



OFFICE OF THE GOVERNOR

NEWS RELEASE

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GOVERNOR SIGNS LAW CREATING INCENTIVES FOR REDEVELOPMENT OF VACANT INDUSTRIAL SITES

Gov. Christie Whitman today enacted a program to spur redevelopment and renewal of the state's urban centers when she signed legislation that provides incentives for the expedited cleanup of former industrial or commercial property known as "brownfields."

"Whenever we speak of New Jersey's cities, we recall their proud history as bustling centers of commerce and culture," said Gov. Whitman. "This legislation provides powerful new tools to spur the redevelopment of former industrial sites. The brownfields program will go a long way to strengthen our cities and ensure that they continue on the road to economic prosperity."

"This new program will support our State Plan. It will encourage the use of existing infrastructure to help ease industrial and commercial expansion in our suburbs and will ensure more open space for our future generations," said Gov. Whitman.

"Once redeveloped, former industrial sites can be returned to productive use - providing for increased economic activity and municipal tax revenue, new housing or community services," said the Governor.

The Governor signed the legislation at the former ALCOA factory site in Edgewater which is being remediated and redeveloped into a 460-unit luxury apartment complex. The ALCOA site has been dormant for 20 years. Currently, crews are working to complete the demolition of the ALCOA factory infrastructure.

The legislation, S-39, was sponsored by Senator Henry McNamara (R-Bergen/ Passaic) and Assembly Member Richard Bagger (R-Middlesex/Morris/Somerset/ Union) and Assembly Majority Leader Paul DiGaetano (R-Bergen/Essex/Passaic) and Assembly Minority Leader Joseph Doria (D-Hudson).

The law includes the following provisions aimed at encouraging redevelopment of existing industrial or commercial property:

- Innocent Purchaser Protection -- provides a purchaser who investigates and remediates property with a liability exemption from the Spill Compensation and Control Act. The exemption will apply only to purchasers who complete the remediation of the property.
- Covenant not-to-sue - the Department of Environmental Protection (DEP) will agree in writing not to sue a developer once the property is remediated.
- Development of Presumptive Remedies - the DEP will develop protective redevelopment remedies that may be implemented without prior DEP approval - helping to expedite redevelopment.
- Tax incentives -- reimbursement for up to 75 percent of the cost of remediation of contaminated sites from newly generated revenues.
- Incentives for Innovative Technology - adds incentives for those who use innovative technology by eliminating the requirement that developers post financial assurances and dedicates five percent of Hazardous Discharge Site Remediation Fund (HDSRF) grants for those utilizing innovative technologies.
- Enhanced Information for Geographic Information System (GIS) - requires DEP to study contamination of state aquifers and investigate and map large areas of historic fill. The information would be accessible through the GIS program.
- Lender Liability for Storage Tanks - amends liability law to exempt lenders from liability for underground storage tanks provided that action is taken to empty and close the tanks.
- Environmental Opportunity Zone Amendment - permits residential or other "productive" development in EOZ. Current law allows only industrial or commercial reuse.

The legislation signed today compliments urban redevelopment programs initiated by the Governor including the New Jersey Redevelopment Authority, the Fund for Community Economic Development, Urban Coordinating Council and the Office of Neighborhood Assistance. The Governor has expanded the state's Urban Enterprise Zone program from 20 to 27 neighborhoods and committed \$700 million to provide affordable housing and promote home ownership.

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