of eligibility for any comprehensive plan or
9 project, or combination of comprehensive plans or projects, for
10 any municipality whose total cost exceeds the amount allocated
11 to that municipality for the first seven years of the receipt of
12 funds by South Jersey municipalities, the Casino Reinvestment
13 Development Authority shall make available sufficient funds in
14 subsequent years necessary to complete those plans or projects,
15 or to complete that portion of the plan or project originally
16 agreed to be funded through the Casino Reinvestment
17 Development Authority, from funds received by the Casino
18 Reinvestment Development Authority in the years following the
19 seventh year of the receipt of funds by South Jersey
20 municipalities. If the comprehensive plan or project is
21 determined by the Casino Reinvestment Development Authority
22 not to be an eligible plan or project, the municipality may submit
23 any other comprehensive plan or project for a determination of
24 eligibility. If, however, the municipality fails to receive a
25 positive determination of eligibility for any comprehensive plan
26 or project, or combination of comprehensive plans or projects,
27 sufficient to exhaust the total allocation to that municipality for
28 any year prior to April 30 of the following year for which the
29 allocation was made, the allocation to that municipality for that
30 year shall cease, and the Casino Reinvestment Development
31 Authority may apply those excess funds to any other
32 comprehensive plan or project in any other municipality in the
33 region whose comprehensive plan or project has received a
34 positive determination of eligibility by the Casino Reinvestment
35 Development Authority.

36 Within 36 months from the effective date of [this 1984
37 amendatory and supplementary act] P.L.1984, c.218 (C.5:12-153
38 et al.), the Casino Reinvestment Development Authority shall
39 determine the allocation of projected available moneys to
40 municipalities in North Jersey for the first five years of their
41 receipt of funds, giving priority to the revitalization of the urban
42 areas of the region. Municipalities receiving such an allocation
43 shall present to the Casino Reinvestment Development Authority
44 for its approval comprehensive plans or projects for which the
45 allocations shall be used. Any such comprehensive plan or project
46 may be submitted to the Casino Reinvestment Development
47 Authority for a determination of eligibility at any time prior to
48 the year for which the funds are allocated, and the Casino
49 Reinvestment Development Authority shall make a determination
50 of eligibility of the plan or project within a reasonable amount of
51 time. If the Casino Reinvestment Development Authority makes
52 a positive determination of eligibility for any comprehensive plan
53 or project, or combination of comprehensive plans or projects, for

1 any municipality whose total cost exceeds the amount allocated
2 to that municipality for the first five years of the receipt of
3 funds by North Jersey municipalities, the Casino Reinvestment
4 Development Authority shall make available sufficient funds in
5 subsequent years necessary to complete those plans or projects,
6 or to complete that portion of the plan or project originally
7 agreed to be funded through the Casino Reinvestment
8 Development Authority, from funds received by the Casino
9 Reinvestment Development Authority in the years following the
10 fifth year of the receipt of funds by North Jersey municipalities.
11 If the comprehensive plan or project is determined by the Casino
12 Reinvestment Development Authority not to be an eligible plan
13 or project, the municipality may submit any other comprehensive
14 plan or project for a determination of eligibility. If, however, the
15 municipality fails to receive a positive determination of
16 eligibility for any comprehensive plan or project, or combination
17 of comprehensive plans or projects, sufficient to exhaust the
18 total allocation to that municipality for any year prior to April 30
19 of the following year for which the allocation was made, the
20 allocation to that municipality for that year shall cease, and the
21 Casino Reinvestment Development Authority may apply those
22 excess funds to any other comprehensive plan or project in any
23 other municipality in the region whose comprehensive plan or
24 project has received a positive determination of eligibility by the
25 Casino Reinvestment Development Authority.

26 Within six months from the appointment of the last public
27 member of the New Jersey Redevelopment Authority by the
28 Governor pursuant to section of P.L. , c. (C.)
29 (pending before the Legislature as this bill), the members of the
30 Casino Reinvestment Development Authority shall meet with the
31 board of the New Jersey Redevelopment Authority and the Urban
32 Policy Coordinating Council established pursuant to section of
33 P.L. , c. (C.) (pending before the Legislature as this
34 bill) regarding the allocation of projected moneys to
35 municipalities in North and South Jersey. The Casino
36 Reinvestment Development Authority shall turn over to the New
37 Jersey Redevelopment Authority and the Urban Policy
38 Coordinating Council all documentation and projected allocations
39 made pursuant to P.L.1984 c.218 (C.5:12-153 et al.), including all
40 comprehensive plans or projects submitted to the Casino
41 Reinvestment Development Authority. Upon the adoption by the
42 New Jersey Redevelopment Authority of a resolution setting
43 forth guidelines and criteria governing eligibility of
44 municipalities for funding, the New Jersey Redevelopment
45 Authority shall assume the responsibility for approving
46 applications for funding and otherwise directing the investment
47 of any moneys made available for North or South Jersey pursuant
48 to this section, notwithstanding any other law, rule or regulation
49 to the contrary.

50 (2) Commencing with the first year in which a licensee incurs
51 a tax obligation pursuant to this section, and for the period of
52 two years thereafter, 100% of the proceeds of all bonds
53 purchased by a licensee from the Casino Reinvestment
54 Development Authority which are devoted to the financing of

1 projects in the city of Atlantic City pursuant to paragraph (1) of
2 this subsection shall be used exclusively to finance the
3 rehabilitation, development, or construction of, or to provide
4 mortgage financing of, housing facilities in the city of Atlantic
5 City for persons or families of low through middle income, as
6 defined in this subsection. For the purposes of this subsection,
7 the "rehabilitation, development, or construction of housing
8 facilities" shall include expenses attributable to site preparation,
9 infrastructure needs and housing-related community facilities
10 and services, including supporting commercial development.
11 Commencing with the fourth year in which a licensee incurs a tax
12 obligation pursuant to this subsection, 50% of the proceeds of all
13 bonds purchased by a licensee from the Casino Reinvestment
14 Development Authority which are devoted to the financing of
15 projects in the city of Atlantic City shall be used exclusively to
16 finance the rehabilitation, development, or construction of
17 housing facilities in the city of Atlantic City for persons or
18 families of low through middle income. Commencing with the
19 11th year in which a licensee incurs a tax obligation pursuant to
20 this section, 50% of the annual aggregate of the proceeds of
21 bonds purchased by a licensee from the Casino Reinvestment
22 Development Authority which are devoted to the financing of
23 projects in the city of Atlantic City and investments in approved
24 eligible projects commenced by a licensee in the city of Atlantic
25 City shall be used exclusively to finance the rehabilitation,
26 development, or construction of, or to provide mortgage
27 financing of, housing facilities in the city of Atlantic City for
28 persons or families of low through middle income.

29 (3) The Legislature finds that it is necessary to provide for a
30 balanced community and develop a comprehensive housing
31 program. The Casino Reinvestment Development Authority shall
32 determine the need for housing in the city of Atlantic City, in
33 consultation with the city of Atlantic City and specifically its
34 zoning and planning boards. This shall include determining the
35 types and classes of housing to be constructed and the number of
36 units of each type and class of housing to be built. The Casino
37 Reinvestment Development Authority shall give priority to the
38 housing needs of the persons and their families residing in the
39 city of Atlantic City in 1983 and continuing such residency
40 through the effective date of [this 1984 amendatory and
41 supplementary act] P.L.1984, c.218 (C.5:12-153 et al.). The
42 actual percentage of the proceeds of bonds and investments in
43 approved eligible projects commenced by a licensee in the city of
44 Atlantic City, which shall be used exclusively to finance the
45 rehabilitation, development, or construction of, or to provide
46 mortgage financing of, housing facilities in the city of Atlantic
47 City for persons or families of low through middle income, shall
48 be based upon the authority's determination of the need for
49 housing in the city of Atlantic City conducted pursuant to this
50 subsection. Once the housing needs of the persons residing in the
51 city of Atlantic City in 1983 and continuing such residency
52 through the effective date of this 1984 amendatory and
53 supplementary act have been met, as determined by the Casino
54 Reinvestment Development Authority pursuant to this subsection.

1 any required percentages for such housing in the city of Atlantic
2 City may, in its sole discretion, be waived by the Casino
3 Reinvestment Development Authority. To aid the Casino
4 Reinvestment Development Authority in making these
5 determinations, the Casino Reinvestment Development Authority
6 shall review the proposal for a housing redevelopment program
7 and strategy for the city of Atlantic City approved and adopted
8 by the Casino Control Commission and shall give priority to same
9 and any other plan or project which is consistent with the
10 standards of this subsection and is acceptable to the Casino
11 Reinvestment Development Authority, pursuant to section 25 of
12 [this 1984 amendatory and supplementary act] P.L.1984, c.218
13 (C.5:12-153 et al.). The Casino Reinvestment Development
14 Authority may determine whether the funds used to finance
15 housing facilities in the city of Atlantic City for persons or
16 families of low, moderate, median range, and middle income are
17 derived from the proceeds of bonds purchased by a licensee from
18 the Casino Reinvestment Development Authority to be devoted
19 to the financing of projects in the city of Atlantic City,
20 investments in approved eligible projects commenced by a
21 licensee in the city of Atlantic City, or a combination of both.
22 Any investment made by a licensee in excess of 100% of its
23 eligible investment tax credit during the first three years and in
24 excess of 50% thereafter in either the purchase of bonds or direct
25 investments in approved eligible projects for low, moderate,
26 median range, and middle income family housing facilities in the
27 city of Atlantic City may be carried forward and credited against
28 the licensee's obligation to make a 100% investment during the
29 first three years and 50% thereafter in low, moderate, median
30 range, and middle income family housing in any future year, with
31 the approval of the Casino Reinvestment Development
32 Authority. For the purposes of this act, "low income families"
33 means families whose income does not exceed 50% of the median
34 income of the area, with adjustments for smaller and larger
35 families. "Moderate income families" means families whose
36 income does not exceed 80% and is not less than 50% of the
37 median income for the area, with adjustments for smaller and
38 larger families. "Median range income families" means families
39 whose income does not exceed 120% and is not less than 80% of
40 the median income for the area, with adjustments for smaller and
41 larger families. "Middle income families" means families whose
42 income does not exceed 150% and not less than 120% of the
43 median income for the area, with adjustments for smaller and
44 larger families. "Median income" means an income defined as
45 median within the Standard Metropolitan Statistical Area for
46 Atlantic City by the United States Department of Housing and
47 Urban Development.

48 In order to achieve a balanced community, the authority shall
49 ensure that the development of housing for families of low and
50 moderate income shall proceed at the same time as housing for
51 families of median range and middle income, until such time as
52 there is no longer a need for such facilities in the city of Atlantic
53 City, as determined by the Casino Reinvestment Development
54 Authority.

1 (4) Notwithstanding any other law or section to the contrary,
2 particularly this subsection regarding the waiver of the required
3 percentages for housing in the city of Atlantic City, subsection i.
4 of section 14, and sections 26, 27, 28, 29, and 31 of [this 1984
5 amendatory and supplementary act] P.L.1984, c.218 (C.5:12-153
6 et al.), nothing shall be implemented or waived by the Casino
7 Reinvestment Development Authority which would reduce,
8 impair, or prevent the fulfillment of the priorities established and
9 contained in this subsection of this 1984 amendatory and
10 supplementary act.

11 g. If a person is a licensee with regard to more than one
12 approved hotel pursuant to section 83 of P.L.1977, c.110
13 [(C.5:12-82)] (C.5:12-83), the person shall separately account for
14 the gross revenues, the investment alternative tax obligations,
15 and the investments for a tax credit against the investment
16 alternative tax for each approved hotel, and the tax obligations
17 of the licensee under this section shall be determined separately
18 for each approved hotel. The licensee may apportion investments
19 between its approved hotels; provided that no amount of
20 investment shall be credited more than once. If a licensee
21 receives the prior approval of the Casino Reinvestment
22 Development Authority, the licensee may make eligible
23 investments in excess of the investments necessary to receive a
24 tax credit against the investment alternative tax for a given
25 calendar year, and the licensee may carry forward this excess
26 investment and have it credited to its next investment
27 alternative tax obligation. If the Casino Reinvestment
28 Development Authority approves of such excess investment and
29 approves the carry forward of this excess investment, and a
30 licensee elects to purchase bonds of the Casino Reinvestment
31 Development Authority or makes direct investments in approved
32 eligible projects in excess of the investments necessary to
33 receive a tax credit against the investment alternative tax for its
34 current obligation, the licensee shall be entitled to a reduction of
35 the amount of investments necessary in future years, which
36 amount shall be determined annually by the Casino Reinvestment
37 Development Authority, taking into account a current market
38 discount rate from the date of the purchase or investment to the
39 date the purchase or investment would have been required to be
40 made.

41 h. Each casino licensee shall prepare and file, in a form
42 prescribed by the Casino Reinvestment Development Authority,
43 an annual return reporting that financial information as shall be
44 deemed necessary by the Casino Reinvestment Development
45 Authority to carry out the provisions of this act. This return shall
46 be filed with the Casino Reinvestment Development Authority
47 and the Casino Control Commission on or before April 30
48 following the calendar year on which the return is based. The
49 Casino Control Commission shall verify to the Casino
50 Reinvestment Development Authority the information contained
51 in the report, to the fullest extent possible. Nothing in this
52 subsection shall be deemed to affect the due dates for making
53 any investment or paying any tax under this section.

54 i. Any purchase by a licensee of bonds issued by or offered

1 through the Casino Reinvestment Development Authority
2 pursuant to sections 14 and 15 of [this act] P.L.1984, c.218
3 (C.5:12-162 and C.5:12-163) and subsection b. of this section and
4 all approved eligible investments made by a licensee pursuant to
5 section 25 of this act and subsection b. of this section are to be
6 considered investments and not taxes owed or grants to the State
7 or any political subdivision thereof. As such, a licensee shall
8 have the possibility of the return of principal and a return on the
9 capital invested as with other investments. Investors in the bonds
10 issued by or offered through the Casino Reinvestment
11 Development Authority shall be provided with an opinion from a
12 recognized financial rating agency or a financial advisory firm
13 with national standing that each loan of bond proceeds by the
14 Casino Reinvestment Development Authority has the minimum
15 characteristics of an investment, in that a degree of assurance
16 exists that interest and principal payments can be made and other
17 terms of the proposed investment be maintained over the period
18 of the investment, and that the loan of the bond proceeds would
19 qualify for a bond rating of "C" or better. If an opinion cannot be
20 obtained from a recognized financial rating agency or a financial
21 advisory firm with national standing, an opinion shall be obtained
22 from an expert financial analyst with national standing, selected
23 and hired by the Casino Reinvestment Development Authority. In
24 order to achieve a balanced portfolio, assure the viability of the
25 authority and the projects, facilities and programs undertaken
26 pursuant to this 1984 amendatory and supplementary act, no more
27 than 25% of the total investments made by or through the Casino
28 Reinvestment Development Authority with the proceeds of bonds
29 generated in each year shall be investments which would qualify
30 for a bond rating of "C," unless all holders of obligations in each
31 year agree to waive the 25% limit for that year. Nothing herein
32 shall be interpreted as limiting the Casino Reinvestment
33 Development Authority from taking any steps it deems
34 appropriate to protect the characteristics of its investment in
35 projects or any other investments from not being real
36 investments with a prospect for the return of principal and a
37 return on the capital invested. Anything contained in this section
38 shall not be considered a guarantee by the State or any political
39 subdivision thereof of any return of principal or interest, but any
40 purchase by a licensee of bonds or approved eligible investments
41 made by a licensee pursuant to this act shall be at the risk of the
42 licensee. A licensee or the licensees purchasing an issue of bonds
43 issued by the Casino Reinvestment Development Authority in any
44 given year may arrange, at their option, for those bonds or the
45 investments, made by or through the Casino Reinvestment
46 Development Authority with the proceeds of those bonds, to be
47 insured. The cost of any such insurance purchased by a licensee
48 or licensees shall be paid by the licensee or licensees desiring
49 such insurance.

50 j. The Casino Reinvestment Development Authority shall
51 promulgate rules and regulations deemed necessary to carry out
52 the purposes of this section.

53 k. The obligation of a licensee to pay an investment
54 alternative tax pursuant to subsection a. of this section shall end

1 for each licensed facility operated by the licensee 25 years after
2 any investment alternative tax obligation is first incurred in
3 connection with each licensed facility operated by the licensee,
4 unless extended in connection with a deferral granted by the
5 Casino Reinvestment Development Authority pursuant to
6 subsection c. of this section.

7 (cf: P.L.1993, c.159, s.9)

8 84. Section 27 of P.L.1993, c.139 (C.58:10B-5) is amended to
9 read as follows:

10 27. a. (1) Financial assistance from the remediation fund,
11 made to persons other than municipal governmental entities or to
12 persons who voluntarily undertake a remediation, may only be
13 rendered to persons who cannot establish a remediation funding
14 source for the full amount of a remediation. Financial assistance
15 pursuant to this act may be rendered only for that amount of the
16 cost of a remediation for which the person cannot establish a
17 remediation funding source.

18 (2) Financial assistance rendered to persons who voluntarily
19 undertake a remediation may only be made for that amount of
20 the cost of the remediation that the person cannot otherwise fund
21 by any of the authorized methods to establish a remediation
22 funding source.

23 b. Financial assistance may be rendered from the remediation
24 fund to (1) owners or operators of industrial establishments who
25 are required to perform remediation activities pursuant to
26 P.L.1983, c.330 (C.13:1K-6 et al.), upon closing operations or
27 prior to the transfer of ownership or operations of an industrial
28 establishment, (2) persons who have discharged a hazardous
29 substance or who are in any way responsible for a hazardous
30 substance pursuant to P.L.1976, c.141 (C.58:10-23.11 et seq.), and
31 (3) persons who voluntarily undertake the remediation of a
32 discharge of a hazardous substance or hazardous waste and who
33 have not been ordered or directed to perform the remediation by
34 the department or by a court.

35 c. Financial assistance and grants may be made from the
36 remediation fund to municipal governmental entities that own or
37 hold a tax sale certificate on real property on which there has
38 been a discharge or on which there is a suspected discharge of a
39 hazardous substance or hazardous waste or the New Jersey
40 Redevelopment Authority established pursuant to P.L. , c.
41 (C.) (pending before the Legislature as this bill) for any
42 such real property upon which the New Jersey Redevelopment
43 Authority owns or holds the tax sale certificate.

44 d. Grants may be made from the remediation fund to persons
45 other than governmental entities who own real property on which
46 there has been a discharge of a hazardous substance or a
47 hazardous waste and that person qualifies for an innocent party
48 grant pursuant to section 28 of P.L.1993, c.139 (C.58:10B-6).

49 For the purposes of this section, "person" shall include the New
50 Jersey Redevelopment Authority established pursuant to P.L. ,
51 c. (C.) (pending before the Legislature as this bill).

52 (cf: P.L.1993, c.139, s.27)

53 85. Section 28 of P.L.1993, c.139 (C.58:10B-6) is amended to
54 read as follows:

1 28. a. Except for moneys deposited in the remediation fund for
2 specific purposes, financial assistance and grants from the
3 remediation fund shall be rendered for the following purposes
4 and, on an annual basis, obligated in the percentages as provided
5 in this subsection. Upon a written joint determination by the
6 authority and the department that it is in the public interest,
7 financial assistance and grants dedicated for the purposes and in
8 the percentages set forth in paragraph (1), (2), or (3) of this
9 subsection, may, for any particular year, be obligated to other
10 purposes set forth in this subsection. The written determination
11 shall be sent to the Senate Environment Committee, and the
12 Assembly Energy and Hazardous Waste Committee, or their
13 successors. For the purposes of this section, "person" shall
14 include the New Jersey Redevelopment Authority established
15 pursuant to P.L. , c. (C.) (pending before the
16 Legislature as this bill).

17 (1) At least 15% of the moneys shall be allocated for financial
18 assistance to persons, other than governmental entities, for
19 remediation of real property located in a qualifying municipality
20 as defined in section 1 of P.L.1978, c.14 (C.52:27D-178);

21 (2) At least 10% of the moneys shall be allocated for financial
22 assistance and grants to municipal governmental entities that
23 own or hold a tax sale certificate on real property on which there
24 has been or on which there is suspected of being a discharge of
25 hazardous substances or hazardous wastes or the New Jersey
26 Redevelopment Authority established pursuant to P.L. , c.
27 (C.) (pending before the Legislature as this bill), for
28 any such real property upon which the New Jersey
29 Redevelopment Authority owns or holds the tax sale certificate.
30 Grants shall be used for performing preliminary assessments and
31 site investigations on property owned by a municipal
32 governmental entity or the New Jersey Redevelopment
33 Authority, as the case may be, or on which the municipality or
34 the New Jersey Redevelopment Authority holds a tax sale
35 certificate, in order to determine the existence or extent of any
36 hazardous substance or hazardous waste contamination on those
37 properties. A municipal governmental entity that has performed
38 a preliminary assessment and site investigation on property or the
39 New Jersey Redevelopment Authority, in any case where the New
40 Jersey Redevelopment Authority has performed the preliminary
41 assessment and site investigation may obtain a loan for the
42 purpose of continuing the remediation on those properties it owns
43 as necessary to comply with the applicable remediation standards
44 adopted by the department;

45 (3) At least 15% of the moneys shall be allocated for financial
46 assistance to persons or, the New Jersey Redevelopment
47 Authority municipal governmental entities for remediation
48 activities at sites that have been contaminated by a discharge of
49 a hazardous substance or hazardous waste, or at which there is an
50 imminent and significant threat of a discharge of a hazardous
51 substance or hazardous waste, and the discharge or threatened
52 discharge poses or would pose an imminent and significant threat
53 to a drinking water source, to human health, or to a sensitive or
54 significant ecological area:

1 (4) At least 10% of the moneys shall be allocated for financial
2 assistance to persons, other than municipal governmental
3 entities, who voluntarily undertake the remediation of a
4 hazardous substance or hazardous waste discharge, and who have
5 not been ordered to undertake the remediation by the department
6 or by a court;

7 (5) At least 20% of the moneys shall be allocated for financial
8 assistance to persons, other than municipal governmental
9 entities, who are required to perform remediation activities at an
10 industrial establishment pursuant to P.L.1983, c.330 (C.13:1K-6
11 et al.), as a condition of the closure, transfer, or termination of
12 operations at that industrial establishment;

13 (6) At least 20% of the moneys shall be allocated for grants to
14 persons, other than municipal governmental entities, who own
15 real property on which there has been a discharge of a hazardous
16 substance or a hazardous waste and that person qualifies for an
17 innocent party grant. A person qualifies for an innocent party
18 grant if that person acquired the property prior to December 31,
19 1983, except as provided hereunder, the hazardous substance or
20 hazardous waste that was discharged at the property was not used
21 by the person at that site, and that person certifies that he did
22 not discharge any hazardous substance or hazardous waste at an
23 area where a discharge is discovered; provided, however, that if
24 the person is the New Jersey Redevelopment Authority
25 established pursuant to P.L. , c. (C.) (pending
26 before the Legislature as this bill), the authority shall qualify for
27 an innocent party grant pursuant to this paragraph regardless of
28 when the authority acquired the property. A grant authorized
29 pursuant to this paragraph may be for up to 50% of the
30 remediation costs at the area of concern for which the person
31 qualifies for an innocent party grant, except that no grant
32 awarded pursuant to this paragraph to any person may exceed
33 \$1,000,000; and

34 (7) Ten percent of the moneys in the remediation fund shall be
35 allocated for financial assistance or grants for any of the
36 purposes enumerated in paragraphs (1) through (6) of this
37 subsection, except that where moneys in the fund are insufficient
38 to fund all the applications in any calendar year that would
39 otherwise qualify for financial assistance or a grant pursuant to
40 this paragraph, the authority shall give priority to financial
41 assistance applications that meet the criteria enumerated in
42 paragraph (3) of this subsection.

43 b. Loans issued from the remediation fund shall be for a term
44 not to exceed ten years, except that upon the transfer of
45 ownership of any real property for which the loan was made, the
46 unpaid balance of the loan shall become immediately payable in
47 full. Loans shall bear an interest rate equal to the Federal
48 Discount Rate at the time of approval or at the time of the loan
49 closing, whichever is lower, except that the rate shall be no lower
50 than five percent. Financial assistance and grants may be issued
51 for up to 100% of the estimated applicable remediation cost,
52 except that the cumulative maximum amount of financial
53 assistance which may be issued to a person other than a
54 governmental entity in any calendar year, for one or more

1 properties, shall be \$1,000,000. Financial assistance and grants
2 to any one municipal governmental entity may not exceed
3 \$2,000,000 in any calendar year. Repayments of principal and
4 interest on the loans issued from the remediation fund shall be
5 paid to the authority and shall be deposited into the remediation
6 fund.

7 c. No person, other than a municipal governmental entity, the
8 New Jersey Redevelopment Authority or a person engaging in a
9 voluntary remediation, shall be eligible for financial assistance
10 from the remediation fund to the extent that person is capable of
11 establishing a remediation funding source for the remediation as
12 required pursuant to section 25 of P.L.1993, c.139 (C.58:10B-3).

13 d. The authority may use a sum that represents up to 2% of
14 the moneys issued as financial assistance or grants from the
15 remediation fund each year for administrative expenses incurred
16 in connection with the operation of the fund and the issuance of
17 financial assistance and grants.

18 e. Prior to March 1 of each year, the authority shall submit to
19 the Senate Environment Committee and the Assembly Energy and
20 Hazardous Waste Committee, or their successors, a report
21 detailing the amount of money that was available for financial
22 assistance and grants from the remediation fund for the previous
23 calendar year, the amount of money estimated to be available for
24 financial assistance and grants for the current calendar year, the
25 amount of financial assistance and grants issued for the previous
26 calendar year and the category for which each financial
27 assistance and grant was rendered, and any suggestions for
28 legislative action the authority deems advisable to further the
29 legislative intent to facilitate remediation and promote the
30 redevelopment and use of existing industrial sites.

31 (cf: P.L.1993, c.139, s.28)

32 86. Section 29 of P.L.1993, c.139 (C.58:10B-7) is amended to
33 read as follows:

34 29. a. A qualified applicant for financial assistance or a grant
35 from the remediation fund shall be awarded financial assistance
36 or a grant by the authority upon the availability of sufficient
37 moneys in the remediation fund for the purpose of the financial
38 assistance or grant. Priority for awarding financial assistance
39 and grants from the remediation fund shall be based upon the
40 date of receipt by the authority of a complete application from
41 the applicant. If an application is determined to be incomplete
42 by the authority, an applicant shall have 30 days from receipt of
43 written notice of incompleteness to file any additional
44 information as may be required by the authority for a completed
45 application. If an applicant fails to file the additional
46 information within those 30 days, the filing date for that
47 application shall be the date that the additional information is
48 received by the authority. An application shall be deemed
49 complete when all the information required by the authority has
50 been received in the required form.

51 b. Within 90 days, for a private entity, or 180 days for a
52 municipal governmental entity or the New Jersey Redevelopment
53 Authority, of notice of approval of a financial assistance or grant
54 application, an applicant shall submit to the authority an

1 executed contract for the remediation activities for which the
2 financial assistance or grant application was made. The contract
3 shall be consistent with the terms and conditions for which the
4 financial assistance or grant was rendered. Failure to submit an
5 executed contract within the time provided, without good cause,
6 shall constitute grounds for the alteration of an applicant's
7 priority ranking for the awarding of financial assistance or a
8 grant.

9 (cf: P.L.1993, c.139, s.29)

10 87. The following are hereby repealed: P.L.1984, c.172
11 (C.52:27D-250 et seq.) and P.L.1985, c.227 (C.55:19-1 et seq.);
12 provided, however, that this repeal shall not affect any
13 obligation, lien or duty to pay taxes, interest or penalties which
14 has been reduced or which may be reduced by virtue of any
15 credits allowed pursuant to the provisions of the law repealed by
16 P.L. , c. (C.) (pending before the Legislature as this bill), or
17 which may be allowed with respect to any redetermination,
18 correction, recomputation or deficiency assessment; and provided
19 that this repeal shall not affect the legal rights of any taxpayer
20 to protest or appeal any taxes due or which may be due, together
21 with such interest and penalties as may accrue thereon, with
22 regard to any credits granted under the provisions of the law
23 repealed.

24 88. There is appropriated to the New Jersey Redevelopment
25 Authority from the General Fund a sum of \$250,000 to effectuate
26 the purposes of this act.

27 89. This act shall take effect 180 days next following
28 enactment.

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STATEMENT

32

33 Since 1983, New Jersey has been the only State in the country
34 to be wholly included in a census metropolitan area and may
35 appear to some as one big city. As in other early settled,
36 congested northeastern States, however, New Jersey's older
37 urban centers suffer from economic obsolescence, possess an
38 aging infrastructure, inadequate tax base, and decades of
39 underinvestment in both physical and human capital.

40 It is the sponsor's belief that the magnitude of these problems
41 is such that dramatic steps need to be taken in order to begin
42 reversing these trends and to breathe renewed economic life into
43 those urban centers. It is also a central premise of the sponsor's
44 urban redevelopment initiative concept and philosophy, which this
45 bill is designed to implement, that with the increasing
46 suburbanization of urban problems, the benefits of revitalizing
47 the urban centers will redound to the State as a whole.

48 Accordingly, this bill establishes the New Jersey
49 Redevelopment Authority (NJRA) with far-reaching powers to
50 assist in the revitalization of the State's distressed urban
51 centers. The authority's structure recognizes that not only are
52 ample powers necessary to ensure that the problems may be
53 properly addressed, but that interdepartmental coordination is a
54 vital component of any agency devoted to urban revitalization.

1 The bill confers upon the NJRA those powers possessed by the
2 New Jersey Urban Development Corporation (UDC), to which this
3 authority is a successor. Those powers, which may be exercised
4 in qualified municipalities include the development of any
5 property possessed by the authority, the issuance of stock, the
6 borrowing of money against its assets, the making of short-term
7 construction loans to developers, and the participation in
8 mixed-use development projects. Like the UDC, the NJRA is
9 authorized to establish subsidiary corporations; however, its
10 powers exceed those of the UDC in two significant ways. First,
11 the NJRA is granted bonding authority and secondly, the NJRA
12 will possess eminent domain powers.

13 The authority board is comprised of those commissioners whose
14 departments' operations most directly affect urban areas,
15 specifically, the State Treasurer, the Attorney General, and the
16 Commissioners of Community Affairs, Education, Environmental
17 Protection, Health, Human Services, Labor, Transportation and
18 Commerce and Economic Development. In addition, the
19 authority board shall consist of five public members to be
20 appointed by the Governor who shall have knowledge and
21 experience in the financial, physical and social aspects of urban
22 development.

23 The bill authorizes that a minimum of one-half of one percent
24 of the aggregate amount of pension funds invested in the
25 State-administered pension system to a maximum of \$200 million
26 be invested in NJRA bonds. The bill requires that the Director of
27 the Division of Investment, within 12 months of the bill's
28 effective date and then annually, report to the State Investment
29 Council, the Governor and the Legislature the total amount of
30 authority bonds purchased by the division, the percentage that
31 represents of those funds in the pension system, and the rate of
32 return being realized on NJRA bonds.

33 The bill requires that project information be submitted to the
34 Senate Urban Policy and Planning Committee and the full Senate
35 for every project undertaken by the NJRA involving the
36 expenditure of over \$100,000. The NJRA is required to hold a
37 public hearing in the municipality in which the project is situated
38 and to provide the Legislature with the hearing transcript as part
39 of its submission. The project must receive the approval of the
40 full Senate prior to proceeding. This legislative oversight
41 requirement is modeled after the "New Jersey Building Authority
42 Act," P.L.1981, c.120 (C.52:18A:78.1 et seq.).

43 The bill also makes the NJRA eligible for financial assistance
44 for the remediation of hazardous waste sites under section 28 of
45 P.L.1993, c.139 (C.58:10B-6).

46 Whereas the NJRA's focus is on qualified municipalities which,
47 by definition, are distressed urban centers, the bill also accords
48 all municipalities the power to undertake revenue allocation
49 financing.

50 Article Two of the bill permits municipalities to finance
51 significant projects using incremental tax and other incremental
52 revenue receipts to pay for development costs. In so doing, this
53 bill replaces the present statutory provisions relating to tax
54 increment financing, specifically, P.L.1984, c.172 with a

1 streamlined, more useful process.

2 "Incremental revenue" is defined in the bill as the increase in
3 property-tax and other revenues that results after the district is
4 formed and development is commenced.

5 The bill permits municipalities to designate one or more areas
6 of the municipality as a "revenue allocation district" and to
7 designate a district agent to implement a development plan for
8 the district. The district agent may be the municipal governing
9 body, the redevelopment agency, the NJRA or a local housing
10 authority with redevelopment powers. The ordinance creating
11 the district would be submitted to the State Treasurer and the
12 Local Finance Board, and must be approved by the board.

13 After the creation of the district, the district agent may issue
14 bonds or notes to finance the development of specific projects or
15 to finance the infrastructure (for example, roads, sewers, bridges)
16 necessary to facilitate development within the district. Projects
17 may include site acquisition and clearance of land for private
18 development or the construction of educational, cultural, civic
19 and recreational facilities to be owned by a governmental entity
20 or private nonprofit corporation.

21 Prior to issuing any bonds or notes, the district would be
22 required to adopt a final revenue allocation plan which describes
23 the project to be developed and the incremental municipal taxes
24 and other revenues intended to be pledged to payment of the
25 bonds. The district may pledge all or a percentage of any eligible
26 revenues identified in this bill. The plan must be approved by the
27 municipality and the Local Finance Board. The revenues which
28 may be pledged include the taxes attributable to the increase in
29 the taxable value of property in the district.

30 Article 3 of the bill authorizes municipalities or the authority
31 to accelerate foreclosure on abandoned properties under certain
32 circumstances.

33 Article 4 of the bill establishes an empowerment zone program
34 in which certain delineated areas of qualified municipalities would
35 become eligible for major financial assistance from the authority
36 and would acquire additional powers set forth in the bill.

37 Article 5 of the bill would establish an urban redevelopment
38 remediation exemption and streamlines the DEP approval process.

39 The bill also gives the NJRA responsibility for allocating those
40 funds designated for North and South Jersey pursuant to section 3
41 of P.L.1984, c.218 (C.5:12-144.1)

42 This bill repeals P.L.1984, c.172 (C.52:27D-250 et seq.) which
43 is known as the "Tax Increment Financing Act," and the "New
44 Jersey Urban Development Corporation Act," P.L.1985, c.227
45 (C.55:19-1 et seq.).

46 The bill appropriates \$250,000 in start-up costs to the NJRA.
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51 Designated the "New Jersey Urban Redevelopment Act:"
52 appropriates \$250,000.

SENATE URBAN POLICY AND PLANNING COMMITTEE

STATEMENT TO

SENATE, No. 1655

with committee amendments

STATE OF NEW JERSEY

DATED: April 27, 1995

Senate Bill 1655 establishes the New Jersey Redevelopment Authority (NJRA) with far-reaching powers to assist in the revitalization of qualified municipalities. The authority's structure recognizes that not only are ample powers necessary to ensure that the problems may be properly addressed, but that interdepartmental coordination is a vital component of any agency devoted to urban revitalization.

Senate Bill 1655 confers upon the NJRA those powers possessed by the New Jersey Urban Development Corporation (UDC), to which this authority is a successor. Those powers, which may be exercised in qualified municipalities include the development of any property possessed by the authority, the issuance of stock, the borrowing of money against its assets, the making of short-term construction loans to developers, and the participation in mixed-use development projects. Like the UDC, the NJRA is authorized to establish subsidiary corporations; however, its powers exceed those of the UDC in three significant ways. First, the NJRA is granted bonding authority; secondly, the NJRA will possess eminent domain powers; and finally, the NJRA has the power to establish real estate investment trusts (REIT's).

The authority board is comprised of those commissioners whose departments' operations most directly affect urban areas, specifically, the State Treasurer, the Attorney General, and the Commissioners of Community Affairs, Education, Environmental Protection, Health, Human Services, Labor, Transportation and Commerce and Economic Development. In addition, the authority board shall consist of five public members to be appointed by the Governor who shall have knowledge and experience in the financial, physical and social aspects of urban development.

The bill authorizes that a minimum of one-half of one percent of the aggregate amount of pension funds invested in the State-administered pension system to a maximum of \$200 million be invested in NJRA bonds. The bill requires that the Director of the Division of Investment, within 12 months of the bill's effective date and then annually, report to the State Investment Council, the Governor and the Legislature the total amount of authority bonds purchased by the division, the percentage that represents of those funds in the pension system, and the rate of return being realized on NJRA bonds.

The bill requires that project information be submitted to the Senate Urban Policy and Planning Committee and the full Senate for every project undertaken by the NJRA involving the expenditure of over \$100,000. The NJRA is required to hold a public hearing in the municipality in which the project is situated and to provide the

Legislature with the hearing transcript as part of its submission. The project must receive the approval of the full Senate prior to proceeding. This legislative oversight requirement is modeled after the "New Jersey Building Authority Act," P.L.1981, c.120 (C.52:18A:78.1 et seq.).

The bill also makes the NJRA eligible for financial assistance for the remediation of hazardous waste sites under section 28 of P.L.1993, c.139 (C.58:10B-6).

Whereas the NJRA's focus is on qualified municipalities, the bill also accords all municipalities the power to undertake revenue allocation financing.

Article Two of the bill permits municipalities to finance significant projects using incremental tax and other incremental revenue receipts to pay for development costs. In so doing, this bill replaces the present statutory provisions relating to tax increment financing, specifically, P.L.1984, c.172 with a streamlined, more useful process.

"Incremental revenue" is defined in the bill as the increase in property-tax and other revenues that results after the district is formed and development is commenced.

The bill permits municipalities to designate one or more areas of the municipality as a "revenue allocation district" and to designate a district agent to implement a development plan for the district. The district agent may be the municipal governing body, the redevelopment agency, the NJRA or a local housing authority with redevelopment powers. The ordinance creating the district would be submitted to the State Treasurer and the Local Finance Board, and must be approved by the board.

After the creation of the district, the district agent may issue bonds or notes to finance the development of specific projects or to finance the infrastructure (for example, roads, sewers, bridges) necessary to facilitate development within the district. Projects may include site acquisition and clearance of land for private development or the construction of educational, cultural, civic and recreational facilities to be owned by a governmental entity or private nonprofit corporation.

Prior to issuing any bonds or notes, the district would be required to adopt a final revenue allocation plan which describes the project to be developed and the incremental municipal taxes and other revenues intended to be pledged to payment of the bonds. The district may pledge all or a percentage of any eligible revenues identified in this bill. The plan must be approved by the municipality and the Local Finance Board. The revenues which may be pledged include the taxes attributable to the increase in the taxable value of property in the district.

Article 3 of the bill authorizes municipalities or the authority to accelerate foreclosure on abandoned properties under certain circumstances.

Article 4 of the bill establishes a neighborhood empowerment program in which certain delineated areas of qualified municipalities

would become eligible for major financial assistance from the authority, including a guarantee that any person who owns or has acquired property which they were in no way responsible for polluting shall not pay cleanup and removal costs greater than 133 percent of the appraised value of the property subject to cleanup. The balance of the funds to clean up the property would be provided by the URA, to be offset by any payments made by the person responsible for the contamination under ISRA.

In addition, an accelerated environmental permitting process would apply in designated empowerment neighborhoods. An additional benefit of empowerment neighborhood designation would be priority in acquiring project funding from the URA.

Article 5 of the bill would establish an urban redevelopment remediation exemption and streamlines the DEP approval process.

The bill also gives the NJRA responsibility for allocating those funds designated for North and South Jersey pursuant to section 3 of P.L.1984, c.218 (C.5:12-144.1)

This bill repeals P.L.1984, c.172 (C.52:27D-250 et seq.) which is known as the "Tax Increment Financing Act," and the "New Jersey Urban Development Corporation Act," P.L.1985, c.227 (C.55:19-1 et seq.).

The bill appropriates \$250,000 in start-up costs to the NJRA.

Proposed Amendments:

1. Title -- the title of the bill is amended to correct terminology, consistent with changes made in the body of the bill;

2. Section 3 -- clarifies definition of "qualified municipality" with regard to "special needs district" designation; updates reference to "blighted areas";

3. Section 4 -- c. adds four public members to the URA board, two of whom are urban mayors and two who are mayors of municipalities contiguous to urban areas; urban areas are defined as municipalities coterminous with "special needs districts" and mayors shall serve for three years or for as long as they hold mayoral office;

f. changes quorum from eight to ten members because of expanded URA board membership;

j. added gubernatorial veto of URA minutes;

4. Section 5 -- amends eminent domain power of authority to include qualified municipalities rather than "State aid" municipalities to be consistent with jurisdiction of authority;

5. Section 6 -- creates ranking of municipalities eligible for project funding by authority as follows:

- (1) designated empowerment neighborhoods;
- (2) municipalities which are both coterminous with special needs districts and eligible for MRP funding;
- (3) municipalities which are coterminous with special needs districts; and
- (4) municipalities eligible for MRP funding.

A listing of these municipalities follows.

In addition, section 6 establishes factors for the URA to consider in financing projects which is modeled on EDA law;

6. Section 7 -- f.(3) is amended to allow REIT's to be collateralized with property which is acquired through the accelerated acquisition process set forth in article 3;

7. Section 21 -- limits requirement that the URA hold public hearings to projects costing over \$100,000;

8. Section 33 -- requires that net earnings received from the investment or deposit of the New Jersey Redevelopment Investment Fund be repaid to that fund, rather than the General Fund;

9. Section 37 -- broadens the findings in article 2, "Revenue Allocation Financing," to allow it to be used in areas which have not experienced private capital investment due to inadequate infrastructure or adverse economic conditions. Current language limits the use of this financing mechanism to areas with deteriorating physical conditions;

10. Section 38 -- expands the definition of "project" under the TIF portion of the bill to allow for the financing of infrastructure improvements outside the district, but integral to the effectuation of the district plan;

11. Section 39 -- allows any regional planning commission which has been assigned redevelopment powers under law to designate TIF districts and requires that commission serve as district agent if districts are created in area under commission jurisdiction;

12. Section 45 -- expands powers of district agent to include the payment of project costs, specifically including payments to a private developer as reimbursement for project costs incurred by private developer, in accordance with redevelopment agreement entered into by municipality or municipalities and private developer;

13. Section 54 -- amends provision concerning distribution of TIF revenues such that no revenues deposited in fund shall be included in calculation of adjustment payments payable to an intermunicipal account under law;

14. Section 55 -- removes mayoral veto of district agent actions in situations where district agent is an entity with redevelopment powers which has designated itself as district agent;

15. Section 68 -- amends the definition of "abandoned property" in the accelerated foreclosure article of the bill to clarify that land may be defined as abandoned and does not necessarily have to contain a structure in order to fulfill this definition;

16. Section 70 -- lessens the burden of proof on the authority necessary to demonstrate that a property is abandoned, by amending subsection b. to allow the acquisition of land by the authority in the event that any one of the three conditions are met rather than all (that is, threatening the life, health and safety of the neighborhood) and amends overall conditions to be alternatives;

17. Section 74, 75 and 76 -- corrects the reference to the neighborhood empowerment program;

18. Section 77 -- adds to the considerations in evaluating a comprehensive plan for designation as an empowerment neighborhood the impact of the plan on the educational environment of the proposed empowerment neighborhood;

19. Section 79 -- removes the requirement that three public hearings be held around the State by the authority regarding empowerment neighborhood applications and instead requires that at least one meeting be held in a municipality which has applied for empowerment neighborhood designation; also removes limitation of six empowerment neighborhoods designated in first cycle and instead provides that authority should designate as many neighborhoods as possible given resources;

20. Section 83 -- amends CRDA law to reflect 1995 amendments and to hold harmless "Atlantic City Fund" from provisions of this bill.

FOR THE COMMITTEE'S INFORMATION

The authority's jurisdiction is both municipalities coterminous with "special needs districts" and those eligible for MRP funding. "Special needs districts" are still based on 1980 census figures.

With the promulgation of the 1990 federal census, there could be some changes in special needs districts. With the change in the AFDC population, the State Department of Education has noted that if the Legislature were to update Special Needs status using the new DFG, Pemberton and Neptune Townships would no longer be special needs districts. New districts under the revised figures would be Lodi, Bayonne, Kearny, North Bergen, Weehawken, Carteret, and Lakewood.

The bill also assigns funding priorities according to municipalities' status relative to "special needs district" and receipt of MRP funds. What follows is a priority listing for project funding.

First priority:

Empowerment neighborhood designation, which all qualified municipalities are eligible to apply for. Qualified municipalities are:

Bayonne City
 Belleville Township
 Bloomfield Township
 Burlington City
 Carteret Borough
 Cherry Hill
 Chesilhurst Borough
 Clifton City
 Commercial Township
 Deptford Township
 Dover Township
 East Newark
 Edison Township
 Ewing Township
 Fairfield Township
 Gloucester Township
 Guttenburg
 Haledon Borough
 Hamilton Township
 Hillside Township
 Kearny Town
 Lakewood Township
 Lawnside Borough
 Lindenwold Borough
 Manville Borough
 Middlesex Borough
 Milltown Borough
 Montclair Township
 Neptune City
 North Bergen Township
 Ogdensburg
 Old Bridge Township
 Orange City
 Penns Grove Borough

Pennsauken Township
 Pleasantville City
 Rahway
 Roselle Borough
 Salem City
 South Amboy City
 Union Beach
 Weehawken Township
 Winslow Township
 Woodbridge Township
 Garfield City
 Pemberton Township
 Camden City
 Gloucester City
 Bridgeton City
 Millville City
 Vineland City
 East Orange
 Irvington Township
 Newark City
 Orange Township
 Harrison Town
 Hoboken City
 Jersey City
 Union City
 West New York Town
 Trenton City
 New Brunswick City
 Perth Amboy City
 Asbury Park City
 Keansburg Borough
 Long Branch City
 Neptune Township
 Passaic City
 Paterson City
 Elizabeth City
 Plainfield City
 Phillipsburg Town

Second priority for URA funding:

Municipalities which are both Special Needs Districts and Eligible to Receive MRP Funding, as follows:

Garfield City
 Pemberton Township
 Camden City
 Gloucester City
 Bridgeton City
 Millville City
 Vineland City
 East Orange
 Irvington Township
 Newark City
 Orange Township
 Harrison Town
 Hoboken City
 Jersey City

Union City
West New York Town
Trenton City
New Brunswick City
Perth Amboy City
Asbury Park City
Keansburg Borough
Long Branch City
Neptune Township
Passaic City
Paterson City
Elizabeth City
Plainfield City
Phillipsburg Town

Third Priority:

Municipalities which are "Special Needs Districts," as follows:

Burlington City
Garfield City
Pemberton Township
Camden City
Gloucester City
Bridgeton City
Millville City
Vineland City
East Orange
Irvington Township
Newark City
Orange Township
Harrison Town
Hoboken City
Jersey City
Union City
West New York Town
Trenton City
New Brunswick City
Perth Amboy City
Asbury Park City
Keansburg Borough
Long Branch City
Neptune Township
Passaic City
Paterson City
Elizabeth City
Plainfield City
Phillipsburg Town
Pleasantville City

Fourth Priority:

Qualified Municipalities, listed above

SENATOR DICK LaROSSA (Chairman): This is a meeting of the New Jersey Senate Urban Policy and Planning Committee. This meeting is being held in accordance with the Open Public Meetings law.

This afternoon we have sitting in on the Committee Senator Joseph Palaia, from the 11th District, Senator?

SENATOR PALAIA: Yes.

SENATOR LaROSSA: Senator Palaia represents a couple of urban centers in New Jersey, Asbury Park and Long Branch. Am I correct, Senator?

SENATOR PALAIA: Yes, and Neptune.

SENATOR LaROSSA: And Neptune. Senator Bennett will be here. He is en route, as is Senator Rice. Is Senator O'Connor coming today?

MR. CALLAHAN: (Senate Majority Staff) Yes.

SENATOR LaROSSA: And Senator O'Connor. So we will have a full Committee by the time the vote is taken on the bill.

The purpose of today's meeting is twofold: to take any additional commentary -- testimony on Senate Bill No. 1655, which is the only bill on the agenda, which has been characterized and refers to the "New Jersey Urban Redevelopment Act." We feel it is a comprehensive approach to providing a renaissance to New Jersey's urban centers.

We all have a tremendous investment in the urban centers in New Jersey. The fact of the matter is, it is about time, quite frankly, that we stop paying lip service and start paying attention. Hopefully, this is the beginning of a coordination of a lot of materials, efforts, and programs so that the resources can be brought to bear in a very positive, proactive way, and also providing some new opportunities as well to bring the resources of New Jersey to bear.

Over the last year and a half, we have been-- I believe this is the 15th stop on the Committee tour. We have interviewed close to 1000 people. This bill, quite frankly, is

the net result of the input and responses from those 15 cities and those 1000-plus people.

If I may, there is no single bill which ultimately is going to be a cure-all or an end-all, but hopefully this will become a platform or, if you will, a launching pad whereby we finally begin marching forward the renaissance of New Jersey's urban centers.

If I may add one other thing, it is in everyone's best interest for us to reclaim New Jersey's urban centers. We talk about infrastructure. The cities, the roads, the utilities, they are all in the urban centers. If we reclaim our urban centers we will do more to preserve open spaces than any Green Acres bond issue in the last 50 years.

If I may, just as a personal aside, and why perhaps I may be a little more passionate about this than some others-- I think, just as a comment, that there is something very, very wrong with a society that spends so much time talking about recycling newspapers and plastic bottles, but does not spend the same amount of time thinking about recycling its cities. There is something wrong with that scenario. Hopefully, we are going to reclaim and recycle our cities, and at least give them, you know, the same status of recognizing that there is, in fact, something productive we can do.

A number of people are scheduled to testify. First, I would like to call on my good friend, and also Mayor of Woodbridge, Senator Jim McGreevey, who took the time to be with us this afternoon.

SENATOR JAMES E. MCGREEVEY: Thank you, Senator.

SENATOR LaROSSA: Jim, the other mike is the amplification. Even both mikes up.

SENATOR MCGREEVEY: Okay. Thank you, Senator.

I appreciate the opportunity to be here today, as the 19th Legislative District comprises the municipalities of Sayreville, South Amboy, Perth Amboy, Carteret, and Woodbridge.

I believe Senate Bill No. 1655 sets forth a clear, thoughtful design to provide financial incentives to renew economic investments within our urban municipalities.

If I may, I would like to just highlight some of the critical aspects of the legislation which would substantially enhance the ability of a municipality to attract financial investment within a community.

First, the bill provides that a municipality and/or district agent may have the right of a first refusal on property listed for sale that has been abandoned. Most importantly, the bill establishes a clear, definitive outline for abandoned property. The process would also enable, through the New Jersey Redevelopment Authority, the ability to condemn and take land in accordance with the municipal governing body.

As importantly, the accelerated foreclosure process would permit land to be foreclosed and sold, and, indeed, would return land to productive uses. In addition, it also has a clear, definitive process for the perfection of liens, which is long overdue.

Of particular note, is the revenue allocation financing structure. The bill would reauthorize a form of tax increment financing with the new title "Revenue Allocation Financing." Tax increment financing would enable the municipality to establish a baseline assessment on properties slated to benefit from the redevelopment, insofar as this baseline amount of taxes would be used to pay the normal obligation of the municipality.

Of particular note, also, is the additional revenue realized from these properties as the value of land increases would be earmarked to pay for those costs. The bonds would then be used to finance infrastructure improvements within the area being redeveloped, therefore allowing a municipality -- enabling a city to provide for the necessary infrastructure, while improving the overall economic desirability of the site.

Indeed, as the debt service on the improvements is retired, a greater percentage of the additional tax revenue would be returning to the municipality.

New Jersey State law authorized tax increment finances, as sunsetted in 1987. What this bill clearly would do is establish a new increment financing mechanism for every municipality in the State. The bill would also permit for more than property taxes to be used as the revenue stream to support the bonds utilized for infrastructure.

In addition, the advent of neighborhood empowerment zones is a critical necessity for our urban communities. The bill clearly would set forth the ability of a municipality to renegotiate and reallocate back taxes on certain designated properties within the zone as a condition for applying for the designation for the neighborhood empowerment zone. Clearly, the legislation sets forth that accrued taxes, interest, and penalties, while being an impediment to selling a property, is necessary for the municipality to become partners in the process to reclaim certain lands. Depending on the size and location of the property, this would enable a municipality to begin the process of negotiation to return pieces of deserted and vacated properties to the tax rolls.

In addition, perhaps of greatest concern is the environmental standards. The bill would set forth substantial changes in the present environmental standards employed in the cleanup of contaminated properties. The bill would grant an exemption for the removal and treatment of polluted soil in contaminated urban areas. Of grave concern presently is that in certain industrial tracts, industrial property owners simply pay the taxes because the cost of rectifying and alleviating polluted sites is so exorbitant that it is simply less expensive to pay taxes on vacated lands than to ever begin the long, expensive process of cleanup.

The effect of this legislation would mean that, in part, vacated, desecrated land would, in part, begin the process of remediation. While this proposal has been set forth on numerous occasions, it is important that the State Legislature reconsider ISRA and its implications. The State Legislature needs to adapt a pragmatic approach which responds realistically to market demands. We must recognize that for acceptable remediation to occur, this State, indeed a community, must provide financial incentives for the property owner. The bill would also cap the amount a property owner in a neighborhood empowerment zone must pay to clean a particular designated site, indeed, 133 percent of assessed valuation.

The support for this bill would argue that New Jersey is, indeed, the only State in the country to be wholly included in a census metropolitan area. Indeed, we have many urban centers within this State. As in other northeastern states, New Jersey must address their urban centers and provide a financial incentive to restore economic vitality.

In addition, the bill would also provide for a municipality to singularly address aging infrastructure. We would also permit present landowners to return vacated, desecrated sites to the tax base, thereby encouraging municipalities to become partners with private industry.

New Jersey has had, for many past decades, an underinvestment in both physical and human capital to our urban centers. This legislation recognizes the magnitude of the difficulties set forth in addressing our urban centers. Dramatic steps must be undertaken to begin reversing present trends. The central premise of this legislation, namely the urban redevelopment initiative concept, and the philosophy, would enable a municipality to work in partnership with private industry and provide actual financial incentives for the revitalization of an urban center. In addition, it would allow

an urban community to jump-start its unique economy, without waiting for either Trenton or Washington to provide for extraneous external assistance.

Senator, just representing an urban community, I would like to compliment you for this particular initiative. It is a significant step in allowing municipalities, particularly our urban centers, to attract new financial incentives.

Lastly, it would enable municipalities to set forth a rational design for their long-term well-being and financial and economic revitalization.

SENATOR LaROSSA: I'm stunned.

Senator, with all due respect, I have to thank you for not only, obviously, having read the bill, but also understanding the bill. You know, I think that is one of the most difficult things, because we are trying to create a vision. We are trying to create an opportunity. I hope, if I may, that you have a copy of that for the record, even though it is on the record for printed matters.

I also deeply appreciate your understanding of the vision, as well, and that you see it as an opportunity, that hopefully we can present it as such.

SENATOR MCGREEVEY: Senator, perhaps most importantly as a Mayor in Woodbridge, which is a suburban community, we have embarked upon an economic development corporation. With the advent of an economic development corporation in a suburban setting, we have been able to embark upon developing financial incentives through property tax initiatives, through a job training partnership with, most particularly, Trenton, the Department of Commerce, and the Economic Development Authority.

Urban centers have particularly unique problems insofar as property takings, the protection of liens, as well as neighborhood empowerment zones. This legislation would clearly enable those municipalities to address long-outstanding problems which as of yet have not had a definitive solution.

Most importantly, it enables a municipality, on a local level, to set forth and envision, and provides them with the financial incentives to respond to realistic market demands.

SENATOR LaROSSA: Senator, again, I appreciate your comments. I guess you may not be aware of the fact that we just received, the tail end of last week -- that we do have a formal endorsement letter, also, from the State League of Municipalities in total, in addition to the urban letters.

SENATOR McGREEVEY: Well, despite that, it must be a good bill.

SENATOR LaROSSA: No, they came out in favor of something that I knew was, you know--

I really want to thank you so very much for, number one, taking the time, and also for your extremely thoughtful comments.

SENATOR McGREEVEY: Thank you, Senator.

SENATOR LaROSSA: I look forward to working with you on a whole host of other urban matters. As I said, and as we both know, it is in everybody's interest. You know, we have to stop talking about this stuff and get it done.

SENATOR McGREEVEY: Thank you, Senator.

SENATOR LaROSSA: Senator, would you share them or leave them with us, or are you taking your notes?

SENATOR McGREEVEY: I will forward a copy.

SENATOR LaROSSA: Terrific. Senator McGreevey, thank you very much.

SENATOR McGREEVEY: Thanks, Senator.

SENATOR LaROSSA: I would like to call SaraLee Pindar, Council of County Colleges. How are you?

S A R A L E E P I N D A R: Good. How are you?

SENATOR LaROSSA: Good.

Please put both microphones in front of you. One is for amplification, and the other is for recording purposes.

MS. PINDAR: Thank you very much, Senator.

Good afternoon. My name is SaraLee Pindar. I serve as the Officer of Programs and Economic Development for the New Jersey Council of County Colleges.

The Council of County Colleges is the statewide association representing New Jersey's 19 community colleges. On behalf of the Council, I want to thank you for giving me this opportunity to testify in support of S-1655.

The community colleges have urban campuses and extension centers in 15 of New Jersey's oldest cities, from Camden and Atlantic City in the south to Newark and Paterson in the north. We support S-1655 wholeheartedly, because many of us experience, on a daily basis, the many problems that result from the decaying infrastructure of New Jersey's urban centers.

We applaud the bold initiative of S-1655 that will really give a jump-start to rebuilding and revitalizing our cities. On behalf of the Council, I want to thank Senator LaRossa for his leadership on this very important issue. The community colleges look forward to working with you toward the passage of this important legislation, and we stand ready to assist the Urban Redevelopment Authority in any way we can.

Thank you so much.

SENATOR LaROSSA: Thank you very much.

I won't let the cat out of the bag in terms of the endorsement letters, but Jon Spinnanger, from Bell Atlantic.

J O N P. S P I N N A N G E R: Good afternoon, Mr. Chairman. I am delighted with the opportunity to appear before you.

I would like to introduce my colleague, Bob Rivers, who is also from Bell Atlantic. He is a subject matter expert on economic development, among other things. Bob's role in this was also to provide us with background research material on this bill and other initiatives, but he also serves on the New Jersey Industrial Development Association, and on the

Council of Urban Economic Development -- CUED -- which is a national organization. Whenever we have a prospective, you know, inward movement of a corporation, Bob is frequently called upon to testify to the telecommunications infrastructure that is available in various locations. So, I am personally pleased to have Bob with me this afternoon.

Good afternoon and members of the Committee. My name is Jon Spinnanger. I am Director of Government Relations for Bell Atlantic-New Jersey. We are, quite frankly, delighted to appear before the Committee this afternoon to heartedly endorse S-1655.

I note for the record that today's meeting is taking place in one of New Jersey's most exciting and recently redeveloped urban centers. New Brunswick is a perfect example of the renaissance that can take place in an urban center if sufficient time, effort, and energy is marshaled to this end. Senate Bill No. 1655 will ensure the continuation of this renaissance in New Brunswick, in urban centers, and, for that matter, in suburban places, also, across the State.

Bell Atlantic heartedly endorses the New Jersey Urban Redevelopment Act, which is, of course, the title assigned to this bill. That title summarizes very, very concisely its intent.

Included in our earlier testimony on this bill was reference to the 70 cities study, a comprehensive review of New Jersey's 70 largest municipalities, which was undertaken, not surprisingly, in the late '70s. That study made a very clear and convincing case for why the economic health of New Jersey's urban centers impacts directly on the balance of the State's municipalities. Largely as a result of the '70s study, Bell Atlantic established one of New Jersey's first formal business retention programs. Initially, the program consisted of then New Jersey Bell working in cooperation with local chambers of commerce. But the program's success quickly brought it to the

attention of the Department of Commerce and Economic Development, and it has been a cooperative effort with them ever since.

In short, it makes sense to work with the existing economic base of a community, particularly an urban center, to try to create an atmosphere conducive for economic health and expansion. When such conditions have been established in any given area, attracting new firms to that municipality becomes a very much easier task.

Senate Bill No. 1655 addresses a number of impediments to urban redevelopment that were identified in the 70 cities study, and in other studies. Entrepreneurial and developer financial problems are dealt with in the establishment of the New Jersey Redevelopment Authority. Of particular importance is the creation of a pool of money to provide short-term loans. Eminent domain powers will also help to speedily remove heretofore seemingly insurmountable barriers. Requiring the Treasurer, Attorney General, Commissioners of Community Affairs, Health, Labor, Transportation, and Commerce to sit on the Board of the Redevelopment Authority is another master stroke. Under such a structure there can be no miscommunication, no lack of communication between and among the members of the Governor's Cabinet.

Including the requirement of Senate approval for all projects ensures both legislative oversight and ongoing dialogue with the executive branch. The incremental financing arrangements permitted in the legislation will also help advance projects that would otherwise have to wait until external funds could be secured. By requiring local participation and paying for improvements, these incremental arrangements -- dialogue between the developers and local economic base is also guaranteed.

Finally, providing statutory authority to accelerate the foreclosure of abandoned properties and including language

that will result in a streamlining of the permit process will go a long way in demonstrating to the development community that New Jersey is serious about the redevelopment of its valuable urban centers.

Bell Atlantic shares your commitment to doing everything possible to bring about the redevelopment of New Jersey's cities. Our headquarters building, and most of our major switching centers, are located in New Jersey's urban centers, so we have a parochial interest in bringing this about.

Just in closing, Mr. Chairman and members of the Committee, I would like to draw your attention to the bill itself -- to the text of the bill itself in Section 2c. I will just read it to you: "The rapid pace of technological change with which the late 20th century is associated, represented by the development and growth of the information superhighway, and increasing world competition, spurred on by recent and ongoing international free trade agreements, threatens to further marginalize our already distressed and beleaguered urban centers."

We would like to reassure you that Bell Atlantic and our Opportunity New Jersey Program will not marginalize or bypass the urban centers. You have our commitment on that. Opportunity New Jersey represents our commitment to maintain and enhance New Jersey as the nation's premier State in which to live and work. We have always been first in the past. Let me just cite one example:

When Touch-Tone came out -- it seems like centuries ago -- that was in New Jersey. When electronic central offices, or computerized central offices came out, it was first in New Jersey. Now, digital switching, first in New Jersey. Fiber optics and the commitment to deploy fiber optics throughout the State, to deploy the latest technologies-- We are committed, in New Jersey, to being first in the nation. We are proud of that. There are a lot of reasons, by the way. It

isn't all just because we're smart, or whatever, but the fact that we have a lot of research facilities in New Jersey, we have had telecommunications research facilities for 100 years, and we are a compact State, makes it an ideal laboratory for such technology. This has benefited us all in the past. It is benefiting us right now, and we are delighted to tell you, sir, that it will benefit us in the future, as well.

We thank you.

SENATOR LaROSSA: Thank you, Jon.

Bob, do you have any comments?

MR. SPINNANGER: Any comments, Mr. Rivers?

R O B E R T R I V E R S: You did quite well there, Mr. Spinnanger.

SENATOR LaROSSA: You're his backup, then?

MR. SPINNANGER: Absolutely, we're a team.

SENATOR LaROSSA: Terrific.

MR. SPINNANGER: But we thank you.

SENATOR LaROSSA: The 70-city study, 70 cities obviously in New Jersey--

MR. SPINNANGER: Yes. It was the 70 largest urban centers in New Jersey. Senator, we have scoured every file cabinet in Bell Atlantic's headquarters, and we cannot find the study. But we were there; we participated in it. We have referenced it in previous testimony. What it says is that the urban centers really are the economic engine of New Jersey.

SENATOR LaROSSA: Senator Palaia?

SENATOR PALAIA: Jon, you forgot one part, though. You talked about the firsts in New Jersey. How about the first transatlantic message? It came out of the Deal test site in Ocean Township, where I am from. That was a first.

MR. SPINNANGER: Yes, it was.

SENATOR LaROSSA: Were you there for that? (laughter)

SENATOR PALAIA: I was there. The message was: "How now, Brown Cow?"

MR. SPINNANGER: The first transcontinental direct dial telephone call originated from Englewood, New Jersey. I mean, there were a lot of firsts in New Jersey.

SENATOR PALAIA: Don't forget us, though, down at the shore.

MR. SPINNANGER: Oh, we won't.

SENATOR LaROSSA: I thank you, again, very, very much. Obviously, we have your original letter, and we have a record of your testimony today. I want to thank not only you, but also Bell Atlantic for being one of the few major corporations that has, you know, not only seen those changes, but, in fact, has made that long-term commitment. I think when we do finally achieve the net effect, there are going to be a lot of people led by Bell Atlantic and, hopefully, this Committee can say, "We told you so."

MR. SPINNANGER: Also, we don't want to mask the fact that we sell a lot of dial tone to these companies in urban centers. We want to keep them there. We want more to come in.

MR. RIVERS: We want the number to grow -- growth.

MR. SPINNANGER: That is exactly right. We have a parochial interest in the health and well-being of our State's economy, as well.

SENATOR LaROSSA: I think that is interesting. For anyone who is taking notes, the word was "growth" in the urban centers. So if anybody missed that--

MR. RIVERS: Growth.

MR. SPINNANGER: That's right.

SENATOR LaROSSA: Thank you very, very much.

MR. SPINNANGER: Thank you.

SENATOR PALAIA: Thank you.

SENATOR LaROSSA: If there is anyone who is here to testify who has not signed in, the sign-in sheets are right on the front table here.

Bill Harla, and is Karen here? (affirmative response) Oh, I'm sorry, I didn't see you. Sorry. Do you want to do this together?

KAREN KUMINSKY: Yes.

SENATOR LaROSSA: Okay.

MS. KUMINSKY: We're thinking of starting a talk show, so we are going to try it out here.

SENATOR LaROSSA: Okay. Bill Harla from DeCotiis, Fitzpatrick & Gluck, and Karen Kuminsky from PMC.

Who would like to go first?

MS. KUMINSKY: Bill?

WILLIAM HARLA, ESQ.: Thank you, Senator.

Thank you, members of the Committee, for the opportunity to be here today. We are appearing on behalf of a number of commercial retail land developers and developers of low- and moderate-income housing and market housing.

At the start I would like to say that the entire bill, in our perspective, is a really very laudable effort to address some of New Jersey's most pressing social and economic problems. We are here today, however, to really address one aspect of the bill which is of particular importance to our clients; that is, the section dealing with tax increment financing.

Our clients are very much in support of it -- strongly in support of it. The Committee and, Senator LaRossa, you in particular, have to be commended for recognizing the value of TIF financing, which Senator McGreevey spoke about a moment ago, as a creative and innovative way of promoting and fostering economic development in New Jersey. And, I should add, promoting that development without raising new taxes. I think that is an important aspect.

The TIF concept is very simple, it is very direct, but it is very effective. It captures anticipated tax revenue in a way that can be utilized to spur economic development and, in

turn, generate investment in public facilities. Nationally -- you may know this-- We spend a lot of time reading the literature that has been developed across the country. There are 40 states now which have an active TIF program in their laws. It is high time that New Jersey had such a program. It has not had an effective TIF program, and the TIF mechanism has been an effective, efficient way of promoting development and creating a partnership between the public sector and the private sector.

I mentioned that we surveyed the literature, and by all accounts it has been very effective. TIF has been a mechanism to effectively finance a whole host of urban development and other redevelopment. It has been used for commercial office space; it has been used to fund shopping centers; it has been used to promote construction of low and moderate housing and market housing in a mixed setting; it has been used to promote recreation facilities -- a golf course would be one example, but there are others. It has been used, very importantly, to promote infrastructure needs and create infrastructure needs that would never have been satisfied if there were strict reliance on government involvement alone.

Roads have been built because of this process -- bridges, sewers, a whole host of framework that we need in New Jersey. New Jersey, in particular, is facing a crisis now because of the aging infrastructure of our State. The mechanism has also been used to finance exhibition space. It has been used for environmental enhancements and cleanups, and that is especially important, as we know, in urban areas, where New Jersey has tried to take some steps forward to do things like ECRA and its successor bill to promote cleanup in environmental areas. But I think, Senator, the one thing that is really terrific and visionary about your bill is the fact that it recognizes -- and you said this when you started your comments today -- that there is not one single tool that is

going to be effective to revitalize, develop, and redevelop our urban areas. It takes a whole bundle of effort and activities, and sometimes it may be direct government spending and sometimes it may be something like ECRA or its successor bill. I cannot remember the acronym, so--

SENATOR LaROSSA: ISRA.

MR. HARLA: ISRA, which recognized that there has to be a balance of the environmental concerns and the nature of the use to promote development. Your bill is just another tool, a very important tool, to promote economic development. That is what is really exceptional about this bill. It recognizes that there is not one single way to deal with this issue. It is very opportune now, it seems to me, to rely on the TIF mechanism. You know better than I, Senators, that there is pressure on the Federal budget. The resources are not there. At the State level, you are in the midst of your budget considerations now. The availability of direct State grants to promote private development is simply not there anymore. The other agencies New Jersey has established to promote these goals -- the HMFA in the housing area, the EDA in the economic area, the Wastewater Treatment Trust, the Transportation Trust Fund-- The demands in New Jersey on these agencies are tremendous. There simply is not enough money out of direct State coffers to really fund all the needy projects in New Jersey to make our State as good as it can be and as good as we want it to be.

Plainly, there is a need to find alternative mechanisms to attain that development. This bill, and in particular the TIF mechanism, we believe, is an appropriate -- will be a successful mechanism to do that, because TIF bridges the gap between the availability of private capital and the availability of direct government spending. More importantly, on a philosophical basis -- and I mentioned this -- it really does encourage a public/private partnership, which is really

the only way successful development can be sustained on a continuing basis in New Jersey.

So, in sum, I would say, really, we cannot say enough good things about the TIF mechanism. It will encourage the expenditure of private funds for the public benefit. It is creative; it is innovative; it is a way to pursue and obtain a variety of government and public policy goals. It has been underutilized in the past in New Jersey, but we welcome the fact that this bill will provide the mechanism for it to be utilized effectively in New Jersey to obtain important public benefits.

We appreciate the opportunity to be here.

SENATOR LaROSSA: Thanks, Bill.

MS. KUMINSKY: Just to add to Bill's comments, the development community and the people I come into contact with every day are elated by the opportunity to use some of the mechanisms in this bill. I mean, it creates an environment to stimulate economic development, which we have not had for a long time. New Jersey is a strategic location, but it is also recognized as sometimes being very expensive to bring a project to New Jersey and to build in New Jersey.

With this bill, a developer is able, for the first time, to take another look at this State and feel that he is going to get some assistance, especially using this TIF mechanism. I can't say enough about how many of my clients are particularly excited, because it will give them the ability to take a second look at New Jersey and go back to their front office and say, "Look, we can come to New Jersey. They want us to come, they are encouraging us to come." We have a TIF that makes New Jersey much more competitive with New York and Pennsylvania, and it let's the choice be New Jersey, rather than the New York or Philadelphia areas. We are excited that on this economic development potential, stimulus is going to be available in this State.

I also want to add that I know the bill has an urban redevelopment emphasis, but it also provides opportunities for areas outside the urban areas, municipalities that are willing to undertake a redevelopment project in designated areas where there is a need for redevelopment -- to take advantage of these tools as well. So the whole State is able to benefit from this bill. It will make our cities and their outlying areas very, very economically competitive within the region.

Thank you.

SENATOR LaROSSA: Thank you, Karen.

You mentioned something which in all honesty I never even thought of when you mentioned New York and Pennsylvania. Are all of the contiguous states to New Jersey-- Do they all have TIFs? Do you know offhand?

MS. KUMINSKY: I don't believe Pennsylvania does.

MR. HARLA: Senator, I am not sure I have the list with me, but--

MS. KUMINSKY: I think I do. I can check it.

MR. HARLA: We can find out for you. We do have a list of the states. I don't know them off the top of my head.

MS. KUMINSKY: Primarily, in researching the literature, it seemed as if California used TIF to a great extent, and a lot of the states in the Midwest, particularly Illinois and Indiana. That is where they did a lot of their large-scale retail development, large shopping malls, and also housing projects and affordable housing projects.

SENATOR LaROSSA: That's terrific.

I also want to thank you not only for your support, but for your help as well, because, again, you began to move the bill forward-- With an intricate bill, it helps to have the insight of the people who are out there using it on a day in, day out basis.

Are there any questions from the Committee members?
(no response)

I want to thank you very, very much, again.

I would like to introduce two other Committee members who have arrived -- Senator Ron Rice, to my right, and to my extreme right-- Actually, that is not right. You should be to my left, but that's okay. To my extreme right, Senator Ed O'Connor.

SENATOR O'CONNOR: You're right about that. (laughter)

SENATOR LaROSSA: I want to thank all of the Committee members today. I was remiss. I also want to thank one other person today, and that is Gloria Covino, who is over here to my right, for helping to coordinate with my office, as well as the Office of Legislative Services for arranging the facilities today. I thank them all for being here.

I do have to reiterate one other thing. One of the great opportunities of taking the Committee, if you will, on the road, has been the opportunity to see the good things that are happening in our cities, I think to reinforce with the Committee, you know, that there are a lot of just incredibly positive things going on. Those are the things we need to capitalize on and promote. I also thank you, as well as Mayor Cahill's office, for the assistance they have provided.

Jim Robbins, from R.A.D. Consultants.

J A M E S R O B B I N S: Good afternoon. I thank you for the opportunity to come before you. My group is called R.A.D. Consultants. We are from Cedar Grove.

I just want to bring up two points, and I have brought them to you in a letter:

We support the bill. One positive thing we like about it is the accelerated foreclosure method. We think there will be an opportunity for more properties to come on board, for private investment. We also think there will be an opportunity to utilize the HUD 203-K program for one of four family projects.

Personally, I would like to see it not only tied to the tax sales certificates, but also being applied to the judicial foreclosure, so that financial institutions have an opportunity to accelerate their foreclosures and bring more inventory into the private market. That is where the biggest benefit will be in this program.

The second item I wanted to go over is: I would like to see a downplay on the Davis-Bacon requirement, because what it does in the affordable housing arena is inflate the price of a home, making less families qualified for that particular unit.

I would like to see a job skill requirement put into the project, so you would have an opportunity to take an unemployed individual and teach him a carpentry skill. It would also be beneficial to that extent.

Just one other item: A few years ago, I had the opportunity to write you a letter, as a student from NYU, about the idea of changing around the mechanisms in the inner cities. It has been two years in the process, and I am glad you have taken a stab at it. We really appreciate it.

Thank you for your time.

SENATOR LaROSSA: We appreciate very much your taking the opportunity, both as a student and also taking it to a more practical application as well.

MR. ROBBINS: Thank you, again.

SENATOR LaROSSA: Any questions, anyone? (no response)
Arnold Cohen, Affordable Housing Network.

A R N O L D C O H E N: Good afternoon. Thank you for the opportunity to testify at today's meeting.

My name is Arnold Cohen. I am the Policy Coordinator of the Affordable Housing Network. The Network is a statewide association of almost 200 nonprofit housing development corporations, and their supporters, working to produce affordable housing and revitalize communities in urban, suburban, and rural areas throughout New Jersey.

We have not finished our review of the bill, and we hope to comment in greater detail. But our initial review indicates that the New Jersey Redevelopment Authority proposal offers a great opportunity for urban areas to access much needed dollars for redevelopment and job creation. Very important for us and our members is that the bill creates the Neighborhood Empowerment Program, which respects the needs of local residents to create their own community plan.

Another important aspect of the bill for our members is that city officials have the power to foreclose on abandoned sites within six months in empowerment neighborhoods, if there is a development plan in place for that neighborhood. This will help to stop speculators who sit on their properties in the hope that someday its value will skyrocket. It will also allow nonprofit groups to fix up a property before it has been totally destroyed. This can help to bring needed affordable housing to urban areas. Money is available, where needed, to help to pay for environmental cleanup in these neighborhoods, so former industrial areas can be productive parts of our city.

The bill permits municipalities to use revenue allocation financing. A municipality can adopt a revenue allocation plan and establish a revenue allocation district to finance redevelopment costs in blighted urban areas. This will help to bring needed jobs into poor urban areas, and will, hopefully, help to employ community residents.

We see this bill as a wonderful complement to the Housing and Jobs bond issue. We hope to see it introduced next month. We want to thank you, and your Committee, for all the hard work you have put into this.

SENATOR LaROSSA: Thank you very, very much.

I would also be remiss in terms of acknowledging -- as we talked to about 1000 people around the State -- the tremendous contribution made by Senator Palaia, who is sitting in today, as well as Senator Rice and Senator O'Connor.

Arnold, in the long run, I think you have been at every single meeting. It was a very rigorous schedule over the last year. Sometimes it was difficult to have everybody at the Committee meetings in Trenton, but my hat is off because when I said to Senator Lynch initially, "Give me people who are going to really want to participate"--

I thank you for coming, but also I just wanted to acknowledge my colleagues on the Committee, as well, for all of their work over the last year plus.

MR. COHEN: We put a tremendous amount of hard work into this.

SENATOR RICE: Mr. Chairman, I would like to make a quick comment. Arnold is one of Al's very special people in the City of Newark.

Arnold, if, in fact-- First of all, it is good to see you here.

MR. COHEN: Thank you.

SENATOR RICE: The legislation we put in for affordable housing is not moving with some of the other things happening, but it is there. Also, the bill I put in years ago facing the problem that you alluded to, properties that are abandoned, people paying taxes and just never coming back to help-- I believe that six-month comment you made would help to address that. I still think we have to go further, because some areas may not be in an immediate empowerment zone area, but yet we have the same problems as someone living in New York of boarded up houses causing us-- This is creating problems. But it is a step in the right direction.

You also indicated that you had not thoroughly scrutinized the bill. If you see anything that needs to be changed or amended, please let me know, particularly as it may pertain to the City of Newark, because Newark is your largest city with these urban needs. Usually, whatever we can address

there correctly is really just setting the stage for the smaller municipalities with the same problems. Okay?

The final thing I want to say is: I want to applaud the Senator because I know of his interest in Newark. The Senator came up last week and we met with, I guess, about 30 of the Ironbound manufacturing people to talk about some environmental issues you have concerns with and this legislation, as it pertains to them, and maybe their growth. They did give us some suggestions and comments, all of which cannot be incorporated in this legislation. But there is a commitment from the Senator -- the Chair -- to take a look at those issues and maybe promulgate some more legislation in the future.

MR. COHEN: Fantastic. Thank you.

SENATOR LaROSSA: Thanks, Arnold.

Pat Brannigan, NJIT.

P A T R I C K R. B R A N N I G A N: Thank you. Senator, and members of the Committee, it is an honor to be here today. Actually, I am representing three people: Myself, and Saul Fenster and Urs Gauchat, who have already forwarded letters endorsing this bill to you, and who also have participated in at least three of your Focus meetings throughout the State. Just the other day, we were pleased to host the Focus Group at NJIT. I have to say that it was one of the more dynamic and stimulating discussions that I have sat in on in awhile. It was a very good meeting that you chaired that day.

I don't want to repeat, but I would like to echo and support the comments of the previous speakers endorsing the bill. There are so many pieces of this bill that are good for the State.

I do want to commend Senator LaRossa and this Committee for the vision and leadership of bringing our cities and the urban areas back to a higher place on the agenda of business for the State of New Jersey.

At the management schools, we talk about the Hawthorne Effect, whereby organizations think they have improved. There was a study done many years ago, and they were trying to figure out what made organizations improve. They did it by increasing lighting in the workplace. People began to think it was the lighting, and then someone said, "We better test this. Let's take the lighting away." So they took the lighting away, and work improved even more. What they found out was, the Hawthorne Effect was when they focused on the employees and had the employees realize they were an important asset. That was when performance increased.

One of the things this bill does is to point out that one of the assets and resources for the State is our urban areas. It is not a bill just for the cities; it is a bill for the whole State. One of the most important strategies for preserving our Green Acres -- as Senator LaRossa has said so often -- is redevelopment and revitalization of our urban areas as places of residence, business, and industry. If we did that, we would be better able to preserve more of our Green Acres.

I do want to say that this bill will, we hope, be a strong incentive for coordination, collaboration, and partnerships. We commend you for putting that in there.

We support this wholeheartedly. If there is any way we can be helpful to the Committee or to the State in implementing this, we stand ready.

SENATOR LaROSSA: Thank you, Pat.

If you would, please give my regards and thanks to both Dr. Gauchat and Saul Fenster for all your help and cooperation.

Is there anyone else who has either signed in to testify or who has not signed in to testify, but who would like to testify? (no response)

Then I think what we should do, at this point, is discuss the amendments we actually physically do have. It is a 75-page bill, with one or two pages worth of amendments, but they are not that bad, at least the ones that we have formally taken care of. Try to get everybody on the same page here.

MS. SHOSTACK: (Committee Aide) Oh, here it is.

SENATOR LaROSSA: I am going to ask Hannah Shostack to go through these. If there are any questions as to what they are, most of these are cleaning up certain things so we will have consistency within certain parts of the bill with other parts, and so on.

So, Hannah, why don't you start, rather than my reading them, because you are the bill drafter. If there are any questions, let us know wherever they occur.

Oh, I'm sorry. The document we are looking at, Committee members, is-- It says: "Statement with Committee Amendments." It is the smaller of the two documents in your folders.

MS. SHOSTACK: Please turn to the third page of this document -- and there are extra copies on the table, if anybody in the audience wants to follow along. I am starting with the title that reads: "Proposed Amendments." They are listed in order, so I will start. The title changes are just to correct the terminology consistent with changes made in the body of the bill. Section 3 is just a clarification of what a qualified municipality is. It does not change anything. It just basically corrects language with regard to special needs designation -- district designation. It also--

SENATOR LaROSSA: The reason is that a special needs district is not a municipality.

SENATOR RICE: That's right.

SENATOR LaROSSA: We needed to make that so it was consistent. That was why that changed, so it would be clarified.

MS. SHOSTACK: There is also just a change in here to update the reference to "blighted area," which is now called an "area in need of redevelopment." So that is also a technical amendment.

Section 4, in line with a request made by Senator Rice, adds four public members to the URA Board, two of whom are urban mayors, and two of whom are mayors of municipalities contiguous to urban areas. Urban areas are defined here for these purposes as municipalities which are basically "special needs districts." The mayors also serve for three years, or for as long as they hold mayoral office.

It changes the quorum language to be consistent with the increased Board membership, and it adds subsection j., which is a gubernatorial veto of URA minutes. So that is that section.

SENATOR LaROSSA: Which is consistent with other authority procedures.

MS. SHOSTACK: Now, Section 5 amends the eminent domain power of the authority to include qualified municipalities, rather than State aid municipalities, to be consistent with the jurisdiction of the authority.

Section 6 is more substantive amendments. These basically create a ranking of municipalities which are eligible for project funding by the authority, as follows: The first priority is to designate it an empowered neighborhood. The second is municipalities which are both termed special needs districts and eligible for MRP funding.

The third is municipalities which are coterminous with special needs districts, and fourth is those which are eligible for MRP funding alone, which are special needs districts. A listing of the municipalities follows. If anyone wants to see that, it is a couple of pages afterward.

In addition, Section 6 establishes factors for the URA to consider in financing projects which is modeled on the EDA law.

Section 7, subsection f., paragraph 3 is amended to allow real estate investment trusts to be collateralized with property which is acquired through the accelerated acquisition process set forth in article 3.

Then it goes to Section 21, which limits the requirement that the URA hold public hearings to projects costing over \$100,000.

SENATOR LaROSSA: The original bill called for all projects, which was a little bit much.

MS. SHOSTACK: Section 33 is amended to require that net earnings received from the investment or deposit of the New Jersey Redevelopment Investment Fund be repaid to that fund, rather than the General Fund.

SENATOR LaROSSA: If I may comment on that, members, the original language in the bill reverted earnings back to the General Fund. The purpose -- and I will use it in very loose terms-- The earnings go into the Redevelopment Fund, because the purpose of those revenues was to underwrite the urban projects, not to go back into the Treasury. So those moneys continue to be targeted, rather than, again, being reverted.

SENATOR RICE: I have a question, Mr. Chairman.

SENATOR LaROSSA: Go ahead.

SENATOR RICE: I am not clear on what it means by first and second priority. Does it mean that the cities in the most need are going to be waiting until the cities with less need--

SENATOR LaROSSA: No, no. It was a combination of special needs districts. What we had to do was try to establish some kind of priority, because there is a-- Between special needs and MRP towns, it is about 100 towns altogether. However, the special needs towns overlap MRP in all but two instances, because MRP tends to be those towns that are sometimes on an economic roller coaster. But the fact is, 28 or the 30 are also special needs districts. There are two of

those special needs districts that are not MRP towns. So the question is, when you establish a priority, you know, how do you do that?

So what we did was, instead of having them banging heads, the towns that had the greatest needs, obviously, were the ones that were getting the greatest aid. Those were the special needs towns combined with the MRP towns. It was just a matter of establishing a priority. The first ones on the list are the ones that have the greatest need. That is combination special needs and MRP.

The second set on the list is special needs by itself, and the last one is MRP. The only reason empowerment neighborhoods are up there is to provide an opportunity for an empowerment neighborhood to even get a priority within a special needs district. In other words, again, if you are going to have a lot of special needs districts that have not set up an empowerment neighborhood, we still want to have those empowerment neighborhoods get the priority, because we want the communities to be directly involved. It just seems that those instances where the communities were directly involved in the special needs districts are the ones, because they have gotten their acts together, and that is where we want to put our emphasis first.

SENATOR RICE: All right. Very good.

MS. SHOSTACK: The next amendment is to Section 37, which broadens the findings in article 2, "Revenue Allocation Financing," to allow it to be used in areas which have not experienced private capital investment due to inadequate infrastructure or adverse economic conditions. Current language limits the use of this financing mechanism to areas with deteriorating physical conditions.

SENATOR LaROSSA: Do you want to explain that?

MS. SHOSTACK: Basically--

SENATOR LaROSSA: In essence, there are towns that, while they may not have certain deteriorated conditions, they are still special needs towns, when, in fact, there has been no economic development. So, again, if you are only restricted in one instance, you are limiting its application.

MS. SHOSTACK: Section 38 expands the definition of "project" under the TIF portion of the bill to allow for the financing of infrastructure improvements outside the district, but integral to the effectuation of the district plan.

SENATOR LaROSSA: If I may, that's absolutely correct. What that is all about -- if you remember S-1760, which we passed out of the Senate a couple of weeks ago -- is, if you have a water main, or a utility which is within the district, but half a block away it needs to be hooked up, it does not do much good to deal with the project inside the district when, in fact, you cannot hook it up, because a half a block away you have a problem. So, in order to make sure that a project works and that it isn't totally isolated, assuming that that particular aspect is directly and specifically related to the project -- we are not talking about three miles away-- If, in fact, it is directly and presumably related to the project, we will elevate it for structure improvement as part of the project, even though it may not be totally geographically within the circle, if you will.

Again, it is kind of hard to-- You know, you repair everything one place, and you just can't get it to the other place.

MS. SHOSTACK: Section 39 is amended to allow any regional planning commission which has been assigned redevelopment powers under law to designate TIF districts and requires that the commission serve as the district agent if the districts are created in the area under commission jurisdiction.

SENATOR LaROSSA: Senator O'Connor, I think that addresses your HMDC question.

SENATOR O'CONNOR: I'm sorry. I was reading another comment note.

SENATOR LaROSSA: Oh, I'm sorry. It is on page 2, number 11.

MS. SHOSTACK: Section 45 expands powers of district agent to include the payment of project costs, specifically including payments to a private developer as reimbursement for project costs incurred by private developer, in accordance with redevelopment agreement entered into by municipality or municipalities and private developer.

Section 54 amends the provision concerning distribution of TIF revenues such that no revenues deposited in fund shall be included in calculation of adjustment payments payable to an intermunicipal account under law.

SENATOR LaROSSA: What does that mean?

MS. SHOSTACK: Basically, this relates to the revenue -- intermunicipal tax sharing, the HMDC law.

SENATOR LaROSSA: Oh, okay. Right, right.

MS. SHOSTACK: Section 55 removes mayoral veto of district agent actions in situations where district agent is an entity with redevelopment powers which has designated itself as a district agent. That, again, is HMDC.

SENATOR RICE: Could you explain that a little better?

SENATOR LaROSSA: In essence, you have 567 towns statewide.

SENATOR RICE: Right.

SENATOR LaROSSA: In essence, 553 either have retained their own redevelopment/development, zoning, planning, powers of authority, whatever it is.

SENATOR RICE: Right.

SENATOR LaROSSA: There are 14 towns under HMDC that have, either by statute or by agreement, that responsibility assigned to the HMDC. If you turn around and you give it back to the town, then you are creating a major problem. So what it

does is take the body that retains the zoning/planning authority and keeps it there, rather than opening up a whole can of worms on existing statute.

SENATOR RICE: Right, okay.

MS. SHOSTACK: The next amendment is to Section 68, which amends the definition of "abandoned property" in the accelerated foreclosure article of the bill to clarify that land may be defined as abandoned and does not necessarily have to contain a structure in order to fulfill this definition.

Section 70 lessens the burden of proof on the authority necessary to demonstrate that a property is abandoned, by amending subsection b. to allow the acquisition of land by the authority in the event that any one of the three conditions are met, rather than all of them, and amends the overall condition to be alternatives.

SENATOR LaROSSA: Would you articulate them?

MS. SHOSTACK: They are threatening the life, health, and safety of the neighborhood. Those are the three conditions that have to exist now. It would make those alternatives. Let's see-- The other overall conditions for a property to be abandoned are listed here in this section. I can get to those as well. The other conditions that are now alternatives are that it would seriously impede revitalization efforts. That is the language there.

The next three sections -- 74, 75, 76 -- are just technical to correct the reference to the Neighborhood Empowerment Program.

SENATOR LaROSSA: All that is, is that in different places in the bill it said "empowerment neighborhood," instead of "neighborhood empowerment," just like the language consistent with-- Go ahead, I'm sorry.

MS. SHOSTACK: Section 77 adds to the considerations in evaluating a comprehensive plan for designation as an empowerment neighborhood the impact of the plan on the

educational environment of the proposed empowerment neighborhood.

Section 79 removes the requirement that three public hearings be held around the State by the authority regarding empowerment neighborhood applications and instead requires that at least one meeting be held in a municipality which has applied for empowerment neighborhood designation; also removes limitation of six empowerment neighborhoods designated in first cycle and instead provides that authority should designate as many neighborhoods as possible given the resources.

Section 83 amends CRDA law to reflect 1995 amendments that were enacted after this bill was introduced, and holds harmless the "Atlantic City Fund" from the provisions of this bill.

Then the remaining information in this packet is the list of municipalities that would get funding priority under the bill, and that would be designated as qualified municipalities.

SENATOR RICE: Would you explain the CRDA provision? Are you saying that if you designate-- Let me put it another way: I am one of the advocates who believes that there should be some North Jersey CRDA money.

SENATOR LaROSSA: Right.

SENATOR RICE: I know we passed legislation which kind of shortchanged us into the future--

SENATOR LaROSSA: Right.

SENATOR RICE: --and I have legislation in also to direct that-- Our family will probably come down and stay with me in Atlantic City this week, you know, and might even leave a couple of dollars. That is about all they are going to leave, too. But the thing is, what does this mean, you can't help both?

SENATOR LaROSSA: No, no. What it means is that it is critical that we pass-- It has extended the life of CRDA for, I think, five more years.

SENATOR RICE: Right.

SENATOR LaROSSA: In essence, what it did was it pulled money, and we are delayed implementation money. All it is doing is-- It is not delaying implementation money, but rather than having it be handled -- rather than having it be administered by CRDA, it is being administered by the Redevelopment Authority. That's all it is doing.

We felt that because we have existing revenue streams, one of the -- I don't know whether to say roles, or emphasis of those dollars was to, you know, do urban redevelopment, and it really has not been doing it. So it would seem to me, quite frankly, that hopefully we can really expand it, because it is also combined in monitoring Atlantic City money into a larger pool, if you want to leverage those things.

SENATOR O'CONNOR: Mr. Chairman?

SENATOR LaROSSA: Yes?

SENATOR O'CONNOR: I had requested, through staff, that there be some amendments drafted. One of them relates to membership by industry people on the Authority, inasmuch as --I think the number I have heard is about \$700 million, which would be coming to the Authority through CRDA funds. Inasmuch as we are changing the rules of their game and they are going to be major contributors, I have asked that amendments be prepared that there be some membership for casino industry people.

SENATOR LaROSSA: I briefly went over that with staff, and I agree wholeheartedly with that. If we work to get the specific language drafted -- and I think that is a very valid consideration -- we will do that. Hopefully, we will have those amendments ready, unless you have the absolute-- All I have is the recommendation. I do not have the specific amendment.

SENATOR O'CONNOR: Well, I don't have a problem, I mean, if you are representing that that is acceptable to you.

SENATOR LaROSSA: Absolutely. I think it is a very valid point, obviously.

SENATOR O'CONNOR: Do you want me to make my recommendations on the other things as you hit them today, or are you comfortable in saying, "I am comfortable with all your recommendations, but for" -- the one that I heard informally you are not.

SENATOR LaROSSA: Okay. I think there are five of them. Why don't we-- I am waiting for Senator Bennett. Maybe we should separate the two lists, if that is all right with you?

SENATOR O'CONNOR: Sure. That's fine.

SENATOR LaROSSA: Do we want to wait until Senator Bennett gets here, or not?

SENATOR PALAIA: Yes.

SENATOR LaROSSA: Okay. (Chairman LaRossa and Committee Aide consult here; indiscernible to transcriber)

Why don't we at least have that discussion. That is a fairly easy one.

MS. SHOSTACK: Did you want it to be -- the industry reps to be appointed by the Governor, or did you want it to be the industry reps who are currently serving on the CRDA Board?

SENATOR O'CONNOR: Yes, they are already serving. The ones who are on CRDA now are serving, so I think it would make more sense for them to be included, as opposed to brand-new appointees by the Governor. Their terms could be coterminous.

SENATOR LaROSSA: I think it should be "if you will degree the seat," if you will. Does that make sense?

SENATOR O'CONNOR: Yes.

SENATOR LaROSSA: Rather than-- Do you follow what I am talking about?

SENATOR O'CONNOR: Yes.

SENATOR LaROSSA: I will have these ready for the Appropriations meeting on the 15th of May, so they can be moved

as part of the bill coming out of Appropriations in May, as well.

SENATOR O'CONNOR: Great.

MS. SHOSTACK: Do you want them to be, you know, part of these, or do you want them--

SENATOR LaROSSA: I think we can move these amendments because we have them. Okay? I want to be sure that the language in these amendments is acceptable, and then we will move them on the 15th.

MS. SHOSTACK: Oh, okay. So they won't be part of today's amendments, then?

SENATOR LaROSSA: No.

MS. SHOSTACK: That's fine.

SENATOR LaROSSA: Is that all right with you, Senator?

SENATOR O'CONNOR: This amendment--

SENATOR LaROSSA: Do you want to move that amendment today? What I am suggesting is, since we do not have the language, I would rather move one set of amendments, and then give you my--

SENATOR O'CONNOR: Your representation that it will be done at the next level is fine.

SENATOR LaROSSA: Okay. Thank you.

With regard, also, to your request on the case law, I did meet with the Governor's Counsel on the (indiscernible) issue. All right? There is kind of an interesting aside to that. One thing was, I was misusing a term of art. That was the word they were using -- that was the foreclosure term -- because of the existing case law. Really, it is, if you will, an accelerated acquisition -- for lack of a better choice of words. What they felt was, as far as a due process-- In fact, we actually were providing perhaps a better due process, even than existed under eminent domain, because once a process starts within the domain, the property, in effect, is gone. No

matter what you consider the value to be, that process moves forward, and that's it.

However, here we have an opportunity procedurally to provide due process both in terms of initial notification, as well as response, as well as a remedy to remove the property from the abandoned property list. The fact is that it is not arbitrary. In fact, it meets certain conditions which include, you know, the blighted territories, the health, safety, welfare, etc., to make sure it is not arbitrary, that there is some definitive reason for that.

The Governor's Counsel is rereviewing that. After we had that discussion, which was, I think, last Thursday, with both Mike Torpey and Karen Rudine. They are relooking at it, but they seem to be a little more comfortable with it.

My problem, and I acknowledge it, is when you have someone who is not a lawyer trying to practice law. It was a misuse of a term of art. I will, again, reask OLS to give us that up to their measure. They may come back and say they don't know. We think we may be breaking new ground soon, because, as Senator McGreevey mentioned before in testimony, the minimal condition is just paying the taxes, and the properties continue to deteriorate. So, in the overall application in terms of the benefit to the community, it is a hybrid situation. We have seen that as a major problem for a long time. It may be one of those things that we may not know until we see it, but we think we are on reasonably, you know, better ground, because we do have due process very well taken care of.

SENATOR O'CONNOR: I think what we were asking for was something in the nature of an opinion, as opposed to--

SENATOR LaROSSA: No, no--

SENATOR O'CONNOR: --the drafting of--

SENATOR LaROSSA: Right. I understand. Again, I will work through Hannah and I will ask for that as quickly as

possible, based on the understanding that, you know-- Again, we are talking about, in my case, the misuse of a term of art. So that is really not a foreclosure; it is really an acquisition. Okay?

SENATOR O'CONNOR: Okay.

SENATOR LaROSSA: Senator Rice?

SENATOR RICE: Yes. I just want to say something for the record: I am not a lawyer, so--

SENATOR LaROSSA: I'm sorry?

SENATOR RICE: I said, for the record, I am not a lawyer, but I do understand the Constitution, the 5th Amendment, and the 14th, but those were our Founding Fathers, who lived in log cabins. I don't think anyone expected that, you know, speculation--

First of all, if you look at common law and look at the history of property owners, land was traditionally passed down through the families, I don't think anyone thought we would get to the years we are in where folks would just buy property in our cities and then leave them, just speculate and speculate for a windfall, and we would sit here with all the trickle down negatives.

I think the time has come when we should try to be as just as possible in terms of due process, but start to set an example for cities and states, and let people know they are not going to live in Canada, Florida, New York as a counsel person on a regular basis to keep the taxes up on a boarded-up building, where the court says, "Okay, board it up." This constantly depreciates the neighborhood and creates another problem.

I agree with the Senator that we must make sure that we do as best we can to have due process, but send a clear message in New Jersey that the only thing that should be abandoned and boarded up is something that is boarded up when you go out of town and you expect a hurricane. Beyond that, it

should either be occupied, or it should come down. It is just that simple. We, in the cities, do not have the kind of budget where we can go around and buy up every building that someone leaves, because that is just what they are looking for.

SENATOR LaROSSA: Exactly.

SENATOR RICE: I just wanted to keep that part of the record very clear. I am very adamant on behalf of the taxpayers not only in my city, but in those other urban cities I have gone into to speak on this issue. The advantage I have is an advantage sometimes I wish everyone had as a legislator at the State level, and that is a dual office. I am sitting here, listening and watching. That is a little different than going down to Trenton. People say, "Write legislation," but when you are actually living that life every day, going to those community meetings, and making those phone calls on what properties, with people telling you, more or less in their own way, to go to hell, then I have a real problem with that.

SENATOR LaROSSA: Thank you.

SENATOR RICE: So we are going to move forward. If the Governor has some problems with the language, maybe it is time that we go to the highest court to test what we can do and what we cannot do.

SENATOR LaROSSA: And what we need to do.

SENATOR RICE: And what we need to do.

Once again, I will end by saying, I do not believe that our Founding Fathers, you know, living where they lived, and the way they lived, intended speculation. They intended land to be owned by land barons and traditionally passed along. That is how we came up with county freeholders and people of that nature.

SENATOR LaROSSA: Thank you, Senator.

I would like to acknowledge our full complement. Senator Bennett, the Majority Leader, is here. Thank you, Senator, for--

SENATOR BENNETT: I'm sorry I am late, Mr. Chairman.

SENATOR LaROSSA: That's all right. I know where you were and what you are doing today. Do you want to introduce your daughter?

SENATOR BENNETT: I have my daughter with me today, Kaitlin Bennett. She wants to be able to see a little more of what dad does, so she has been with us.

SENATOR PALAIA: Daughter's Day. What is that?

SENATOR BENNETT: It has been Daughter's Day since early this morning, and she has been traveling with me.

SENATOR LaROSSA: And she said, "Please, never do this to me again." Right?

SENATOR BENNETT: She had an excellent lunch, because we got the award at the Restaurant Association. So she did get a excellent lunch.

SENATOR LaROSSA: Just because you go to so many restaurants you got an award?

SENATOR BENNETT: Yes. I got the award for eating the most.

SENATOR LaROSSA: Thank you, Senator.

SENATOR RICE: Mr. Chairman, I just want to, in case Mr. Cohen leaves--

Senator Bennett, the reason my bond bill didn't move-- Senator Bennett assured me that it is coming back up. He is looking at some things. It has nothing to do with that stuff you read in the paper about the Governor's money. That was a one-shot deal. We want some rotation stuff. I can say in front of his lovely daughter, his word is always good. So I expect it will come up before the referendum we have to do.

SENATOR BENNETT: I also expect that it is coming up, in accordance with our agreement.

SENATOR LaROSSA: The question with regard to the tax increment financing in terms of restricting it to the qualified urban municipalities-- Some of the things that we investigated

which we thought were important were both the accelerated acquisition, the streamlining on the Environmental Committee, the Neighborhood Empowerment Program, the leverage of the Authority, and the coordination. The reason to allow the, if you will, TIF beyond just the urban communities is-- There is a practical consideration and maybe a pragmatic consideration.

Number one is, similar to how EDA operates in terms of how they are funded, in terms of offerings -- that they get a fee for offering, and so on, is that obviously we are looking at maybe 50 communities, you know, major, as opposed to, if you will, 550 communities statewide. In essence, you have the opportunity, under tax increment financing, as done through the Redevelopment Authority, which is creating a fund to be able to leverage other urban projects-- As the suburban communities are able to do some of theirs through TIF, those fees that are paid back to the Authority help to build the pool, and by having a larger pool to pull from, to be able to pay, you know, debt service on urban communities.

It is really, if you will, giving suburban communities something that they probably want and need, but doing it in a way that will inure as well to the benefit of the urban communities, but will also give the urbans a leverage point, because the suburbans are not going to get the difference -- the changes, if you will, in the environmental. They are not going to get the accelerated acquisition. They are not going to get the Neighborhood Empowerment. They are not going to get all the other things.

The practical reality is, you know, to have some of the other people-- My caucus, also, I think, realized to try, if you will, to take as many people in as possible. I really do believe that it benefits both urban and suburban, because if this is going to be looked at as only the urban-- Everybody has to win. We are going to try to create a win/win. I think

that is one way to create that multiple win/win scenario. That is the rationale behind doing that -- that component.

SENATOR RICE: Mr. Chairman, through you, I was very fortunate last night because in my district I met-- Probably for the first time, it was a joint meeting of the South Orange and Maplewood Chambers of Commerce. We had Commissioner Medina up there. The real issue was, what do we, as suburban communities on the borders of other municipalities-- You know, what do we do to benefit our communities' small businesses, etc.?

The Commissioner raised the issue, "Well, maybe if there is some land, we can expand industry." The first thing is, there is not a lot of land. Number two, you don't want to expand industry; you want to make what you have better. Because of the uniqueness of the community, you want to retain the character.

I have some problems with the TIF in terms of the controls under it municipality by municipality, but I do not have a problem with having something that is going to benefit another community that has a need, but the need is somewhat different than the needs of their urban counterparts on the border. So I can live with that after our discussion.

SENATOR LaROSSA: That is also why, however, the other communities do not have the other tools available to them.

SENATOR RICE: Exactly.

SENATOR LaROSSA: I guess the other two questions that are being raised at this point-- I guess the last four, based only-- The environmental questions, we covered them? I thought there were five, but there are four. Okay.

I will, in fact, in deference to the request about again asking OLS for a fiscal estimate, because I have not seen it--

I would like to inject one other thing as it relates to this as a possible -- not necessarily an amendment, but keep

in mind that there is an existing bill -- I don't know where it is in the Senate -- that Assemblyman Bagger has introduced, which relates to, I think, a 10-year phase-down on companies or businesses that locate in an urban center where there is contaminated property. They will be given a 10-year abatement, or up to the amount of money that it costs them to pay for the remediation. So somewhere between the two, if not in both, we are going to have the opportunity, I think, to deal with the urban contamination problem. I think the question is well-placed, because the one thing we do not want to do is all of a sudden wake up two years from now and find out that the ISRA fund is totally gone because we usurped it all. Maybe there is some way to look at this as a revolving fund, but we will get that opinion from OLS, as well.

SENATOR O'CONNOR: Mr. Chairman, also, would you jump back to our fourth recommendation, which deals with the requirement, in the neighborhood empowerment zone section, that the municipality forgive any back taxes on properties as a condition of being designated?

SENATOR LaROSSA: I'm sorry, I am trying to find something. I'm sorry. (Chairman goes through paperwork at this point)

Senator, let me ask you if you have a-- I understand what you're saying. One of the difficulties -- and this might be one of those Solomon-like questions which are not the easiest ones to deal with -- is where we may have a situation-- As a matter of fact, we just had one in Trenton that happened within the last couple of weeks, the infamous Magic Marker site, where it could have been redeveloped three or four times, with people coming forward, new owners. I am not absolving--

Maybe there is a misconception. The idea here, as is the case under the 133 percent, is moving forward. There is no absolution of either the taxpayer who owes the money or the

person who contaminated the site. It is foregoing that on the part of a new owner coming-- In other words, not holding that sort of Damocles over the head of a new owner, and then trying to make him responsible for somebody else's back taxes. That is what that is all about. I am not talking about forgiving something that someone owes. I am talking about, if Senator Rice comes in and he is going to be the new owner of this property, he should not have to pay the tax bill that I left on that property. The municipality should not try to hold him up, but not absolve me from having to pay that. That is what that is intended to do. If it does not say that, then we will change it accordingly.

I don't know if that helps you.

SENATOR O'CONNOR: I understand what your argument is in terms of the amount of taxes being a discouraging factor for someone who wants to come in and buy that and develop it.

SENATOR LaROSSA: Right.

SENATOR O'CONNOR: But at the same time, you are asking, in many situations, the town to just eat that, because the person is walking away from it. I mean, I know the new owner is intending to pay prospectively, but--

SENATOR LaROSSA: Right.

SENATOR O'CONNOR: --you are asking the town to eat what could be a very sizable amount of back taxes.

SENATOR LaROSSA: Senator Rice?

SENATOR RICE: I have a situation now, and it is no problem, it is being mitigated. It goes beyond-- I mean, HUD took all these properties and just created a mess for us for years. Then all of a sudden, there was a woman who wanted to develop it. The City of Newark did not do what it should have done, in my estimation, because initially -- this thing is an eight-year piece -- going back to '91, the City told the group, "Well, we will see what the taxes are. You do an appraisal,

we'll do an appraisal and dispatch it, so we can look at it and adjust some things. It was never done.

The City argues today that something like \$2 million or \$3 million in back taxes is due, and the county taxes, I think, that we paid out on the abandoned property that is owned by the person is "X" amount of dollars -- Board of Education. (indiscernible) said, "Hold it. If we had done our job back then, maybe the group would not have been the project." But we certainly would not have paid out all those dollars playing games, telling her to go back and do this, go back and do that, not taking a few minutes to calculate those figures.

I think under the statute presently there is some tax forgiveness that we can already do, but there are others that we cannot adjust. If you are saying that this language says that we can just forgive all of it, I am not so sure if that is the way to go. I think there should be some discretion there, because--

SENATOR O'CONNOR: That is what I am suggesting.

SENATOR RICE: Yes.

SENATOR O'CONNOR: Instead of making it a requirement that the cities or the municipalities forgive, that it be a permissive element.

SENATOR LaROSSA: If we may, obviously. I was going to remove the one set of amendments. I may, as early as possibly tomorrow, reach out and try to, through both staffs, and also a handful of mayors, see if we can't come up with something which might be more appropriate.

I think you ought to understand that my concern is that I don't want to have a legitimate developer being hammered. Again, that is another one of those Solomon-like questions, you know, how far do you let it go? I don't know what the answer to that is.

SENATOR RICE: Also, the issue I was trying to raise is, how do you mitigate it?

SENATOR LaROSSA: Yes.

SENATOR RICE: The City of Newark, the piece we are doing right now, whether the person has the dollars to do it-- The documents show that there were commitments to a project, but we never designated. We never did the tax numbers -- formulas. So in seven years, the thing has accrued to millions of dollars. Now they are saying, "We are going to foreclose on your property that you got from HUD." So nobody developed it. Had we had some structure, or some language, whether it was permissive, whether it was a cap, whether it was something, or something to force people to go to the table and say, "Well, you have to at least look at the tax piece under the formula, get the appraisals, etc., and come up with something." Then I would not be in Newark where I am today. I am not talking about one piece of property.

SENATOR LaROSSA: Right.

SENATOR RICE: I am talking about, Arnold, all that area around the Tri-City that HUD left us with. So what happened? She went away, and we wound up maybe taking-- I guess we will have to do some public housing, or something. There is a way, I think, to get the best of both worlds, etc., but we should still have the ability, because with this language I would have said, "Well, we will wipe that. Now, can you do the project?" to force the commitments to come in. "No, I can't do the project," then I will keep my tax piece back, in case someone wants to come in and deal with it, because we paid it, in essence.

You have two situations. You have one situation where you paid the taxes and (indiscernible) to recoup them, because you may have to take the building down anyway and it becomes just more property, so you are getting less. Or you have the situation in our cities where you never paid them, but you are not receiving them either. So it is almost like you don't miss what you didn't have, even though you would like to have it.

That is why I say I would rather-- I tell my Mayor that we are not in the real estate business; we are in the tax ratable business. I can't have all these abandoned properties sitting there. I don't care how much we are paying out, because we will continue to pay as long as they are abandoned -- at least the county piece and the School Board piece.

So, it needs to be adjusted. I share the concern of the Senator. I also understand where you are coming from. Maybe the word "require" is the problem. Maybe it has to be something else that is more discretionary, but with some kind of a way of forcing the municipalities to be realistic about economic development and growth -- legally realistic.

SENATOR LaROSSA: Senator, governing bodies, right now, have the authority--

SENATOR RICE: They have it. We can waive it.

SENATOR LaROSSA: You can waive it now. Okay.

SENATOR RICE: But there are certain times that there are cases we can waive and other cases we cannot waive.

SENATOR LaROSSA: Okay.

SENATOR RICE: That is why I say I don't even know if the language is going to be necessary, unless you just want to kind of do language to kind of compel the municipalities to be at least reasonable, because to come to the mayor-- Some mayors just say, "Give me, give me, give me," and rightfully so, but that is just their hard-nose line. I think maybe we should be like business folks.

SENATOR O'CONNOR: Mr. Chairman, I accept your recommendation. If we get the staffs together, they will work out the appropriate language.

SENATOR LaROSSA: I think we know what the intent is on what we are trying to achieve. The bottom line is to try to get language that will resolve that regulation.

SENATOR RICE: It is my understanding from staff that this language is saying that in order for you to be a part of

Neighborhood Empowerment, you have to waive. I don't think that is the intent. The whole intent is to make sure that this type of legislation benefits the municipalities.

SENATOR LaROSSA: Right.

SENATOR RICE: If you say, "You have to waive," then you do put the municipalities into a catch-22, you know. That is where I think the language can be adjusted to say priority is given to--

SENATOR LaROSSA: That might be the way to do it -- priority. Maybe it is a priority. We know what we want to achieve. It is just a matter, I think, of working toward that. You know what the question is, Hannah, right?

MS. SHOSTACK: Yes.

SENATOR LaROSSA: What I would like to do, before I ask for a motion on the bill as amended, is share just two other things with the Committee. What I will do, as soon as-- I have a lot of faxed copies of endorsement letters. I apologize that I have not distributed them. I would rather have the original photocopy without the fax on it, as well.

In addition to the testimony we have heard today, the formal endorsement letters have come to us on behalf of Dean Witter, Mountainburg (phonetic spelling) Piano House, which is an urban-based business in-- Where are they?

UNIDENTIFIED SPEAKER FROM AUDIENCE: Trenton and Elizabeth.

SENATOR LaROSSA: We have a formal letter of support from the League of Municipalities, where, in fact, they offer their full endorsement. Also from Dr. Coleman, the Center for Government Services, Rutgers University; Michael Cohen, President of New Vistas; the Port Authority of New York and New Jersey; the Chubb Insurance Group on behalf of the Chairman and CO Chubb Insurance. Here is the letter from the League of Municipalities: "Offers full endorsement for passage."

Also, Senator Rice, one of your members from the other day, Peter Downing from Fidelity Chemical Products, sent us their letter. The New Jersey Builders Association; the New Jersey Council of County Colleges; Policy Management & Communications, Inc.; the Urban Institute, out of Washington, D.C.; the National Center for Neighborhood Enterprise; and also Mayor Palmer from the City of Trenton, both as Mayor of the City of Trenton and as President of the New Jersey Urban Mayors' Association; Isles, Inc., a Trenton-based community development corporation; and -- forgive me for being a little bit tongue in cheek on this one -- we also have a letter of endorsement from Monsignor John Gilchrist, Vicar for Pastoral Life, Archdiocese of Newark. I figure it must be a good bill, because we have God on our side now.

SENATOR RICE: We just gave him a new building.

SENATOR LaROSSA: Oh, okay.

Gentlemen, your pleasure, please?

SENATOR PALAIA: I would like to move the bill as amended, please.

SENATOR RICE: I second it.

SENATOR LaROSSA: Moved by Senator Palaia, seconded by Senator Rice. Roll call, please.

MS. SHOSTACK: Senator O'Connor?

SENATOR O'CONNOR: Yes.

MS. SHOSTACK: Senator Rice?

SENATOR RICE: Yes.

MS. SHOSTACK: Senator Palaia?

SENATOR PALAIA: Yes.

MS. SHOSTACK: Senator Bennett?

SENATOR BENNETT: Yes.

MS. SHOSTACK: Senator LaRossa?

SENATOR LaROSSA: Absolutely.

Gentlemen, thank you very, very much for your time and your cooperation. I am delighted. I think we have the engine

moving. Hannah and Jack will reach out as quickly as possible to try to resolve those issues before the 15th.

SENATOR O'CONNOR: We will resolve everything except the TIF question, right?

SENATOR LaROSSA: Right.

One last thank you to Hannah Shostack, who is the OLS Committee Aide. She was the bill drafter. This is a difficult task at best with all the issues, and my hat is off to just a phenomenal job after a year and a half of dealing with this.

(MEETING CONCLUDED)

NEW JERSEY URBAN REDEVELOPMENT ACT (S-1655)

Senator Dick LaRossa, Chairman, Urban Policy and Planning Committee

OVERVIEW: The Act provides a comprehensive plan to remedy the problems that have been facing most urban centers for decades. The Act does not reinvent the wheel, it just makes it turn. It takes a macro look at urban problems and ties them together using many of the initiatives already in place. The newly created New Jersey Redevelopment Authority would provide a one-stop shopping approach, while an Urban Policy Coordinating Council would confer the needed representation from every New Jersey department and division that serves urban centers. It approaches the urban development problem from the bottom-up when necessary and from the top-down when that proves beneficial.

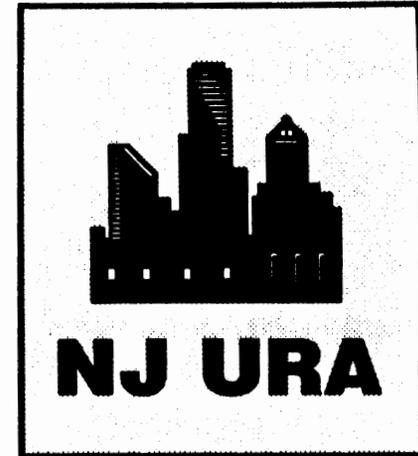
OBJECTIVE: The objective of the New Jersey Urban Redevelopment Act is to provide New Jersey urban centers with opportunities to create functional public/private partnerships, to leverage billions of dollars of economic development, to promote entrepreneurial growth and jobs creation, and promote and enhance community empowerment through innovative financing options, without additional government spending.

- *Creates an Authority whose focus and expertise is urban based.
- *Coordinates urban programs that exist in every Cabinet Department.
- *Tax Increment Financing (TIF), a creative method for funding urban projects.
- *Real estate investment trusts (titled: "Take Stock in New Jersey") allow abandoned properties to be used as collateral to leverage urban projects.
- *Foreclosure of abandoned properties could be accomplished quickly.
- *The environmental clean-up of properties is streamlined, leading to a quick clean-up which provides economic opportunities.
- *Developers receive quick answers, can produce accurate cost estimates, a timetable and financing alternatives to accomplish urban redevelopment projects.
- *Urban municipalities are authorized to create Neighborhood Empowerment Programs developed through direct Community involvement.
- *Local public hearings before neighborhood plans are approved and move forward.
- *No additional cost to taxpayers.
- *It's only natural that the solution to our urban problems comes from New Jersey, the most urban state in the nation.

NJ Urban Redevelopment Act

What is the NJ URA?

A Tool Box Approach to Coordinate and Expand State Services to Urban Centers.



What does the NJ URA Accomplish?

Presents the opportunity to leverage billions of dollars to create systemic economic & social change.

It's NJ's Triple A Plan:

Accountable, Affordable and Achievable.

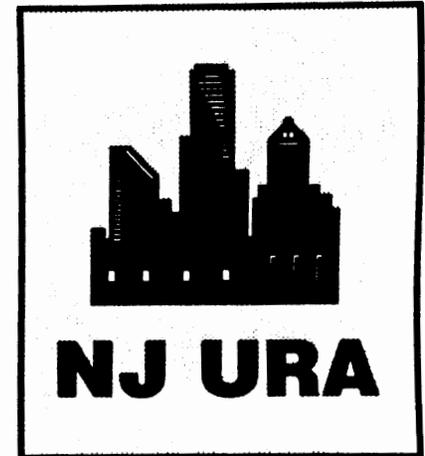
An Innovative Plan for NJ's Urban Renaissance

NJ Urban Redevelopment Act

What does the NJ URA do? S-1655/A-2515

There are six parts to the NJ URA

- 1. NJ Redevelopment Authority**
- 2. Urban Policy Coordinating Council**
- 3. Creative Funding Tools to Enhance Economic Growth**
- 4. Accelerated Foreclosure on Abandoned Property**
- 5. Expedited Approval Process for Urban Site Remediation**
- 6. Neighborhood Empowerment Program**



3X

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NJ Urban Redevelopment Act

URA - COMPONENT ONE

NJ REDEVELOPMENT AUTHORITY

Creates "one stop shopping" by establishing the New Jersey Redevelopment Authority to coordinate urban initiatives which will oversee the operation of all program aspects of:

The New Jersey Urban Redevelopment Act.



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NJ Urban Redevelopment Act

URA - COMPONENT TWO

URBAN POLICY COORDINATING COUNCIL

**Through the Redevelopment Authority,
the UPCC coordinates existing programs
needed to be brought to bear on urban projects.**

**5x The highest level of state officials from
every New Jersey department and division
serving urban centers will be represented
on the council.**



**If something is not being done to serve urban New Jersey,
the Authority will find out why and with the UPCC... change it.**

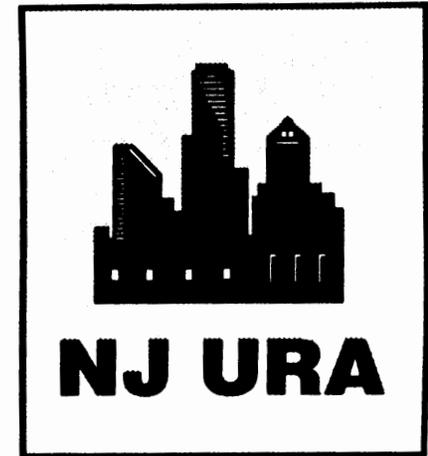
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NJ Urban Redevelopment Act

URA - COMPONENT THREE

CREATIVE FUNDING TOOLS **TO ENHANCE ECONOMIC GROWTH**

Drawing on Tax Increment Financing (TIF) with added incentives for urban projects, municipalities can leverage opportunities previously denied. Suburbs will be eligible for TIF in a way that will help investment in Authority projects in urban centers.



Another innovative tool is the ability to create real estate investment trusts which will use abandoned properties as collateral in order to leverage other urban projects. When implemented, the program will be titled, "Take Stock in New Jersey."

An Innovative Plan for NJ's Urban Renaissance

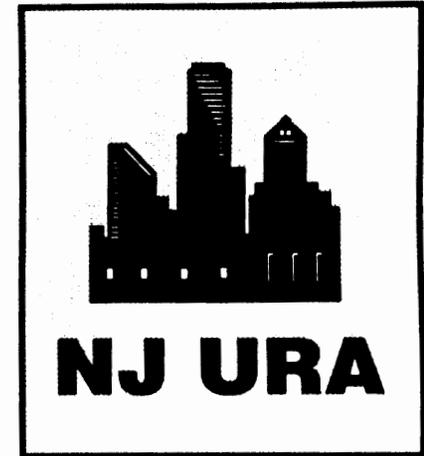
NJ Urban Redevelopment Act

URA - COMPONENT FOUR

ACCELERATED FORECLOSURE ON ABANDONED PROPERTIES

**✎ Initiating a meaningful accelerated
foreclosure of abandoned properties
will revitalize the community by creating
funding and generating jobs for the future.**

**"Absentee" land owners will have an option...
Use it or lose it!!!**



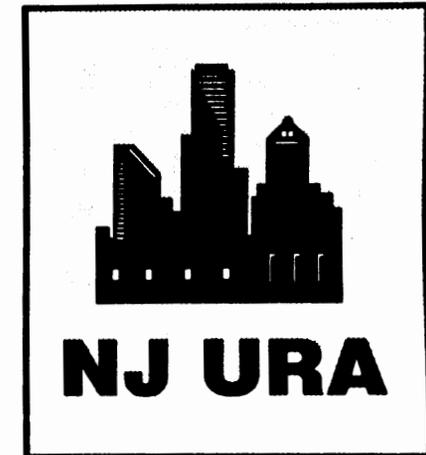
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NJ Urban Redevelopment Act

URA - COMPONENT FIVE

EXPEDITED REMEDIATION PROCESS

While most abandoned properties according to DEP are without environmental liability, there are some properties which, if cleaned-up, can yield extraordinary financial opportunities to create jobs and fund redevelopment.



The NJ URA contains a unique version of eminent domain which will enhance development opportunities, streamline permitting, and create financing to help clean-up proceed expeditiously. The jobs that will be created will benefit the community, and, in turn, become the gateway to revitalization.

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NJ Urban Redevelopment Act

URA - COMPONENT SIX

Neighborhood Empowerment Program

Allows urban municipalities to create development districts, and ensures public participation by requiring a series of public hearings and documentation to be completed prior to project consideration. The NJ URA provides a check and balance for public participation to insure that projects do serve the community's interest.



An Innovative Plan for NJ's Urban Renaissance



OFFICE OF THE MAYOR
CITY OF TRENTON, NEW JERSEY 08608

DOUGLAS H. PALMER
MAYOR

April 6, 1995

609-989-3030

The Honorable Richard LaRossa,
Senator, 15th District
1230 Parkway Avenue
Trenton, New Jersey 08628

Dick
Dear Senator LaRossa:

As Mayor of the City of Trenton, and President of the New Jersey Urban Mayor's Association, I offer my endorsement and enthusiastic support of your bill, S-1655, and its Assembly companion, A-2515, titled The New Jersey Urban Redevelopment Act.

I commend you on your outstanding work and look forward to S-1655 being passed by both Houses of the New Jersey Legislature and signed into law by Governor Whitman.

A year ago when we gathered at city hall in Trenton, I made a pledge to work with you to focus attention on creating more opportunities for economic growth in our urban centers. That attention has paid a considerable dividend in the form of S-1655.

Having reviewed the bill and the supporting materials, I believe you have succeeded in identifying an innovative approach that provides an opportunity to leverage billions of dollars in economic growth without additional government subsidies. Your focus on public/private partnerships reflects many of my efforts to demonstrate that government can be aggressive in developing the innovative tools necessary to help partnerships grow and prosper in our urban centers. I am delighted with the prospect of real community involvement in this process as well.

Your commitment to New Jersey's urban centers is needed and appreciated because it provides us with the opportunity to rise above the role and task of caretaker and become true architects of a prosperous future.

10X

I look forward to supporting your proposal for urban redevelopment and working with you to help get it passed into law.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas H. Palmer". The signature is stylized with a large, sweeping initial "D" and a long horizontal stroke at the end.

Douglas H. Palmer
Mayor, City of Trenton
President, Urban Mayor's Association

DHP:csw

P.S.: Please feel free to use my name as an endorsee of your bill as you may deem it appropriate.



National Center for Neighborhood Enterprise

1367 Connecticut Avenue, N.W. ■ Washington, D.C. 20036 ■ (202) 331-1103 ■ Fax (202) 296-1541

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of Lincoln Garden

April 7, 1995

Sen. Dick LaRossa
1230 Parkway Avenue
Suite 201
West Trenton, New Jersey 08628

Dear Senator LaRossa,

I consider your "New Jersey Urban Redevelopment Act" (URA) to be one of the most creative and resourceful initiatives that are currently being launched at the state-level to address the problem of our nation's deteriorating urban areas.

As an advocate for the low-income residents of inner-city neighborhoods, I applaud the effort you made to incorporate the input of those who are most affected by the problem in the design of its solution. In this, too, you are at the cutting edge in acknowledging a new brand of "expert" regarding urban revitalization--grassroots people who have firsthand knowledge of both the needs and resources of their neighborhoods.

Recently, I have responded to requests from both federal and state levels of government to convene task forces of community activists to make policy recommendations regarding issues that affect their neighborhoods, and many of the elements of your URA resonate with the recommendations that evolved from these forums.

Among the issues you address which have been prominent in discussions of grassroots task forces is the existence of vacant and abandoned buildings (virtual "monuments to blight") and regulatory barriers that have blocked the refurbishment or demolition of these properties. Another area of concern which you effectively tackle in the URA is a lack of coordination between government programs and agencies which sometimes overlap or even contradict one another. Moreover, your comprehensive, holistic approach to urban revitalization is one that has been promoted by the participants in the grassroots forums I have convened.

12X

"Turning Problems Into Opportunities"

I hope to work with you in the coming months to design either a New Jersey or National Urban Summit in late summer or early fall, and, if possible, I will attend your hearing on April 27 to voice my support for elements of the New Jersey Urban Redevelopment Act that I consider to be vital to any effective community revitalization effort.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Woodson, Sr.", written in a cursive style.

Robert L. Woodson, Sr.
President



City of Asbury Park

MUNICIPAL BUILDING
1 MUNICIPAL PLAZA
ASBURY PARK, NEW JERSEY 07712
TEL: 908-775-2100

Recently Senator Dick LaRossa, Chairman of the New Jersey State Senate's Urban Policy & Planning Committee, announced a new urban initiative targeted to communities such as Asbury Park. His proposal was a reaction to his committee's hearings in Asbury Park as well as in other communities such as Hoboken, New Brunswick, Trenton, Passaic and others.

In Senator LaRossa's comments about his new legislation he said too often Trenton tries to come up with solutions without listening to the people who daily fight the battles in urban communities. Who could argue that premise? When his committee came to Asbury Park our citizens told him of the need to deal with decaying infrastructure, abandoned and blighted buildings, crime and other social needs.

I am gratified to see he has listened. His new proposal would create a New Jersey Redevelopment Authority (NJRA) to bring together the many different government entities with programs for urban areas. The NJRA will bring some order and coordination to programs so as to make it easier and more efficient to get assistance.

It also will speed up the foreclosure process on abandoned properties from as long as 18 months to 6 months. Can anyone doubt the negative effects of abandoned properties on neighborhoods? These properties are a haven for crime and drugs and spur further deterioration of a neighborhood. By fast-tracking foreclosures we can turn these properties over more quickly to productive uses.

Another major component of this legislature is the creation of a real estate investment trust which will be used to rehabilitate abandoned properties by using them as collateral to fund the trust. This will turn around blighted properties and the negative images they portray.

This is not another give-away program. Indeed, municipalities must devise a plan for redevelopment of entire neighborhoods, not just single parcels. I think this is a crucial part of the legislation because it recognizes the importance of a comprehensive approach to revitalized neighborhoods instead of helter skelter development that often takes place due to lack of sufficient resources.

I support the goals of this legislation because not only is it aimed solely at the most needy and deserving communities like Asbury Park, but also because it represents yet another tool for redevelopment. Programs like this one, coupled with an Urban Enterprise Zone, are important factors and incentives for the rebirth of Asbury Park.



Alan Feit, City Manager
City of Asbury Park

THE URBAN INSTITUTE 2100 M STREET, NW • WASHINGTON, DC 20037

Christopher Walker
Director
Community Development Program

Direct Dial: (202) 857-8586
FAX: (202) 452-1840
223-3043

March 23, 1995

Hon. Dick LaRossa
Senator, 15th District
State of New Jersey
1230 Parkway Avenue
Suite 201
West Trenton, N.J. 08628

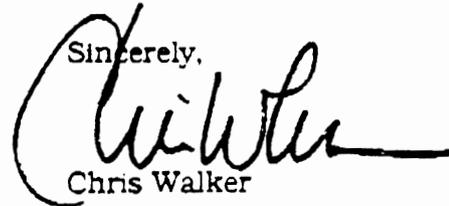
Dear Senator LaRossa,

Tom Kingsley and I very much enjoyed the opportunity to discuss your Urban Redevelopment bill with you and your staff. I am in the process of reading the fine print (the legislative language) and I hope to forward some comments to you shortly.

As promised, I've enclosed some copies of the Urban Institute's report summarizing the progress, or lack thereof, of urban America from the Watts riots in 1965 to those in Los Angeles in 1992. We also hope it offers something in terms of policy prescriptions.

Good luck with the initiative. Whether it succeeds or not (and we earnestly hope it will) other states will profit from your experience. Initiatives of this kind will be of national importance as States take on more responsibility for the nation's concerns.

Sincerely,



Chris Walker

cc: T. Kingsley

Bell Atlantic - New Jersey, Inc.
154 West State Street
Trenton, New Jersey 08608
609 989-9961
FAX 609 969-8305

J. P. Spinnagert
Director
Government Relations

April 11, 1995

Honorable Richard J. "Dick" LaRossa
Senator - District 15
1230 Parkway Avenue, Suite 201
West Trenton, New Jersey 08628

Dear Senator LaRossa:

RE: S-1655

On March 20, 1995 at the Senate Urban Policy & Planning Committee hearing on S-1655, Bell Atlantic testified in favor of the legislation. The New Jersey Urban Redevelopment Act, the title assigned to the bill, summarizes very concisely its intent.

Included in Bell Atlantic's testimony was a reference to the Seventy Cities Study, a comprehensive review of New Jersey's 70 largest municipalities, that was undertaken in the late 70s. The study made a clear and convincing case for why the economic health of New Jersey's urban centers impacts directly on the balance of the state's municipalities.

Largely as a result of the Seventy Cities Study, Bell Atlantic established one of New Jersey's first formal Business Retention Programs. Initially the program consisted of Bell Atlantic working in cooperation with local Chambers of Commerce. The program's success, however, quickly brought it to the attention of the Department of Commerce and Economic Development, and it has been a cooperative effort ever since. In short, it makes sense to work with the existing economic base of a community to try and create an atmosphere conducive for economic health and expansion. When such conditions have been established, attracting new firms to the municipality becomes very much easier.

S-1655 addresses a number of the impediments to urban redevelopment that were identified in the Seventy Cities and other studies. Entrepreneurial and developer financial problems are dealt with in the establishment of the New Jersey Redevelopment Authority. Of particular importance is the creation of a pool of money to provide short term loans. Eminent domain powers will also help to speedily remove heretofore seemingly insurmountable barriers.

Requiring the Treasurer, Attorney General, Commissioners of Community Affairs, Health, Labor, Transportation and Commerce to sit on the Board of the Redevelopment Authority is another masterstroke. Under such a structure there can be no miscommunication or lack of communication within the Governor's Cabinet.

Including the requirement of Senate approval for all projects ensures both legislative oversight and ongoing dialogue with the Executive Branch.

The incremental financing arrangements permitted in the legislation will also help to advance projects that would otherwise have to wait until external funds could be secured. And by requiring local participation in paying for improvements through these incremental arrangements, dialogue between the developers and local economic base is also guaranteed.

Finally, providing statutory authority to accelerate the foreclosure of abandoned properties and including language that will result in streamlining the permit process will go a long way in demonstrating to the development community that New Jersey is serious about the redevelopment of its valuable urban centers.

Bell Atlantic shares your commitment to doing everything possible to bring about the redevelopment of New Jersey's cities. Our headquarters building and most of our major switching centers are located in New Jersey's urban centers so we have a parochial interest in bringing this about.

Thank you for giving us the opportunity to support S-1655.

Very truly yours,



Jon P. Spinnanger

JPS/lcw

A Public
Research University

January 11, 1995

Dick LaRossa
Senator, 15th District
Mercer County
1230 Parkway Avenue, Suite 201
West Trenton, New Jersey 08628

Dear Senator LaRossa:

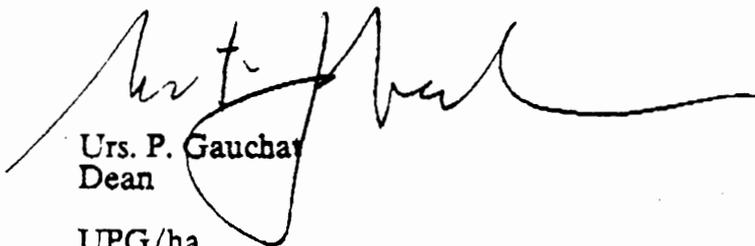
I am most impressed by your farsighted initiative reflected by the "Urban Development Act". I believe that this piece of legislation could have a significant impact on the future of the State and the ability to compete for growth and development. It is particularly encouraging to have an important Senator develop a piece of legislation that deals with so many facets of the urban problem.

The notion of tackling a whole array of problems simultaneously is, in my opinion, the only way permanently change the complexion of some of our urban areas. I am extremely optimistic about your proposal and its future; it promises to be one of the cornerstones to New Jersey's re-emerging role as preeminent industrialized State.

Please let me know if there is anything I can do to make known my enthusiastic support for this important piece of legislation.

I enjoyed meeting you at NJIT and participating with you on the panel dealing with the respective merits of urban and suburban developments, sponsored by NJIT and NAIOP jointly.

Sincerely,



Urs. P. Gauchat
Dean

UPG/ha

Filename: LaRossa

A Public
Research University

March 9, 1995

Dick LaRossa
Senator, 15th District
Mercer County
1230 Parkway Avenue, Suite 201
West Trenton, New Jersey 08628

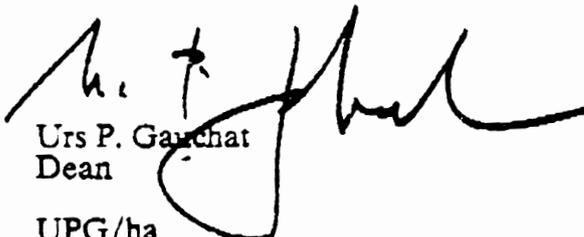
Dear Senator LaRossa:

I was looking forward to participating in an Urban Academic Focus Group Session at Rutgers on the 28th of February. Full of good intentions I sat in an airplane in an ice storm from 6:30 in the morning till 1:00 in the afternoon as a result I was unable to get there on time. My apologies. I was very sorry to miss this event however I would be eager to do whatever might be helpful to further your Urban Redevelopment Initiative.

As I have expressed to you before I have unbridled sense of enthusiasm for your initiative and wish to do whatever we can do to make it a reality.

I look forward to our paths passing again.

Sincerely,



Urs P. Gauchat
Dean
UPG/ha
Filename: LaRossa.1

April 12, 1995



The Honorable Dick LaRossa
Senator, District 15
1230 Parkway Avenue, Suite 201
West Trenton, New Jersey 08628

A Public
Research University

Dear Dick:

Thank you for your letter of April 3, 1995 notifying me of the Special Urban Policy and Planning Committee hearing in New Brunswick on April 27th. I regret that I will not be able to attend this important meeting. I have asked Pat Brannigan to represent NJIT at the hearing.

As the Committee completes this phase of its agenda, I want to extend to you congratulations for your leadership and hard work.

The high quality of S-1655, the New Jersey Urban Redevelopment Act is due in large part to your leadership in bringing together -- and listening to -- a wide array of people from urban residents, to employers, civic leaders, elected officials and policy professionals.

Passage of S-1655 would provide effective tools to the State and urban areas for revitalizing the economy of our cities.

I am delighted that you have chosen NJIT as the site for your April 25th focus group session. We look forward to welcoming the urban ciergy, community leaders, community development officials and business leaders who will be participating in your session.

Best wishes.

Sincerely,

A handwritten signature in black ink that reads "Saul". The signature is written in a cursive style with a long horizontal line extending from the top of the "S".

Saul K. Fenster
President

UNIVERSITY HEIGHTS
NEWARK, NJ 07102-1982
201. 596. 3101
201. 624. 2541 FAX

SIX

April 19, 1995

Hon. Dick LaRossa
Senator, District 15
1230 Parkway Ave., Suite 201
Trenton, NJ 08628

Re: Senate 1655
NJ URA

Dear Dick:

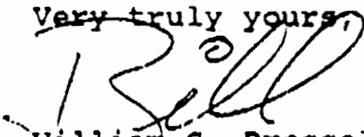
Upon review of S-1655, the New Jersey Urban Redevelopment Act, by our committee and based on the review and comments from the Urban Mayor's Association, the League of Municipalities offers full endorsement for passage.

The NJ URA is a most important component for the revitalization of our urban communities. The initiatives contained in the Act present the opportunity for coordinated efforts among many entities in effectuating growth and development polices. This focus is sorely needed.

We commend your dedication and tremendous efforts over the months in travelling to the cities, getting a cross-range of citizen input and developing an approach by which the many issues can be addressed.

Some concerns have been raised by the Tax Collectors and Treasurers Association regarding Article Three. I have enclosed those comments from Sandy Chernin for your information.

Very truly yours,


William G. Dressel, Jr.
Assistant Executive Director

WGD:jg
Enc.

22X

STEVENS

Department of Humanities ♦ 201-216-5398
Stevens Institute of Technology ♦ Castle Point on the Hudson ♦ Hoboken, New Jersey 07030

March 5, 1995

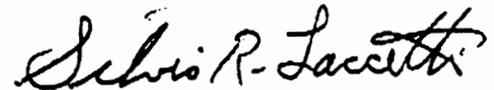
Senator Dick LaRossa
1230 Parkway Ave.
Suite 201
West Trenton, NJ 08628

Dear Senator LaRossa,

I am writing to endorse the NJ Urban Redevelopment Act, S1655. New Jersey, and indeed the entire nation, is in dire need of a comprehensive urban strategy which aims to restore both the physical aspect of cities and the strength of their residents in the most deteriorated areas. Until our own time, cities have been the purveyors of the best civilization has to offer. Increasingly, cities are losing that function. If we fail to rehabilitate these centers of civilization the long term effects will be suffered by all sectors of our population and in the next century we might well look forward to a reduced quality of life in suburbs and rural areas as well. Some of the important progressive elements which have historically been created in the rich mix of life in cities may simply not be able to come about in non-urban contexts.

S1655 addresses critical problems of strategy and redevelopment relating to cities. It is a best-bet solution to the current urban predicament if its provisions can be implemented in a timely fashion. The bill combines creative strategic thinking with innovative financial models and humanistic consideration of the needs of urban residents. New Jersey needs this bill to become law as soon as possible.

Sincerely,



Silvio R. Laccetti, Ph.D.
Professor of Humanities



Isles

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Stanley Van Ness
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Donald Wilson

Monday, April 10, 1995

Senator Richard LaRossa
1230 Parkway Avenue
Suite 201
Trenton, NJ 08628

Dear Senator LaRossa:

As Executive Director of Isles, Inc., a Trenton based community development corporation, I am writing to support the New Jersey Urban Redevelopment Act.

The NJURA arises from a series of public forums with a range of professionals and community leaders. As a participant in these forums, I attest to the time and passion that you have brought to the NJURA. By bringing a spotlight to New Jersey's urban needs you are stimulating action when so many others choose to shirk behind the facade of fiscal duress.

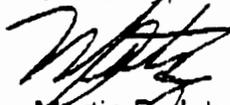
By promoting coordination, reduced regulations, more flexible financing mechanisms, and a "can do" attitude, the NJURA takes the capacities of our cities seriously.

This is a breath of fresh air after years of stale diatribes about the failures and weaknesses of our cities.

Thank you again for your commitment to rebuilding our cities -- from the communities upward.

Please let me know if I can support the NJURA and your efforts in any way.

Sincerely,



Martin P. Johnson
Executive Director

MJP/sea



**POLICY
MANAGEMENT &
COMMUNICATIONS, INC.**

428 River View Plaza • Trenton, New Jersey 08611 • 609/392-8383 • Facsimile: 609/392-3428

April 6, 1995

Honorable Dick LaRossa
1230 Parkway Avenue • Suite 201
West Trenton, NJ 08628

Dear Senator LaRossa:

I am writing on behalf of a number of our clients (Allied Junction, Six Flags Great Adventure/Time Warner and the Mills Corporation) in support of the NJ Urban Redevelopment Act (S-1655). It provides a framework for both redevelopment and new development projects. The bill is innovative, establishes fiscally sound public policy, and will be a catalyst for economic development in New Jersey.

I am particularly excited about the Tax Increment Financing (TIF) portion of the Act. As you know, TIF allows a municipality to finance redevelopment by "freezing" at the pre-development level, the general purpose taxes levied in a designated area. Any increment in the property tax value that occurs because of proposed or actual development may then be used to finance the development activity and leverage further dollars through funds or on a pay-as-you-go basis. This form of public investment provides for an increased return in value to a municipality, as well as the State, from an economic development project. It provides for large-scale development opportunities well beyond what is now available in New Jersey. TIF will make New Jersey much more competitive to attract major development projects to the State.

TIF is used with much success throughout the country. California's TIF is general accepted as one of the most effective programs. The use of TIF is also prevalent in the mid-western states. I have enclosed a list of large-scale retail shopping outlet projects completed with the use of TIF in Missouri and Illinois. In Illinois, TIF is widely used to stimulate economic growth.

I have also enclosed a copy of the Urban Land Institute Selected References Publication concerning TIF. This material provides an insightful analysis of the use of TIF and a variety of Scenarios where it has been used across the nation.

Again, I look forward to the passage of S-1655 so that we will have new tools to work with to further the local and state economy.

Sincerely

A handwritten signature in cursive script, appearing to read "Hazel Frank Gluck".

Hazel Frank Gluck
President

Government Affairs • Public Relations • Communications Services

25x

FIDELITY CHEMICAL PRODUCTS CORPORATION



A DIVISION OF AURIC CORPORATION

470 FRELINGHUYSEN AVENUE/NEWARK, N.J. 07114/TEL. 201-242-4110/FAX # 201-242-5796
Direct Dial (201)639-6712

April 20, 1995

Honorable Richard LaRossa
1230 Parkway Avenue, Suite 201
West Trenton, NJ 08628

Dear Senator LaRossa:

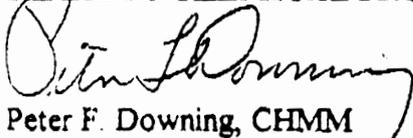
It was a pleasure speaking with you and Senator Rice yesterday at the Portuguese Pavilion in Newark regarding S-1655, the NJ Urban Redevelopment Act. I support your efforts to revitalize the ailing urban centers of our State through programs designed to promote and provide incentive for urban redevelopment. Without re-establishing the industrial might of New Jersey through the existing infrastructure of the cities, we will all be subject to the loss of jobs caused by the downfall of the industrial community. While many politicians have touted their efforts to make New Jersey into a "service industry" state, it is refreshing to see someone take the stand that this just will not work.

As Bill Chouinard and I presented at the meeting with the Ironbound, you may want to consider incorporating Assemblyman Bagger's bill, A-1631, the Environmental Opportunity Zone Act, into a package of bills aimed at revitalization of the urban areas. By combining the incentives for tax abatement provided in A-1631 with the financing and other key components of S-1655, we may actually begin to see a move out of the "green pastures" of suburban New Jersey back to the existing infrastructure of established urban areas.

I look forward to continuing our dialogue on this and other pieces of key legislation important to the urban industrial community.

Very truly yours,

FIDELITY CHEMICAL PRODUCTS CORP.



Peter F. Downing, CHMM
Manager; Environmental, Health and Safety

PFD/pd

26X

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BELLEMEAD

HERMAN C. SIMONSE
Executive Vice President

April 20, 1995

The Honorable Richard J. LaRossa
Senator, 15th District
1230 Parkway Ave., Suite 201
West Trenton, NJ 08628

Dear Senator LaRossa:

Dean O'Hare, Chairman and Chief Executive Officer of the Chubb Corporation, has asked me to respond to your recent letter. As the real estate subsidiary of the Chubb Corporation, we would be most affected by the provisions of the New Jersey Urban Redevelopment Act (the "Act"), particularly those regarding eminent domain, expedited remediation, and revenue allocation.

We support the state's initiative to facilitate urban investment which might otherwise remain stymied by land speculators, soil contamination or a lack of funding. By empowering the New Jersey Redevelopment Authority and municipalities with new rights and responsibilities, the Act will expedite land assembly, the remediation of contaminated sites, and the financing of projects, which traditional lending sources have been historically unwilling to invest in.

While the concept and philosophy of the Act deserve support, the use of state pension funds for economically targeted investments and the "accelerated foreclosure" process proposed in the legislation do raise some concern. The Senate should consider the inherent risks of such pension fund investments, and carefully balance the public use of accelerated foreclosure with the property rights of private landowners against a taking without just compensation.

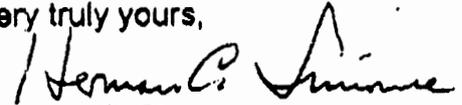
4 Bocker Farm Road, Roseland, New Jersey 07068 • Phone: (201) 740-1110

27X

Senator Richard J. LaRossa
April 20, 1995
Page 2

While I will be unable to attend the hearing of the Senate Urban Policy and Planning Committee on April 27, 1995, I will try to have a Bellemead representative in attendance.

Very truly yours,



Herman C. Simonse
Executive Vice President

HCS:cc

cc: D. O'Hare
R. Ruis

28X

**FIDELITY
CHEMICAL
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CORPORATION**



A DIVISION OF AURIC CORPORATION

470 FRELINGHUYSEN AVENUE/NEWARK, N.J. 07114/TEL. 201-242-4110/FAX # 201-242-5796
Direct Dial (201)639-6712

April 20, 1995

Honorable Richard LaRossa
1230 Parkway Avenue, Suite 201
West Trenton, NJ 08628

Dear Senator LaRossa:

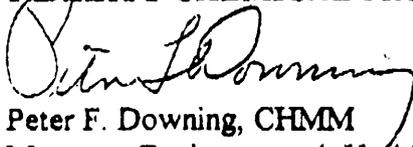
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I look forward to continuing our dialogue on this and other pieces of key legislation important to the urban industrial community.

Very truly yours,

FIDELITY CHEMICAL PRODUCTS CORP.


Peter F. Downing, CHMM
Manager, Environmental, Health and Safety

PFD/pd

29X

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April 17, 1995

The Honorable Dick LaRossa
1230 Parkway Avenue, Suite 201
West Trenton, N.J. 08628

Dear Dick:

On behalf of the members of the New Jersey Builders Association, thank you for taking time out of your busy schedule to meet with me last week. It was truly a pleasure and I look forward to working with you during my tenure as President of the New Jersey Builders Association.

It is encouraging to see someone of your stature so committed to tackling, head-on, the herculean task of true urban redevelopment throughout New Jersey. Your innovative and enterprising proposal contemplates a comprehensive strategy for confronting the many and diverse issues involved in such an undertaking.

I applaud your efforts and determination, and wish you much success in your quest to make New Jersey a better place to live and work. If I can be of any assistance, please do not hesitate to call.

Very truly yours,

Peter S. Reinhart,
President

S-1555.LTR

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- National Association of Home Builders • Atlantic Builders Association of New Jersey • Home Builders Association of Cape May County • Central Jersey Builders Association • Community Builders Association • Builders Association of Northern New Jersey • Home Builders Association of Northwest New Jersey • New Jersey Shore Builders Association • Builders League of South Jersey • Builders Political Action Committee of New Jersey • Insurance Trust of the New Jersey Builders Association

30x
Building on a higher standard.

THU 12:50

NEW JERSEY COUNCIL OF

County Colleges

MR. FRANCIS J. "HANK" FIEN - Chairman
DR. LAWRENCE A. NESPOLI - Executive Director

April 6, 1995

Senator Richard J. "Dick" LaRossa
1230 Parkway Avenue, Suite 201
West Trenton, NJ 08628

Dear Senator LaRossa:

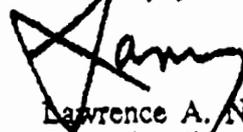
Enclosed for your consideration are community college reactions to and recommendations for the proposed NJ Urban Redevelopment Act.

The bill is so strong and so worthwhile that we would like to see it address not only the decaying infrastructure and facilities in New Jersey's urban centers, but also the neglected human capital and the need to redevelop the human infrastructure of urban neighborhoods. We believe that quality employees are as important to companies as first-rate facilities.

Community colleges can bring to the table not only their training experience and expertise but also their corporate friends to help get the job done. As community college administrators interact with the business community, they hear repeatedly that among employers' greatest needs is quality employees -- people who have both the "hard" job-specific skills and the "soft" skills, such as attitude and reliability, communications and problem-solving abilities.

Attached are some ideas we would like to discuss with you so that amendments addressing human capital issues might be crafted prior to your hearing on April 27. We will contact your office in a few days to see if a meeting can be arranged between you and several community college presidents to discuss these ideas further.

Sincerely yours,



Lawrence A. Nespoli
Executive Director

LAN:jjr

Enclosure

31X

TRI-CITY PEOPLES CORPORATION

675-681 SOUTH 19th STREET, NEWARK, N.J. 07103

TELEPHONE: (201) 374-5252



BOARD OF DIRECTORS

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To: Whom it may Concern

From: The Tri City Peoples Corporation

Date: April 24, 1995

Re: The New Jersey Redevelopment Act

We at Tri City are excited about the New Jersey Redevelopment Act and see it as a new opportunity for urban communities like Newark to have access to more development dollars. We are also glad to see the enactment of the "Neighborhood Empowerment Program", an excellent method of ensuring our neighborhoods make comprehensive advancement, with a much needed eye on the future. The combination of economic development, mixed use housing and input by members of the community will truly suit the needs of neighborhoods like ours.

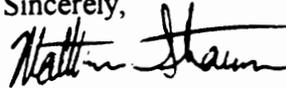
It is important to us to see that the process is conducted from the "bottom" up, allowing the existing development corporations, social services organizations and municipalities to assess what is needed and to determine what is to be done. No one knows the needs of a community better than its residents and no one is in touch with those residents better than the neighborhood organizations. We would like to have the roles and responsibilities of the Redevelopment Authority more clearly defined, particularly in relation to these local development corporations. We do not want to see a process controlled by a handful of people in Trenton, and we believe that the legislators who created this bill feel the same way.

The development corporations in Newark's West Side are particularly happy to see the accelerated foreclosure aspect of this bill. There are many, many vacant lots and abandoned buildings in our neighborhood that stand in the way of development by non-profit and for-profit organizations. By speeding up our ability to get at these properties this bill will greatly increase the development possibilities in our community. It will also halt the problem of speculators in New Jersey's cities. We see it as the key to making the Neighborhood Empowerment Program workable.

32X

The Tri City Peoples Corporation would like to express our support for an Urban Redevelopment Act that supports urban initiatives through strong community influence and input. If this bill truly supports bottom up redevelopment than it has the ability to make a significant difference in New Jersey's urban landscape.

Sincerely,

A handwritten signature in black ink that reads "Matthew Strauss". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Matthew Strauss
Affordable Housing Director

WE KNOW THAT URBAN NJ NEEDS HELP.

Public policy leaders and community activists are very aware that there has never been a comprehensive plan for coordination among NJ state agencies responsible for delivering services to and on behalf of our urban centers.

To address this problem, I dedicated the past year of the Senate Urban Policy and Planning Committee's work to visiting New Jersey's urban centers. I met in private and public meetings with the leading urban advocates. I listened to them describe what has failed, what has worked, and what is needed to promote economic growth and the revitalization of New Jersey's urban centers.

I invite you to review the *NJ Urban Redevelopment Act (NJ URA), S-1655/A-2515* which is a tool box approach that finally provides the coordination and expansion of state services to New Jersey's urban centers. Through innovative financing mechanisms the *NJ URA* will generate billions of leveraged dollars to create systemic economic and social change that is accountable, affordable and achievable.

Senator Dick LaRossa

NJ URA = Urban \$ & Jobs



What is the NJ Urban Redevelopment Act?



The reasons for the decline of New Jersey's urban centers are varied and complex. The NJ Urban Redevelopment Act (NJ URA) is a comprehensive solution. While it is 75 pages long, the bill has six key components. These components deal with the critical challenges not addressed by state government.

1. *NJ Redevelopment Authority*

Creates "one stop shopping" by establishing the New Jersey Redevelopment Authority to coordinate urban initiatives which will oversee the operation of all program aspects of the NJ URA.

2. *Urban Policy Coordinating Council*

Through the Redevelopment Authority, the UPCC coordinates existing programs needed to be brought to bear on urban programs. The highest level of state officials from every New Jersey department and division serving urban centers will be represented on this council. If something is not being done to serve urban New Jersey, the Authority will find out why and with the UPCC... change it.

3. *Creative Funding Tools to Fund Economic Growth*

Drawing on Tax Increment Financing (TIF) with added incentives for urban projects, municipalities can leverage opportunities previously denied. Suburbs will be eligible for TIF in a way that will help investment in Authority projects in urban centers. Another innovative tool is the ability to create **real estate investment trusts** which will use abandoned properties as collateral in order to leverage

other urban projects. When implemented, the program will be titled, "Take Stock in New Jersey."

4. *Accelerated Foreclosure on Abandoned Properties*

Initiating a meaningful accelerated foreclosure of abandoned properties will revitalize the community by creating funding and generating jobs for the future. "Absentee" land owners will now have an option... Use it or lose it!

5. *Expedited Remediation Process*

While most abandoned properties according to DEP are without environmental liability, there are some properties which, if cleaned-up, can yield extraordinary financial opportunities to create jobs and fund redevelopment. The NJ URA contains a unique version of eminent domain which will enhance development opportunities, streamline permitting and create financing to help clean-up proceed expeditiously. The jobs that will be created will benefit the community, and in turn, become the gateway to revitalization.

6. *Neighborhood Empowerment Program*

Allows urban municipalities to create development districts, and ensures public participation by requiring a series of public hearings and documentation to be completed prior to project approval. The NJ URA provides a check and balance for public participation to insure that projects do serve the community's interest.



Interested? Here's how to get more information!

**AN INNOVATIVE PLAN FOR
NEW JERSEY'S
URBAN RENAISSANCE**



S-1655/A-2515



- Coordination among State Programs Administered by Different Departments
- Accountability Mechanisms which Make Investment in Urban Centers Environmentally and Financially Feasible and Sound
- Innovative Financing Techniques to Fund Redevelopment Projects
- Substantial Public Participation rather than Symbolism
- Accountability Measures to Ensure that State Officials do Everything in their Power to Effectively Leverage Resources in Urban Centers
- Preserve Precious Open Spaces by Reclaiming Urban Infrastructure

*The New Jersey
Urban Redevelopment Act
S-1655/A-2515*

*The New Jersey
Urban Redevelopment Act
S-1655/A-2515*

S-1655 is sponsored by:

*Senator Dick LaRossa
Chairman, Senate Urban Policy &
Planning Committee*

*Senator Robert Littell
Chairman, Senate Budget &
Appropriations Committee*

*Senator Robert Martin
Senate Assistant Majority Leader*

A-2515 is sponsored by:

*Assemblyman Steve Corodemus
Assembly Majority Whip*

**For More Information on the
NJ Urban Redevelopment Act**

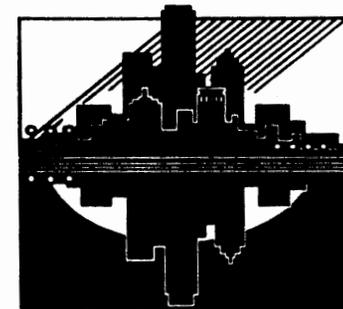


**Senator Dick LaRossa
1230 Parkway Ave.
West Trenton, NJ 08628
(609) 771-0330**

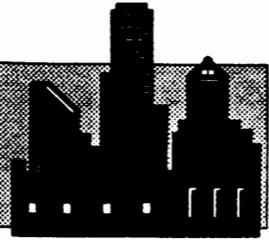


**Urban
Redevelopment
Act
S-1655
A-2515**

*A NJ Public Policy Concept
Initiated by
Senator Dick LaRossa
15th District, R-Mercer*



NJ Urban Notes



Senator LaRossa's Public Policy Project Promoting Urban Redevelopment

FOCUS GROUPS AROUND NJ

Discuss Urban Problems & Urban Solutions



State Senator Dick LaRossa, R-Mercer, toured New Jersey's urban centers as part of a statewide investigation into the nature of financial and structural problems plaguing New Jersey's cities.

Over the past 18 months, LaRossa, the Senate Urban Policy and Planning Committee Chairman, visited cities throughout New Jersey to meet with residents, city administrators, community activists, and banking and financial leaders about state government reforms and financing innovations needed to fund reinvestment and create jobs in NJ's urban centers. The NJ URA is a result of these meetings.

Right Column reviews visits.

Why does New Jersey need the NJ URA?

The *NJ Urban Redevelopment Act (NJ URA)*, S-1655, was conceptualized out of the meetings with urban leaders held by LaRossa. Senator Robert Littell, Chairman of the Senate Budget and Appropriations Committee, Senator Robert Martin, Senate Assistant Majority Leader, and Assemblyman Steve Corodemus, Assembly Majority Whip, are also co-prime sponsors of the LaRossa bill. S-1655 will leverage billions of dollars in New Jersey's urban centers through innovative, accountable and fiscally responsible policies.

S-1655 is a tool box approach that finally provides the coordination and expansion of state services to New Jersey's urban centers. After enactment, the NJ URA will generate billions of leveraged dollars in urban redevelopment. The cities will receive support and produce results that are **accountable, affordable, and achievable**. A copy of a brochure outlining the six components of the NJ URA is available from Senator LaRossa's office by calling (609) 771-0330.

Why Will This Plan Work?

The NJ URA will be the leading force in New Jersey's urban renaissance. This act has a better chance of succeeding than any prior initiative because it was developed with the input of hundreds of urban advocates including urban residents, government officials and community leaders. The NJ URA was not developed in a vacuum; it sprang from the voices of urban New Jersey. It is reality-based.

1994 Urban Policy Tour

What a difference listening to informed urban voices makes!

Senator LaRossa toured these urban centers as part of his fact-finding mission to address urban New Jersey's redevelopment and jobs creation problems. Here are the key dates in which hundreds of people were involved:

March 2, 1994	Trenton
March 14, 1994	Passaic
April 12, 1994	Irvington
May 10, 1994	Camden
May 30, 1994	New Brunswick
June 24, 1994	Jersey City
Sept. 13, 1994	Hoboken
Sept. 28, 1994	Asbury Park
Oct. 18, 1994	Vineland
	Bridgeton/Millville
Nov. 1994	League of Municipalities
January 31, 1995	Urban Mayors
February 28, 1995	Urban Policy Professionals

While we are now meeting and discussing S-1655, I welcome the opportunity to continue to meet with urban leaders -- residents, elected officials, administrators, community leaders, business leaders, financial and banking advisors, and academia to build a consensus in order to secure the passage of the NJ URA.

Please call my office at (609) 771-0330 if you would like a presentation on the NJ URA.

Senator Dick LaRossa

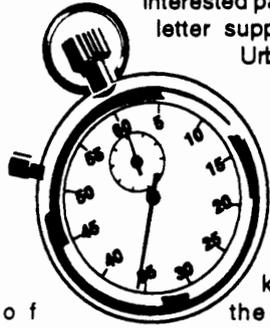


Support NJ URA

Time for Action is Now!

1995 marks the ideal time to provide financial incentives to reinvest in our urban centers and create jobs.

Senator Dick LaRossa is asking all interested parties to send a letter supporting the NJ Urban Redevelopment Act (NJ URA) to his Legislative office (address listed below).



There are six key components of the bill, each of which provides a unique technique for solving urban problems.

Here are two key provisions:

\$\$ *Urban Policy Coordinating Council* --

Through the Redevelopment Authority, the UPCC coordinates existing programs needed to be brought to bear on urban projects. The highest level of state officials from every New Jersey department and division serving urban centers will be represented on the council. If something is not being done to serve urban New Jersey, the Authority will find out why and with the UPCC... change it.

\$\$ *Creative Funding Tools to Enhance Economic Growth*

Drawing on **Tax Increment Financing (TIF)** with added incentives for urban projects, municipalities can leverage opportunities previously denied. The bill will also make suburbs eligible for TIF in a way that will help investment in Authority projects for urban centers. Another innovative tool is the creation of **real estate investment trusts** which will use abandoned properties as collateral in order to leverage other urban redevelopment projects.

EPA & HERITAGE FOUNDATION Learn About NJ URA

Senator Dick LaRossa, the Chairman of the Senate Urban Policy and Planning Committee, has met with a representative of the U.S. EPA and will soon appear before a special policy working group of the Heritage Foundation to discuss the New Jersey Urban Redevelopment Act.

"With the federal government and a prestigious conservative think-tank like the Heritage Foundation interested in the NJ URA, I feel more confident more than ever that we will be able to secure national support for our innovative techniques which will create jobs and promote responsible investment in NJ's urban centers," said LaRossa.

Tune in for future editions of "*NJ Urban Notes*" for follow-up reports.

NJ Urban Notes

This issue of NJ Urban Notes is made possible by the office of

**Senator
Dick LaRossa**



*An Innovative Plan
for NJ's Urban Renaissance*

**New Jersey's Urban
Redevelopment Act**

For more information,
please write or call

1230 Parkway Ave.
Suite 201
West Trenton, NJ 08628
(609) 771-0330



YES, Senator LaRossa, please send me the complete packet on the Urban Redevelopment Act (NJ URA)!

I want to keep you informed of any new development, and ask that if you support S-1655, please kindly mail a letter to my office at 1230 Parkway Ave., Suite 201, West Trenton, NJ 08628. You will receive all the materials you circle below. Thank you for your help!

Senator Dick LaRossa

Name _____

Business Name _____

Business Address _____

City _____ Zip _____

Home Phone _____ Work Phone _____

Please circle the materials you would like:

Concept Paper NJ URA Brochure NJ URA Factsheet

NJ URA Bill NJ URA Questionnaire

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