

**52:9Q-13.1**  
**LEGISLATIVE HISTORY CHECKLIST**  
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**LAWS OF:** 2009                    **CHAPTER:** 252

**NJSA:** 52:9Q-13.1      (Revises organization and powers of Capital City Redevelopment Corporation)

**BILL NO:** A4322 (Substituted for S3116)

**SPONSOR(S)** Watson Coleman and Others

**DATE INTRODUCED:** December 3, 2009

**COMMITTEE:**            **ASSEMBLY:** State Government

**SENATE:** ---

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:**            **ASSEMBLY:** January 7, 2010

**SENATE:** January 11, 2010

**DATE OF APPROVAL:** January 16, 2010

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

**FINAL TEXT OF BILL** (Assembly Committee Substitute enacted)

**A4322**

**SPONSOR'S STATEMENT:** (Begins on page 13 of introduced bill)            Yes

**COMMITTEE STATEMENT:**    **ASSEMBLY:**            Yes

**SENATE:**            No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:**    No

**LEGISLATIVE FISCAL ESTIMATE:**    No

**S3116**

**SPONSOR'S STATEMENT:** (Begins on page 13 of introduced bill)            Yes

**COMMITTEE STATEMENT:**    **ASSEMBLY:**            No

**SENATE:**            Yes

**FLOOR AMENDMENT STATEMENT:**    No

**LEGISLATIVE FISCAL ESTIMATE:**    No

(continued)

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

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LAW/RWH

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, No. 4322**

**STATE OF NEW JERSEY**  
**213th LEGISLATURE**

ADOPTED JANUARY 4, 2010

**Sponsored by:**

**Assemblywoman BONNIE WATSON COLEMAN**  
**District 15 (Mercer)**

**Co-Sponsored by:**

**Senators Lesniak and Kyrillos**

**SYNOPSIS**

Revises organization and powers of Capital City Redevelopment Corporation.

**CURRENT VERSION OF TEXT**

Substitute as adopted by the Assembly State Government Committee.



**(Sponsorship Updated As Of: 1/12/2010)**

1 AN ACT revising the organization and powers of the Capital City  
2 Redevelopment Corporation, amending and supplementing  
3 P.L.1987, c.58 amending P.L.1992, c.79, and repealing section  
4 15 of P.L.1987, c.58.

5

6 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
7 *of New Jersey:*

8

9 1. Section 2 of P.L.1987, c.58 (C.52:9Q-10) is amended to read  
10 as follows:

11 2. The Legislature finds and declares that:

12 a. The city of Trenton is of unique significance to the State and  
13 the nation both as the State capital and center of State governmental  
14 operations, and as the site of the battle which in the nation's  
15 memory turned the tide toward American independence;

16 b. The historic and public importance of the city, once  
17 contemplated as the site of the nation's capital has too long been  
18 neglected in a State which lacks a demographic or commercial  
19 center of sufficient magnitude to serve as a focus for State identity  
20 and pride, and, as a result, the city is in great need of redevelopment  
21 and revitalization;

22 c. The actions and decisions of the State government are vitally  
23 connected to the redevelopment and revitalization of those portions  
24 of the city which serve as the commercial center of the community  
25 and in which public buildings and historic sites are located;

26 d. It is a public purpose of this State to establish a capital  
27 district within the city and to create a redevelopment corporation  
28 operating within the boundaries of the district, which will plan,  
29 coordinate and promote the public and private development of the  
30 district in a manner which enhances the vitality of the district as a  
31 place of commerce, recreation and culture and as an area in which  
32 to conduct public business and visit historic sites and thereby  
33 restores the prominence and prestige of the seat of State  
34 government for the benefit of all of the citizens of this State; **[and]**

35 e. In the exercise of its powers toward this public purpose, the  
36 Capital City Redevelopment Corporation will plan, coordinate and  
37 encourage an appropriate balance of governmental and  
38 nongovernmental facilities and activities in the district, and assist in  
39 the provision of public, recreational and cultural facilities, in the  
40 preservation and restoration of historic structures and sites, and in  
41 the stimulation of private investment in the district in order to  
42 establish it as a source of State pride equal in standard to the best of  
43 State capitals in the country; and

44 f. To facilitate the redevelopment of the city of Trenton and  
45 provide for increased cooperation between the city and the State, it

**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 is necessary to provide the Capital City Redevelopment Corporation  
2 with additional powers, including the authority to act as a municipal  
3 redevelopment entity, create subsidiaries, enter into partnerships  
4 with private developers, hold its own funds and to issue bonds,  
5 notes and other obligations paid for from non-State sources to fund  
6 redevelopment projects, and to expand the composition of its board.  
7 (cf: P.L.1987, c.58, s.2)

8  
9 2. Section 4 of P.L.1987, c.58 (C.52:9Q-12) is amended to read  
10 as follows:

11 4. a. There is established in the Executive Branch of the State  
12 Government a public body corporate and politic, with corporate  
13 succession, to be known as the Capital City Redevelopment  
14 Corporation. For the purpose of complying with the provisions of  
15 Article V, Section IV, paragraph 1 of the New Jersey Constitution,  
16 the corporation is allocated within the Department of the Treasury,  
17 but, notwithstanding that allocation the corporation shall be  
18 independent of any supervision or control by the department or by  
19 the State Treasurer or any officer or employee thereof. The  
20 corporation is constituted as an instrumentality of the State  
21 exercising public and essential governmental functions, and the  
22 exercise by the corporation of the powers conferred by this or any  
23 other act shall be deemed to be an essential governmental function  
24 of the State.

25 b. The board of directors of the corporation shall consist of the  
26 following: **[a member of the Executive Branch to be appointed by**  
27 **the Governor,]** the Commissioner of Community Affairs, the  
28 Commissioner of Transportation, and the State Treasurer who shall  
29 **[both]** all serve ex officio and may each designate, by written  
30 notification to the board, an alternate who shall act in their place  
31 with the authority to attend, vote and perform any duty or function  
32 assigned to them in their absence; **[one other high-ranking State**  
33 **officer designated by the Governor;]** the mayor of the city of  
34 Trenton, ex officio; and **[five]** seven public members, four of  
35 whom shall be appointed by the mayor of the city of Trenton and  
36 three of whom shall be appointed by the Governor with the three  
37 gubernatorial appointed members being subject to the advice and  
38 consent of the Senate, **[one of whom shall be a public employee of**  
39 **the State or city,]** one of whom shall **[have]** be a business owner in  
40 the city of Trenton [as his principal place of business], and at least  
41 one of whom shall **[have]** be a business owner in the county of  
42 Mercer **[as his principal place of business].** The **[five]** three  
43 directors appointed by the Governor shall be residents of the State  
44 and shall have knowledge and expertise in the areas of economic  
45 development, urban planning, community affairs or finance **[;]** .

- 1 c. Each public member shall serve for a term of four years and  
2 until the appointment and qualification of a successor **],** except that  
3 of the directors who are first appointed, three shall be designated to  
4 serve for terms of two years, and two shall be designated to serve  
5 for terms of four years, from the date of appointment**].** All  
6 vacancies shall be filled in the same manner as the original  
7 appointment but for the unexpired term only. The directors shall  
8 receive no compensation for their services, but may be reimbursed  
9 for their expenses in performing their official duties **[:]** .
- 10 d. Each director, before entering upon the duties of office, shall  
11 take and subscribe an oath to perform the duties of the office  
12 faithfully, impartially and justly to the best of their ability. A  
13 record of these oaths shall be filed in the Office of the Secretary of  
14 State. Each director appointed by the Governor may be removed  
15 from office by the Governor, for cause, after a public hearing, and  
16 may be suspended by the Governor pending the completion of the  
17 hearing **[:]** .
- 18 e. The Governor shall appoint a chairman from among the  
19 members of the board. The vice chairman shall be one of the **[five]**  
20 six public members and shall be elected by majority vote of all the  
21 directors. The directors shall elect a secretary and a treasurer from  
22 among their number, and the same person may be elected to serve  
23 both as secretary and treasurer. **[Five]** Six directors shall constitute  
24 a quorum at any meeting of the board. Action may be taken and  
25 motions and resolutions adopted by the board at any meeting  
26 thereof by the affirmative vote of at least **[five]** six directors. No  
27 vacancy in a directorship shall impair the right of a quorum to  
28 exercise all the powers and perform all the duties of the board **[:]** .
- 29 f. Each director shall execute a bond to be conditioned upon  
30 the faithful performance of their respective duties in such form and  
31 amount as may be prescribed by the Director of the Division of  
32 Budget and Accounting in the Department of the Treasury. The  
33 bonds shall be filed in the office of the Secretary of State. At all  
34 times thereafter the directors shall maintain these bonds in full  
35 force. All costs of the bonds shall be borne by the corporation **[:]**  
36 **and]** .
- 37 g. The corporation may be dissolved by act of the Legislature if  
38 it has no debts or obligations outstanding or if adequate provision  
39 has been made for the payment or retirement of any outstanding  
40 debts or obligations. Upon dissolution of the corporation all  
41 property, funds and assets thereof shall be vested in the State, the  
42 city or the county, subject to the terms of the act of dissolution.
- 43 h. A true copy of the minutes of every meeting of the  
44 corporation shall be forthwith delivered by and under the  
45 certification of the secretary thereof to the Governor. No action  
46 taken at such meeting by the corporation shall have force or effect

1 until 10 days, Saturdays, Sundays, and public holidays excepted,  
2 after a copy of the minutes shall have been so delivered unless  
3 during that 10-day period the Governor shall approve the same in  
4 which case such action shall become effective upon approval. If,  
5 within the 10-day period, the Governor returns the copy of the  
6 minutes with a veto of any action taken by the corporation or any  
7 member thereof at the meeting, that action shall be null and void  
8 and of no effect. The powers conferred in this subsection upon the  
9 Governor shall be exercised with due regard for the rights of the  
10 holders of bonds and notes of the corporation at any time  
11 outstanding, and nothing in or done pursuant to this subsection shall  
12 in any way limit, restrict or alter the obligation or powers of the  
13 corporation or any representative or officer of the corporation to  
14 carry out and perform in every detail each and every covenant,  
15 agreement or contract at any time made or entered into by or on  
16 behalf of the corporation with respect to its bonds or notes or for the  
17 benefit, protection or security of the holders thereof. The Governor  
18 may approve all or part of the action taken at such meeting prior to  
19 the expiration of the 10-day period.

20 i. No member, officer, employee or agent of the corporation  
21 shall be interested, either directly or indirectly, in any school  
22 facilities project, or in any contract, sale, purchase, lease, or transfer  
23 of real or personal property to which the corporation is a party.

24 (cf: P.L.1987, c.58, s.4)

25

26 3. Section 5 of P.L.1987, c.58 (C.52:9Q-13) is amended to read  
27 as follows:

28 5. The corporation shall have the following general powers:

29 a. To sue and be sued;

30 b. To adopt an official seal and alter it;

31 c. To make and alter bylaws for its organization and internal  
32 management and to make rules and regulations with respect to its  
33 projects, operations, properties and facilities;

34 d. To make and enter into all contracts, leases, as lessee or  
35 lessor, and agreements necessary or incidental to the performance  
36 of its duties and the exercise of its powers under this act, and  
37 consent to any modification, amendment or revision of any contract,  
38 lease or agreement to which it is a party;

39 e. To enter into agreements or other transactions with, and to  
40 accept grants, appropriations or the cooperation of the United States  
41 or any agency thereof or the State or any agency thereof in  
42 furtherance of the purposes of this act;

43 f. To receive and accept aid or contributions from any public  
44 or private source of money, property, labor or other thing of value,  
45 to be held, used and applied to carry out the purposes of this act  
46 subject to the conditions upon which that aid or contribution may be  
47 made, including, but not limited to, gifts or grants from the United

- 1 States or any agency thereof or the State or any agency thereof for  
2 any purpose consistent with this act;
- 3 g. To invest [moneys not required for immediate use in any  
4 obligations, securities or other investments in the same manner as  
5 trust funds in the custody of the State Treasurer] any funds held in  
6 reserve or sinking funds, or any moneys not required for immediate  
7 use and disbursement, at the discretion of the corporation, in  
8 investments in which other State funds may be invested;
- 9 h. To acquire or contract to acquire from any individual,  
10 partnership, trust, association or corporation, or any public agency,  
11 by grant, purchase or otherwise, real or personal property or any  
12 interest therein; to own, hold, clear, improve and rehabilitate, and to  
13 sell, assign, exchange, transfer, convey, lease, mortgage or  
14 otherwise dispose of or encumber the same;
- 15 i. To sell, lease, assign, transfer, convey, exchange, mortgage,  
16 or otherwise dispose of or encumber any project, and in the case of  
17 the sale of any project, to accept a purchase money mortgage in  
18 connection therewith, and to lease, repurchase or otherwise acquire  
19 and hold any project which the corporation has theretofore sold,  
20 leased or otherwise conveyed, transferred or disposed of;
- 21 j. To grant options to purchase any project or to renew any  
22 leases entered into by it in connection with any of its projects, on  
23 such terms and conditions as it may deem advisable;
- 24 k. To manage any project, whether then owned or leased by the  
25 corporation, and to enter into agreements with any individual,  
26 partnership, trust, association or corporation, or with any public  
27 agency, for the purpose of causing any project to be managed;
- 28 l. To consent to the modification, with respect to rate of  
29 interest, time of payment or any installment of principal or interest,  
30 security, or any other terms, of any loan, mortgage, commitment,  
31 contract or agreement of any kind to which the corporation is a  
32 party;
- 33 m. In connection with any property on which it has made a  
34 mortgage loan, to foreclose on the property or commence any action  
35 to protect or enforce any right conferred upon it by any law,  
36 mortgage, contract or other agreement, and to bid for or purchase  
37 the property at any foreclosure or at any other sale, or acquire or  
38 take possession of the property; and in such event the corporation  
39 may complete, administer, pay the principal of and interest on any  
40 obligations incurred in connection with the property, dispose of and  
41 otherwise deal with the property, in such manner as may be  
42 necessary or desirable to protect the interests of the corporation  
43 therein;
- 44 n. To procure insurance against any loss in connection with its  
45 property and other assets and operations in any amounts and from  
46 any insurers it deems desirable;



- 1 o. To arrange or contract with any county or municipal  
2 government, or instrumentality thereof, with jurisdiction within the  
3 Capital City District, for the planning, opening, grading or closing  
4 of streets, roads or other places or for the construction or  
5 reconstruction of improvements, or public works necessary or  
6 convenient to carry out its purposes;
- 7 p. To appoint an executive director and any other officers,  
8 employees and agents as it may require for the performance of its  
9 duties. The executive director, and any employees appointed as  
10 personal staff to the executive director, shall be appointed by the  
11 corporation, which shall determine their qualifications, terms of  
12 office, duties, fix their compensation, and promote and discharge  
13 them, all without regard to the provisions of Title 11A of the New  
14 Jersey Statutes [ . All other officers, employees and agents  
15 appointed by the corporation shall be subject to the provisions of  
16 Title 11A of the New Jersey Statutes];
- 17 q. To engage the services of attorneys, accountants, architects,  
18 building contractors, engineers, urban planners, and any other  
19 advisors, consultants and agents as may be necessary in its  
20 judgment for the performance of its duties and fix their  
21 compensation;
- 22 r. To provide advisory, consultative, training and educational  
23 services, technical assistance and advice to any person, firm,  
24 association, partnership or corporation, either public or private, in  
25 order to carry out the purposes of this act; [and]
- 26 s. To do any and all things necessary or convenient to the  
27 exercise of the foregoing powers or reasonably implied therefrom;
- 28 t. To borrow money and to issue bonds and notes and other  
29 obligations of the corporation, for which neither the members of the  
30 corporation nor any person executing bonds issued pursuant to this  
31 subsection shall be liable personally by reason of the issuance  
32 thereof, and to provide for the rights of the holders thereof, and  
33 which obligations shall not have a pledge of an annual  
34 appropriation as the ways and means to pay the principal of,  
35 redemption premium, if any, and interest on such bonds, notes, or  
36 other obligations;
- 37 u. To charge and collect from local units, the State, and any  
38 other person any fees and charges in connection with the  
39 corporation's actions undertaken with respect to projects, including  
40 but not limited to fees and charges for the corporation's  
41 administrative, organization, insurance, operating, and other  
42 expenses incident to projects;
- 43 v. To market any project undertaken within the district;
- 44 w. To enter into partnerships or joint ventures with private  
45 developers, the New Jersey Economic Development Authority or  
46 any other public entity, for the purpose of community  
47 redevelopment, and establish fees therefor; and

1       x. To act as a municipal redevelopment entity or redeveloper,  
2 with all powers conferred pursuant to the “Local Redevelopment  
3 and Housing Law,” P.L.1992, c.79 (C.40A:12A-1 et al.).  
4 (cf: P.L.1987, c.58, s.5)

5  
6       4. Section 11 of P.L.1987, c.58 (C.52:9Q-19) is amended to  
7 read as follows:

8       11. a. There is established in the **【State Treasury】** corporation a  
9 nonlapsing, revolving fund to be known as the Capital City  
10 Redevelopment Loan and Grant Fund, and which shall be at the  
11 disposal of the **【executive director】** corporation for carrying out the  
12 provisions of **【this act】** P.L.1987, c.58 (C.52:9Q-9 et seq.), and for  
13 no other purpose.

14       b. The **【State Treasurer】** corporation may from time to time  
15 invest and reinvest those portions of the fund in investments in  
16 which other State funds may be invested. Net earnings received  
17 from the deposit of moneys in the fund shall be used only for the  
18 purposes of the fund.

19       c. There shall be included in the fund (1) all moneys  
20 appropriated and made available by the Legislature for inclusion  
21 therein, (2) any other moneys made available to the corporation  
22 from any source or sources, for its purposes, (3) any moneys repaid  
23 by persons pursuant to loan agreements under the terms of **【this**  
24 **act】** P.L.1987, c.58 (C.52:9Q-9 et seq.), which payments shall be  
25 transmitted to the **【State Treasurer】** corporation for inclusion in the  
26 fund, and (4) any income, increment or interest derived from  
27 investment or reinvestment.

28 (cf: P.L.1987, c.58, s.11)

29  
30       5. Section 16 of P.L.1987, c.58 (C.52:9Q-24) is amended to  
31 read as follows:

32       16. a. If, in order to implement any of the goals and objectives  
33 set forth in the plan, the corporation shall find it necessary or  
34 convenient to acquire any real property within its jurisdiction, or if  
35 for any of its authorized purposes the corporation shall find it  
36 necessary to acquire any real property beyond its jurisdiction,  
37 whether for immediate or future use, the corporation may find and  
38 determine that such property, whether a fee simple absolute or a  
39 lesser interest, is required for public use, and, upon such  
40 determination, the property shall be deemed to be required for a  
41 public use until otherwise determined by the corporation; and the  
42 determination shall not be affected by the fact that the property has  
43 heretofore been taken for, or is then devoted to, a public use of the  
44 State or any municipality, county, school district, or other local or  
45 regional district, authority or agency, but the public use in the hands  
46 or under the control of the corporation shall be deemed superior.

1 b. If the corporation is unable to agree with the owner or  
2 owners thereof upon terms for the acquisition of any real property,  
3 for any reason whatsoever, then the corporation may acquire that  
4 property, whether a fee simple absolute or a lesser interest, in the  
5 manner provided in the "Eminent Domain Act of 1971," P.L.1971,  
6 c.361 (C.20:3-1 et seq.).

7 c. Notwithstanding the provisions of subsections a. and b. of  
8 this section, the corporation shall not acquire or exercise control  
9 over any property in the custody of the State House Commission  
10 pursuant to R.S.52:20-1 et seq. without the written consent of that  
11 commission.

12 d. For the purposes of any State surplus property located within  
13 the district, the corporation is authorized to act as the  
14 redevelopment entity on behalf of the State as provided in section 4  
15 of P.L.1992, c.79 (C.40A:12A-4) pursuant to a memorandum of  
16 understanding with the State Treasurer.

17 (cf: P.L.1987, c.58, s.16)

18  
19 6. Section 17 of P.L.1987, c.58 (C.52:9Q-25) is amended to  
20 read as follows:

21 17. a. On or before February 1 of each year, the board shall  
22 **【submit】** adopt a budget for the corporation **【to the State Treasurer**  
23 **for the State Treasurer's approval】**. **【The budget shall include those**  
24 **sums made available to the committee pursuant to section 15 of this**  
25 **act.】** The board shall file a copy of the budget with the State  
26 Treasurer and the governing body of the city of Trenton within 30  
27 days of its 【approval】 adoption. The board shall cause an audit of  
28 its books and accounts to be made at least once in each year by  
29 certified public accountants, and the cost thereof shall be considered  
30 an expense of the corporation and a copy thereof shall be filed with  
31 the State Treasurer, the Director of the Division of Budget and  
32 Accounting, and the State Auditor.

33 b. The executive director shall submit with the corporation's  
34 annual budget **【request】** a plan for expenditures from the Capital  
35 City Redevelopment Loan and Grant Fund for the upcoming fiscal  
36 year. This plan shall include, but not be limited to: performance  
37 evaluation of the expenditures made from the fund to date; a  
38 description of the various projects to be funded for the upcoming  
39 fiscal year; relocation assistance for the upcoming fiscal year; a  
40 copy of procedures developed by the corporation governing the  
41 operation of the loan and grant fund; a complete financial statement  
42 on the status of the **【State fund】** fund to date; and an estimate of  
43 expenditures from the **【State fund】** fund for the upcoming fiscal  
44 year. **【This information shall be used to assist the Legislature in**  
45 **determining the amount to appropriate to the State fund.】**

46 (cf: P.L.1987, c.58, s.17)

- 1       7. (New section) a. In addition to the powers set forth in  
2 section 5 of P.L.1987, c.58 (C.52:9Q-13), the corporation shall have  
3 the authority to form, purchase or assume control of one or more  
4 subsidiaries, in the manner and for the purposes set forth in this  
5 section.
- 6       b. The corporation may form a subsidiary by filing with the  
7 Secretary of State a certificate of incorporation, which may be  
8 amended from time to time and which shall set forth the name of  
9 the subsidiary, its duration, the location of its principal office, the  
10 joint owners thereof, and the purposes of the subsidiary.
- 11       c. The directors of the subsidiary shall be members or  
12 employees of the corporation, who shall constitute at least a  
13 majority, and such other persons representing any joint owner or  
14 owners as may be provided for in the agreement in connection with  
15 the incorporation of the subsidiary.
- 16       d. The subsidiary shall have all the powers vested in the  
17 corporation which the corporation may delegate to it by terms of the  
18 certificate of incorporation, except that it shall not have the power  
19 to contract indebtedness independently of the corporation. The  
20 subsidiary and any of its properties, functions and activities shall  
21 have all the privileges, immunities, tax exemptions, and other  
22 exemptions as the corporation and its property, functions and  
23 activities. The subsidiary shall also be subject to the restrictions  
24 and limitations to which the corporation is subject. The subsidiary  
25 shall be subject to suit as if it were the corporation itself.
- 26       e. Whenever the State or any municipality, commission, public  
27 authority, agency, officer, department, board, or division is  
28 authorized and empowered to cooperate and enter into agreements  
29 with the corporation, or to grant any consent to the corporation, or  
30 to grant, convey, lease or otherwise transfer any property to the  
31 corporation, or to execute any document, the State or such  
32 municipality, commission, public authority, agency, officer,  
33 department, board, or division shall have the same authorization and  
34 power for any of such purposes to cooperate and enter into  
35 agreements with the subsidiary, to grant consents to the subsidiary,  
36 to grant, convey, lease, or otherwise transfer property to the  
37 subsidiary, and to execute documents for the subsidiary.
- 38       f. Among the powers that shall be granted to a subsidiary  
39 corporation established by the corporation are:
- 40       (1) the power to participate as a co-owner or co-venturer in any  
41 activity financed by a loan from the corporation or the subsidiary  
42 corporation; and
- 43       (2) the power to issue non-voting stock and employ the proceeds  
44 of such sales for capital investment in, or other expenses in  
45 connection with, the projects of the subsidiary, upon authorization  
46 by the corporation.

1       8. (New section) For the purpose of providing funds to pay all  
2 or any part of the cost of any project or projects, to make loans in  
3 accordance with the provisions of P.L.1987, c.58 (C.52:9Q-9 et  
4 seq.), and for the funding or refunding of any bonds, the corporation  
5 shall have the power to authorize or provide for the issuance of  
6 bonds pursuant to P.L.     , c.     (C.     )(pending before the  
7 Legislature as this bill).

8  
9       9. (New section) By resolution, the corporation shall have  
10 power to incur indebtedness, borrow money and issue its bonds for  
11 the purposes stated in section 7 of P.L.     , c.     (C.     )(pending  
12 before the Legislature as this bill); provided, however, that the  
13 corporation shall not issue more than \$100 million of bonds in any  
14 one year. Except as may otherwise be expressly provided by the  
15 corporation, every issue of its bonds shall be general obligations of  
16 the corporation payable from any revenues or moneys of the  
17 corporation or any other contracted with or agreed upon source,  
18 subject only to any agreements with the holders of particular bonds  
19 or notes pledging any particular revenues or moneys, provided,  
20 however, that notwithstanding anything to the contrary contained  
21 herein or in any other law or regulation, any bonds, notes or other  
22 obligations issued by the corporation shall not have a pledge of an  
23 annual appropriation as the ways and means to pay the principal of,  
24 redemption premium if any, and interest on such bonds, notes or  
25 other obligations. Bonds shall be authorized by resolution and may  
26 be issued in one or more series and shall bear that date or those  
27 dates, mature at that time or those times not exceeding 40 years  
28 from the date thereof, bear interest at a rate or rates, be in that  
29 denomination or those denominations, be in such form, either  
30 coupon or registered, carry such conversion or registration  
31 privileges, have such rank or priority, be executed in such manner,  
32 be payable from such sources in such medium of payment at such  
33 place or places within or without the State, and be subject to such  
34 terms of redemption (with or without premium) as the resolution  
35 may provide. Bonds of the corporation may be sold by the  
36 corporation at public or private sale at such price or prices as the  
37 corporation shall determine.

38  
39       10. (New section) Any provision of any law to the contrary  
40 notwithstanding, any bond, note or other obligation issued pursuant  
41 to P.L.     , c.     (C.     ) (pending before the Legislature as this bill)  
42 shall be fully negotiable within the meaning and for all purposes of  
43 Title 12A, Commercial Transactions, of the New Jersey Statutes,  
44 and each holder or owner of such a bond or other obligation, or of  
45 any coupon appurtenant thereto, by accepting such bond or coupon,  
46 shall be conclusively deemed to have agreed that such bond,  
47 obligation, or coupon is and shall be fully negotiable within the

1 meaning and for all purposes of Title 12A of the New Jersey  
2 Statutes.

3

4 11. (New section) In order to secure the payment of such bonds,  
5 notes and other obligations, and in addition to its other powers, the  
6 corporation shall have power by resolution to covenant and agree  
7 with the several holders of such bonds, as to:

8 a. The custody, security, use, expenditure or application of the  
9 proceeds of the bonds, notes or other obligations;

10 b. The use, regulation, operation, maintenance, insurance or  
11 disposition of all or any part of any project or projects;

12 c. Payment of the principal of, redemption premium if any or  
13 interest on the bonds, notes or any other obligations, and the  
14 sources and methods thereof, the rank or priority of any such bonds,  
15 notes or other obligations as to any lien or security, or the  
16 acceleration of the maturity of any such bonds, notes or other  
17 obligations;

18 d. The use and disposition of any moneys of the corporation,  
19 including all revenues or other moneys derived or to be derived  
20 from any project or projects;

21 e. Pledging, setting aside, depositing or trusteeing all or any  
22 part of the revenues or other moneys of the corporation to secure  
23 the payment of the principal of, redemption premium if any, or  
24 interest on the bonds, notes, or any other obligations and the powers  
25 and duties of any trustee with regard thereto;

26 f. The setting aside out of the revenues or other moneys of the  
27 corporation of reserves and sinking funds, and the source, custody,  
28 security, regulation, application, and disposition thereof;

29 g. The rents, fees or other charges for the use of any project or  
30 projects, including any parts thereof theretofore constructed or  
31 acquired and any parts, replacements or improvements thereof  
32 thereafter constructed or acquired, and the fixing, establishment,  
33 collection and enforcement of the same;

34 h. The limitation on the issuance of additional bonds, notes or  
35 any other obligations, or on the incurrence of indebtedness of the  
36 corporation;

37 i. The vesting in a trustee or trustees, fiscal or escrow agent or  
38 agents within or without the State such property, rights, powers and  
39 duties in trust as the corporation may determine and limiting the  
40 rights, duties and powers of such trustee or agent;

41 j. The payment of costs or expenses incident to the  
42 enforcement of the bonds, notes or other obligations or of the  
43 provisions of the resolution or of any covenant or contract with the  
44 holders of the bonds, notes, or other obligations;

45 k. The procedure, if any, by which the terms of any covenant or  
46 contract with, or duty to, the holders of bonds, notes or other  
47 obligations may be amended or abrogated, the amount of bonds,

1 notes or other obligations the holders of which must consent  
2 thereto, and the manner in which such consent may be given or  
3 evidenced; or

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

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

16

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

28

29 13. (New section) The members of the corporation or any person  
30 executing bonds, notes or other obligations issued pursuant to  
31 P.L. , c. (C. ) (pending before the Legislature as this bill)  
32 shall not be liable personally on the bonds by reason of the issuance  
33 thereof. Bonds, notes or other obligations issued by the corporation  
34 pursuant to P.L. , c. (C. ) (pending before the Legislature as  
35 this bill) shall not be in any way a debt or liability of the State or of  
36 any political subdivision thereof and shall not create or constitute  
37 any indebtedness, liability or obligation of the State or of any  
38 political subdivision, either legal, moral or otherwise, and nothing  
39 contained in P.L. , c. (C. )(pending before the Legislature as  
40 this bill) shall be construed to authorize the corporation to incur any  
41 indebtedness on behalf of or in any way to obligate the State or any  
42 political subdivision, and all such bonds, notes or other obligations  
43 shall contain on the face thereof a statement to that effect.

44

45 14. Section 4 of P.L.1992, c.79 (C.40A:12A-4) is amended to  
46 read as follows:

1       4. In exercising the redevelopment and rehabilitation functions  
2 provided for in this act:

3       a. A municipal governing body shall have the power to:

4           (1) Cause a preliminary investigation to be made pursuant to  
5 subsection a. of section 6 of P.L.1992, c.79 (C.40A:12A-6) as to  
6 whether an area is in need of redevelopment;

7           (2) Determine pursuant to subsection b. of section 6 of  
8 P.L.1992, c.79 (C.40A:12A-6) that an area is in need of  
9 redevelopment;

10          (3) Adopt a redevelopment plan pursuant to section 7 of  
11 P.L.1992, c.79 (C.40A:12A-7);

12          (4) Determine pursuant to section 14 of P.L.1992, c.79  
13 (C.40A:12A-14) that an area is in need of rehabilitation.

14       b. A municipal planning board shall have the power to:

15           (1) Conduct, when authorized by the municipal governing body,  
16 a preliminary investigation and hearing and make a  
17 recommendation pursuant to subsection b. of section 6 of P.L.1992,  
18 c.79 (C.40A:12A-6) as to whether an area is in need of  
19 redevelopment;

20           (2) Make recommendations concerning a redevelopment plan  
21 pursuant to subsection e. of section 7 of P.L.1992, c.79  
22 (C.40A:12A-7), or prepare a redevelopment plan pursuant to  
23 subsection f. of that section.

24           (3) Make recommendations concerning the determination of an  
25 area in need of rehabilitation pursuant to section 14 of P.L.1992,  
26 c.79 (C.40A:12A-14).

27       c. The municipality shall be responsible for implementing  
28 redevelopment plans and carrying out redevelopment projects  
29 pursuant to section 8 of P.L.1992, c.79 (C.40A:12A-8). The  
30 municipality may execute these responsibilities directly, or in  
31 addition thereto or in lieu thereof, through either a municipal  
32 redevelopment agency, or a municipal housing authority authorized  
33 to exercise redevelopment powers pursuant to section 21 of  
34 P.L.1992, c.79 (C.40A:12A-21), but there shall be only one  
35 redevelopment entity responsible for each redevelopment project.  
36 A county improvement authority authorized to undertake  
37 redevelopment projects pursuant to the “county improvement  
38 authorities law,” P.L.1960, c.183 (C.40:37A-44 et seq.) may also  
39 act as a redevelopment entity pursuant to this act. Within a  
40 municipality that has been designated the capital of the State, the  
41 Capital City Redevelopment Corporation, established pursuant to  
42 P.L.1987, c.58 (C.52:9Q-9 et seq.) may also act as a redevelopment  
43 entity pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.). The  
44 redevelopment entity, so authorized, may contract with any other  
45 public body, in accordance with the provisions of section 8 of  
46 P.L.1992, c.79 (C.40A:12A-8), for the carrying out of a  
47 redevelopment project or any part thereof under its jurisdiction.



1 Notwithstanding the above, the governing body of the municipality  
2 may, by ordinance, change or rescind the designation of the  
3 redevelopment entity responsible for implementing a redevelopment  
4 plan and carrying out a redevelopment project and may assume this  
5 responsibility itself, but only the redevelopment entity authorized to  
6 undertake a particular redevelopment project shall remain  
7 authorized to complete it, unless the redevelopment entity and  
8 redeveloper agree otherwise, or unless no obligations have been  
9 entered into by the redevelopment entity with parties other than the  
10 municipality. This shall not diminish the power of the municipality  
11 to dissolve a redevelopment entity pursuant to section 24 of  
12 P.L.1992, c.79 (C.40A:12A-24), and section 20 of the “Local  
13 Authorities Fiscal Control Law,” P.L.1983, c.313 (C.40A:5A-20).  
14 (cf: P.L.1992, c.79, s.4)

15

16 15. (New section) For purposes of effectuating the changes in  
17 the composition of the membership of public members of the board  
18 of the Capital City Redevelopment Corporation as prescribed by the  
19 provisions of section 2 of P.L. , c. (pending before the  
20 Legislature as this bill) amending section 4 of P.L.1987, c.58  
21 (C.52:9Q-12):

22 a. The Governor shall, on or before the 30th day following the  
23 effective date of P.L. , c. (C. ) (pending before the  
24 Legislature as this bill), file with the Secretary of State a written  
25 statement designating two memberships among those public  
26 members as henceforth to be filled through appointment by the  
27 mayor of the city of Trenton. Upon such filing, the term of a  
28 member holding such a membership, or the continuance in office of  
29 a member following expiration of the term of such a membership,  
30 shall terminate, and the Secretary of State shall promptly notify the  
31 member in writing of the termination; and

32 b. Of the four public members first appointed by the mayor of  
33 the city of Trenton following the effective date of P.L. ,  
34 c. (C. ) (pending before the Legislature as this bill), two  
35 shall be designated to serve for terms of four years and two shall be  
36 designated to serve for terms of two years, from the date of  
37 appointment.

38

39 16. Section 15 of P.L.1987, c.58 (C.52:9Q-23) is repealed.

40

41 17. This act shall take effect immediately.

# ASSEMBLY, No. 4322

## STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED DECEMBER 3, 2009

**Sponsored by:**

**Assemblywoman BONNIE WATSON COLEMAN**

**District 15 (Mercer)**

**SYNOPSIS**

Revises organization and powers of Capital City Redevelopment Corporation.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT revising the organization and powers of the Capital City  
2 Redevelopment Corporation, amending P.L.1992, c.79 and  
3 P.L.1987, c.58, and repealing section 15 of P.L.1987, c.58.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. Section 4 of P.L.1992, c.79 (C.40A:12A-4) is amended to  
9 read as follows:

10 4. In exercising the redevelopment and rehabilitation functions  
11 provided for in this act:

12 a. A municipal governing body shall have the power to:

13 (1) Cause a preliminary investigation to be made pursuant to  
14 subsection a. of section 6 of P.L.1992, c.79 (C.40A:12A-6) as to  
15 whether an area is in need of redevelopment;

16 (2) Determine pursuant to subsection b. of section 6 of  
17 P.L.1992, c.79 (C.40A:12A-6) that an area is in need of  
18 redevelopment;

19 (3) Adopt a redevelopment plan pursuant to section 7 of  
20 P.L.1992, c.79 (C.40A:12A-7);

21 (4) Determine pursuant to section 14 of P.L.1992, c.79  
22 (C.40A:12A-14) that an area is in need of rehabilitation.

23 b. A municipal planning board shall have the power to:

24 (1) Conduct, when authorized by the municipal governing body,  
25 a preliminary investigation and hearing and make a  
26 recommendation pursuant to subsection b. of section 6 of P.L.1992,  
27 c.79 (C.40A:12A-6) as to whether an area is in need of  
28 redevelopment;

29 (2) Make recommendations concerning a redevelopment plan  
30 pursuant to subsection e. of section 7 of P.L.1992, c.79  
31 (C.40A:12A-7), or prepare a redevelopment plan pursuant to  
32 subsection f. of that section.

33 (3) Make recommendations concerning the determination of an  
34 area in need of rehabilitation pursuant to section 14 of P.L.1992,  
35 c.79 (C.40A:12A-14).

36 c. The municipality shall be responsible for implementing  
37 redevelopment plans and carrying out redevelopment projects  
38 pursuant to section 8 of P.L.1992, c.79 (C.40A:12A-8). The  
39 municipality may execute these responsibilities directly, or in  
40 addition thereto or in lieu thereof, through either a municipal  
41 redevelopment agency, or a municipal housing authority authorized  
42 to exercise redevelopment powers pursuant to section 21 of  
43 P.L.1992, c.79 (C.40A:12A-21), but there shall be only one  
44 redevelopment entity responsible for each redevelopment project.  
45 A county improvement authority authorized to undertake

**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 redevelopment projects pursuant to the “county improvement  
2 authorities law,” P.L.1960, c.183 (C.40:37A-44 et seq.) may also  
3 act as a redevelopment entity pursuant to this act. Within a  
4 municipality that has been designated the capital of the State, the  
5 Capital City Redevelopment Corporation, established pursuant to  
6 P.L.1987, c.58 (C.52:9Q-9 et seq.) may also act as a redevelopment  
7 entity pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.). The  
8 redevelopment entity, so authorized, may contract with any other  
9 public body, in accordance with the provisions of section 8 of  
10 P.L.1992, c.79 (C.40A:12A-8), for the carrying out of a  
11 redevelopment project or any part thereof under its jurisdiction.  
12 Notwithstanding the above, the governing body of the municipality  
13 may, by ordinance, change or rescind the designation of the  
14 redevelopment entity responsible for implementing a redevelopment  
15 plan and carrying out a redevelopment project and may assume this  
16 responsibility itself, but only the redevelopment entity authorized to  
17 undertake a particular redevelopment project shall remain  
18 authorized to complete it, unless the redevelopment entity and  
19 redeveloper agree otherwise, or unless no obligations have been  
20 entered into by the redevelopment entity with parties other than the  
21 municipality. This shall not diminish the power of the municipality  
22 to dissolve a redevelopment entity pursuant to section 24 of  
23 P.L.1992, c.79 (C.40A:12A-24), and section 20 of the “Local  
24 Authorities Fiscal Control Law,” P.L.1983, c.313 (C.40A:5A-20).  
25 (cf: P.L.1992, c.79, s.4)

26

27 2. Section 4 of P.L.1987, c.58 (C.52:9Q-12) is amended to read  
28 as follows:

29 4. a. There is established in the Executive Branch of the State  
30 Government a public body corporate and politic, with corporate  
31 succession, to be known as the Capital City Redevelopment  
32 Corporation. For the purpose of complying with the provisions of  
33 Article V, Section IV, paragraph 1 of the New Jersey Constitution,  
34 the corporation is allocated within the Department of the Treasury,  
35 but, notwithstanding that allocation the corporation shall be  
36 independent of any supervision or control by the department or by  
37 the State Treasurer or any officer or employee thereof. The  
38 corporation is constituted as an instrumentality of the State  
39 exercising public and essential governmental functions, and the  
40 exercise by the corporation of the powers conferred by this or any  
41 other act shall be deemed to be an essential governmental function  
42 of the State.

43 b. The board of directors of the corporation shall consist of the  
44 following: **[a member of the Executive Branch to be appointed by**  
45 **the Governor,]** the Secretary of State, the Commissioner of  
46 Community Affairs, and the State Treasurer who shall **[both]** all  
47 serve ex officio and may each designate, by written notification to  
48 the board, an alternate who shall act in their place with the authority

1 to attend, vote and perform any duty or function assigned to them in  
2 their absence; ~~one other high-ranking State officer designated by~~  
3 ~~the Governor;~~ the mayor of the city of Trenton, ex officio; and  
4 ~~five~~ seven public members, four of whom shall be appointed by  
5 the mayor of the city of Trenton and three of whom shall be  
6 appointed by the Governor with the advice and consent of the  
7 Senate, ~~one of whom shall be a public employee of the State or~~  
8 ~~city,~~ one of whom shall ~~have~~ be a business owner in the city of  
9 Trenton ~~as his principal place of business~~, and at least one of  
10 whom shall ~~have~~ be a business owner in the county of Mercer ~~as~~  
11 ~~his principal place of business~~. The ~~five~~ three directors  
12 appointed by the Governor shall be residents of the State and shall  
13 have knowledge and expertise in the areas of economic  
14 development, urban planning, community affairs or finance;

15 c. Each public member shall serve for a term of four years and  
16 until the appointment and qualification of a successor, except that  
17 of the directors who are first appointed, three shall be designated to  
18 serve for terms of two years, and two shall be designated to serve  
19 for terms of four years, from the date of appointment. All vacancies  
20 shall be filled in the same manner as the original appointment but  
21 for the unexpired term only. The directors shall receive no  
22 compensation for their services, but may be reimbursed for their  
23 expenses in performing their official duties;

24 d. Each director, before entering upon the duties of office, shall  
25 take and subscribe an oath to perform the duties of the office  
26 faithfully, impartially and justly to the best of their ability. A  
27 record of these oaths shall be filed in the Office of the Secretary of  
28 State. Each director appointed by the Governor may be removed  
29 from office by the Governor, for cause, after a public hearing, and  
30 may be suspended by the Governor pending the completion of the  
31 hearing;

32 e. The Governor shall appoint a chairman from among the  
33 members of the board. The vice chairman shall be one of the five  
34 public members and shall be elected by majority vote of all the  
35 directors. The directors shall elect a secretary and a treasurer from  
36 among their number, and the same person may be elected to serve  
37 both as secretary and treasurer. Five directors shall constitute a  
38 quorum at any meeting of the board. Action may be taken and  
39 motions and resolutions adopted by the board at any meeting  
40 thereof by the affirmative vote of at least five directors. No  
41 vacancy in a directorship shall impair the right of a quorum to  
42 exercise all the powers and perform all the duties of the board;

43 f. Each director shall execute a bond to be conditioned upon  
44 the faithful performance of their respective duties in such form and  
45 amount as may be prescribed by the Director of the Division of  
46 Budget and Accounting in the Department of the Treasury. The  
47 bonds shall be filed in the office of the Secretary of State. At all

1 times thereafter the directors shall maintain these bonds in full  
2 force. All costs of the bonds shall be borne by the corporation; and  
3 g. The corporation may be dissolved by act of the Legislature if  
4 it has no debts or obligations outstanding or if adequate provision  
5 has been made for the payment or retirement of any outstanding  
6 debts or obligations. Upon dissolution of the corporation all  
7 property, funds and assets thereof shall be vested in the State, the  
8 city or the county, subject to the terms of the act of dissolution.

9 (cf: P.L.1987, c.58, s.4)

10

11 3. Section 5 of P.L.1987, c.58 (C.52:9Q-13) is amended to read  
12 as follows:

13 5. The corporation shall have the following general powers:

14 a. To sue and be sued;

15 b. To adopt an official seal and alter it;

16 c. To make and alter bylaws for its organization and internal  
17 management and to make rules and regulations with respect to its  
18 projects, operations, properties and facilities;

19 d. To make and enter into all contracts, leases, as lessee or  
20 lessor, and agreements necessary or incidental to the performance  
21 of its duties and the exercise of its powers under this act, and  
22 consent to any modification, amendment or revision of any contract,  
23 lease or agreement to which it is a party;

24 e. To enter into agreements or other transactions with, and to  
25 accept grants, appropriations or the cooperation of the United States  
26 or any agency thereof or the State or any agency thereof in  
27 furtherance of the purposes of this act;

28 f. To receive and accept aid or contributions from any public  
29 or private source of money, property, labor or other thing of value,  
30 to be held, used and applied to carry out the purposes of this act  
31 subject to the conditions upon which that aid or contribution may be  
32 made, including, but not limited to, gifts or grants from the United  
33 States or any agency thereof or the State or any agency thereof for  
34 any purpose consistent with this act;

35 g. ~~【To invest moneys not required for immediate use in any~~  
36 ~~obligations, securities or other investments in the same manner as~~  
37 ~~trust funds in the custody of the State Treasurer】 (Deleted by  
38 amendment, P.L. , c. ) (pending before the Legislature as this  
39 bill);~~

40 h. To acquire or contract to acquire from any individual,  
41 partnership, trust, association or corporation, or any public agency,  
42 by grant, purchase or otherwise, real or personal property or any  
43 interest therein; to own, hold, clear, improve and rehabilitate, and to  
44 sell, assign, exchange, transfer, convey, lease, mortgage or  
45 otherwise dispose of or encumber the same. In addition, all State-  
46 owned real property within the Capital City District that the State  
47 deems to be surplus property shall conveyed to the Capital City  
48 Redevelopment Corporation in the form of a leasehold interest

1 agreement which terms and conditions will be established between  
2 the Department of the Treasury and the Capital City Redevelopment  
3 Corporation, or conveyed to the Capital City Redevelopment  
4 Corporation for the sum of one dollar. The Capital City  
5 Redevelopment Corporation shall redevelop the property on behalf  
6 of the City of Trenton and the State of New Jersey, and once the  
7 property is sold or transferred to a private developer, 60 percent of  
8 the fair market value shall be repaid to the Department of the  
9 Treasury and the remaining 40 percent shall be transferred to the  
10 Capital District Loan and Grant Fund to be used for the continued  
11 redevelopment of the Capital District and for operational costs as  
12 necessary;

13 i. To sell, lease, assign, transfer, convey, exchange, mortgage,  
14 or otherwise dispose of or encumber any project, and in the case of  
15 the sale of any project, to accept a purchase money mortgage in  
16 connection therewith, and to lease, repurchase or otherwise acquire  
17 and hold any project which the corporation has theretofore sold,  
18 leased or otherwise conveyed, transferred or disposed of;

19 j. To grant options to purchase any project or to renew any  
20 leases entered into by it in connection with any of its projects, on  
21 such terms and conditions as it may deem advisable;

22 k. To manage any project, whether then owned or leased by the  
23 corporation, and to enter into agreements with any individual,  
24 partnership, trust, association or corporation, or with any public  
25 agency, for the purpose of causing any project to be managed;

26 l. To consent to the modification, with respect to rate of  
27 interest, time of payment or any installment of principal or interest,  
28 security, or any other terms, of any loan, mortgage, commitment,  
29 contract or agreement of any kind to which the corporation is a  
30 party;

31 m. In connection with any property on which it has made a  
32 mortgage loan, to foreclose on the property or commence any action  
33 to protect or enforce any right conferred upon it by any law,  
34 mortgage, contract or other agreement, and to bid for or purchase  
35 the property at any foreclosure or at any other sale, or acquire or  
36 take possession of the property; and in such event the corporation  
37 may complete, administer, pay the principal of and interest on any  
38 obligations incurred in connection with the property, dispose of and  
39 otherwise deal with the property, in such manner as may be  
40 necessary or desirable to protect the interests of the corporation  
41 therein;

42 n. To procure insurance against any loss in connection with its  
43 property and other assets and operations in any amounts and from  
44 any insurers it deems desirable;

45 o. To arrange or contract with any county or municipal  
46 government, or instrumentality thereof, with jurisdiction within the  
47 Capital City District, for the planning, opening, grading or closing  
48 of streets, roads or other places or for the construction or

1 reconstruction of improvements, or public works necessary or  
2 convenient to carry out its purposes;

3 p. To appoint an executive director and any other officers,  
4 employees and agents as it may require for the performance of its  
5 duties. The executive director, and any employees appointed as  
6 personal staff to the executive director, shall be appointed by the  
7 corporation, which shall determine their qualifications, terms of  
8 office, duties, fix their compensation, and promote and discharge  
9 them, all without regard to the provisions of Title 11A of the New  
10 Jersey Statutes. All other officers, employees and agents appointed  
11 by the corporation shall be subject to the provisions of Title 11A of  
12 the New Jersey Statutes;

13 q. To engage the services of attorneys, accountants, architects,  
14 building contractors, engineers, urban planners, and any other  
15 advisors, consultants and agents as may be necessary in its  
16 judgment for the performance of its duties and fix their  
17 compensation;

18 r. To provide advisory, consultative, training and educational  
19 services, technical assistance and advice to any person, firm,  
20 association, partnership or corporation, either public or private, in  
21 order to carry out the purposes of this act; **[and]**

22 s. To do any and all things necessary or convenient to the  
23 exercise of the foregoing powers or reasonably implied therefrom;

24 t. To borrow money and to issue bonds and notes and other  
25 obligations of the corporation, for which neither the members of the  
26 corporation, nor any person executing bonds issued pursuant to this  
27 subsection shall be liable personally by reason of the issuance  
28 thereof, and to provide for the rights of the holders thereof, which  
29 obligations shall not have a pledge of an annual appropriation as the  
30 means to pay the interest or liability of such obligation;

31 u. To accept such fees as the corporation shall determine to be  
32 reasonable for work not performed in relation to any project in  
33 which the corporation has an interest, including, but not limited to,  
34 fees and charges for the authority's administrative, organization,  
35 insurance, operating and other expenses;

36 v. To market any private development projects undertaken  
37 within the Capital City District;

38 w. To enter into partnerships or joint ventures with private  
39 developers, the New Jersey Economic Development Authority or  
40 any other public entity, for the purpose of community  
41 redevelopment, and establish fees therefor; and

42 x. To act as a municipal redevelopment entity, with all powers  
43 conferred pursuant to the "Local Redevelopment and Housing  
44 Law", P.L.1992, c.79 (C.40A:12A-1 et al.).

45 (cf: P.L.1987, c.58, s.5)

46

47 4. Section 11 of P.L.1987, c.58 (C.52:9Q-19) is amended to  
48 read as follows:



1 a. There is established **[in the State Treasury]** a nonlapsing,  
2 revolving fund to be known as the Capital City Redevelopment  
3 Loan and Grant Fund, and which shall be at the disposal of the  
4 executive director for carrying out the provisions of this act, and for  
5 no other purpose.

6 b. The **[State Treasurer]** executive director may from time to  
7 time invest and reinvest those portions of the fund in investments in  
8 which other State funds may be invested. Net earnings received  
9 from the deposit of moneys in the Capital City Redevelopment  
10 Loan and Grant Fund shall be used only for the purposes of the  
11 fund.

12 c. There shall be included in the fund (1) all moneys  
13 appropriated and made available by the Legislature for inclusion  
14 therein, (2) any other moneys made available to the corporation  
15 from any source or sources, for its purposes, (3) any moneys repaid  
16 by persons pursuant to loan agreements under the terms of **[this**  
17 **act]** P.L.1987, c.58 (C.52:9Q-9 et seq.), which payments shall be  
18 transmitted to the **[State Treasurer]** executive director for inclusion  
19 in the fund, and (4) any income, increment or interest derived from  
20 investment or reinvestment.

21 (cf: P.L.1987, c.58, s.11)

22

23 5. Section 17 of P.L.1987, c.58 (C.52:9Q-25) is amended to  
24 read as follows:

25 17. a. On or before February 1 of each year, the board shall  
26 **[submit]** adopt a budget for the corporation **[to the State Treasurer**  
27 **for the State Treasurer's approval]**. **[The budget shall include those**  
28 **sums made available to the committee pursuant to section 15 of this**  
29 **act.]** The board shall file a copy of the budget with the State  
30 Treasurer and the governing body of the city of Trenton within 30  
31 days of its **[approval]** adoption. The board shall cause an audit of  
32 its books and accounts to be made at least once in each year by  
33 certified public accountants, and the cost thereof shall be considered  
34 an expense of the corporation and a copy thereof shall be filed with  
35 the State Treasurer.

36 b. The executive director shall submit with the corporation's  
37 annual budget **[request]** a plan for expenditures from the Capital  
38 City Redevelopment Loan and Grant Fund for the upcoming fiscal  
39 year. This plan shall include, but not be limited to: performance  
40 evaluation of the expenditures made from the fund to date; a  
41 description of the various projects to be funded for the upcoming  
42 fiscal year; relocation assistance for the upcoming fiscal year; a  
43 copy of procedures developed by the corporation governing the  
44 operation of the loan and grant fund; a complete financial statement  
45 on the status of the State fund to date; and an estimate of  
46 expenditures from the State fund for the upcoming fiscal year. This

1 information shall be used to assist the Legislature in determining  
2 the amount to appropriate to the State fund.

3 (cf: P.L.1987, c.58, s.17)

4

5 6. (New section) In addition to the powers set forth in section  
6 5 of P.L.1987, c.58 (C.52:9Q-13), the corporation shall have the  
7 authority to form, purchase or assume control of one or more  
8 subsidiaries, in the manner and for the purposes set forth in this  
9 section.

10 b. The corporation may form a subsidiary by filing with the  
11 Secretary of State a certificate of incorporation, which may be  
12 amended from time to time and which shall set forth the name of  
13 the subsidiary, its duration, the location of its principal office, the  
14 joint owners thereof, and the purposes of the subsidiary.

15 c. The directors of the subsidiary shall be members or  
16 employees of the corporation, who shall constitute at least a  
17 majority, and such other persons representing any joint owner or  
18 owners as may be provided for in the agreement in connection with  
19 the incorporation of the subsidiary.

20 d. The subsidiary shall have all the powers vested in the  
21 corporation which the corporation may delegate to it by terms of the  
22 certificate of incorporation, except that it shall not have the power  
23 to contract indebtedness independently of the corporation. The  
24 subsidiary and any of its properties, functions and activities shall  
25 have all the privileges, immunities, tax exemptions, and other  
26 exemptions as the corporation and its property, functions and  
27 activities. The subsidiary shall also be subject to the restrictions  
28 and limitations to which the corporation is subject. The subsidiary  
29 shall be subject to suit as if it were the corporation itself.

30 e. Whenever the State or any municipality, commission, public  
31 authority, agency, officer, department, board, or division is  
32 authorized and empowered to cooperate and enter into agreements  
33 with the corporation, or to grant any consent to the corporation, or  
34 to grant, convey, lease or otherwise transfer any property to the  
35 corporation, or to execute any document, the State or such  
36 municipality, commission, public authority, agency, officer,  
37 department, board, or division shall have the same authorization and  
38 power for any of such purposes to cooperate and enter into  
39 agreements with the subsidiary, to grant consents to the subsidiary,  
40 to grant, convey, lease, or otherwise transfer property to the  
41 subsidiary, and to execute documents for the subsidiary.

42 f. Among the powers that shall be granted to a subsidiary  
43 corporation established by the corporation are:

44 (1) the power to participate as a co-owner or co-venturer in any  
45 activity financed by a loan from the corporation or the subsidiary  
46 corporation; and

47 (2) the power to issue non-voting stock and employ the proceeds  
48 of such sales for capital investment in, or other expenses in

1 connection with, the projects of the subsidiary, upon authorization  
2 by the corporation.

3  
4 7. By resolution, the corporation shall have power to incur  
5 indebtedness, borrow money and issue its bonds for the purposes  
6 stated in section 9 of P.L.1974, c.80 (C.34:1B-9). Except as may  
7 otherwise be expressly provided by the corporation, or by the  
8 provisions of section 6 of P.L.2001, c.401 (C.34:1B-4.1), every  
9 issue of its bonds shall be general obligations of the corporation  
10 payable from any revenues or moneys of the corporation, subject  
11 only to any agreements with the holders of particular bonds or notes  
12 pledging any particular revenues or moneys. Such bonds shall be  
13 authorized by resolution and may be issued in one or more series  
14 and shall bear such date or dates, mature at such time or times not  
15 exceeding 40 years from the date thereof, bear interest at a rate or  
16 rates, be in such denomination or denominations, be in such form,  
17 either coupon or registered, carry such conversion or registration  
18 privileges, have such rank or priority, be executed in such manner,  
19 be payable from such sources in such medium of payment at such  
20 place or places within or without the State, and be subject to such  
21 terms of redemption (with or without premium) as such resolution  
22 may provide. Bonds of the corporation may be sold by the  
23 corporation at public or private sale at such price or prices as the  
24 corporation shall determine.

25  
26 8. Any provision of any law to the contrary notwithstanding,  
27 any bond or other obligation issued pursuant to this act shall be  
28 fully negotiable within the meaning and for all purposes of Title  
29 12A, Commercial Transactions, of the New Jersey Statutes, and  
30 each holder or owner of such a bond or other obligation, or of any  
31 coupon appurtenant thereto, by accepting such bond or coupon shall  
32 be conclusively deemed to have agreed that such bond, obligation  
33 or coupon is and shall be fully negotiable within the meaning and  
34 for all purposes of said Title 12A.

35  
36 9. In order to secure the payment of such bonds and in addition  
37 to its other powers, the corporation shall have power by resolution  
38 to covenant and agree with the several holders of such bonds, as to:

39 a. The custody, security, use, expenditure or application of the  
40 proceeds of the bonds;

41 b. The use, regulation, operation, maintenance, insurance or  
42 disposition of all or any part of any project or projects;

43 c. Payment of the principal of or interest on the bonds, or any  
44 other obligations, and the sources and methods thereof, the rank or  
45 priority of any such bonds or obligations as to any lien or security,  
46 or the acceleration of the maturity of any such bonds or obligations;

1 d. The use and disposition of any moneys of the corporation,  
2 including all revenues or other moneys derived or to be derived  
3 from any project or projects;

4 e. Pledging, setting aside, depositing or trusteeing all or any part  
5 of the revenues or other moneys of the corporation to secure the  
6 payment of the principal of or interest on the bonds or any other  
7 obligations and the powers and duties of any trustee with regard  
8 thereto;

9 f. The setting aside out of the revenues or other moneys of the  
10 corporation of reserves and sinking funds, and the source, custody,  
11 security, regulation, application and disposition thereof;

12 g. The rents, fees or other charges for the use of any project or  
13 projects, including any parts thereof theretofore constructed or  
14 acquired and any parts, replacements or improvements thereof  
15 thereafter constructed or acquired, and the fixing, establishment,  
16 collection and enforcement of the same;

17 h. Limitation on the issuance of additional bonds or any other  
18 obligations or on the incurrence of indebtedness of the corporation;

19 i. Vesting in a trustee or trustees, fiscal or escrow agent or  
20 agents within or without the State such property, rights, powers and  
21 duties in trust as the corporation may determine and limiting the  
22 rights, duties and powers of such trustee or agent;

23 j. Payment of costs or expenses incident to the enforcement of  
24 the bonds or of the provisions of the resolution or of any covenant  
25 or contract with the holders of the bonds;

26 k. The procedure, if any, by which the terms of any covenant or  
27 contract with, or duty to, the holders of bonds may be amended or  
28 abrogated, the amount of bonds the holders of which must consent  
29 thereto, and the manner in which such consent may be given or  
30 evidenced; or

31 l. Any other matter or course of conduct which, by recital in  
32 the resolution, is declared to further secure the payment of the  
33 principal of or interest on the bonds.

34 All such provisions of the resolution and all such covenants and  
35 agreements shall constitute valid and legally-binding contracts  
36 between the corporation and the several holders of the bonds,  
37 regardless of the time of issuance of such bonds, and shall be  
38 enforceable by any such holder or holders by appropriate action,  
39 suit or proceeding in any court of competent jurisdiction, or by  
40 proceeding in lieu of prerogative writ.

41  
42 10. Any pledge of revenues or other moneys made by the  
43 corporation shall be valid and binding from the time when the  
44 pledge is made; the revenues or other moneys so pledged and  
45 thereafter received by the corporation shall immediately be subject  
46 to the lien of such pledge without any physical delivery thereof or  
47 further act, and the lien of any such pledge shall be valid and  
48 binding as against all parties having claims of any kind in tort,

1 contract or otherwise against the corporation irrespective of  
2 whether such parties have notice thereof. Neither the resolution  
3 nor any other instrument by which a pledge is created need be filed  
4 or recorded except in the records of the corporation.

5  
6 11. The exercise of the powers granted by this act, P.L.2000,  
7 c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.)  
8 shall constitute the performance of an essential governmental  
9 function and the corporation shall not be required to pay any taxes  
10 or assessments upon or in respect of a project or any property or  
11 moneys of the corporation, and the corporation, its projects,  
12 property and moneys and any bonds and notes issued under the  
13 provisions of this act, P.L.2000, c.72 (C.18A:7G-1 et al.), and  
14 P.L.2007, c.137 (C.52:18A-235 et al.), their transfer and the income  
15 therefrom, including any profit made on the sale thereof, shall at all  
16 times be free from taxation of every kind by the State except for  
17 transfer, inheritance and estate taxes and by any political  
18 subdivision of the State; provided, that any person occupying a  
19 project whether as lessee, vendee or otherwise shall, as long as title  
20 thereto shall remain in the corporation, pay to the political  
21 subdivision in which such project is located a payment in lieu of  
22 taxes which shall equal the taxes on real and personal property,  
23 including water and sewer service charges or assessments, which  
24 such person would have been required to pay had it been the owner  
25 of such property during the period for which such payment is made  
26 and neither the corporation nor its projects, properties, money or  
27 bonds and notes shall be obligated, liable or subject to lien of any  
28 kind for the enforcement, collection or payment thereof. If and to  
29 the extent the proceedings under which the bonds authorized to be  
30 issued under the provisions of this act so provide, the corporation  
31 may agree to cooperate with such person occupying a project, in  
32 connection with any administrative or judicial proceedings for  
33 determining the validity or amount of such payments and may agree  
34 to appoint or designate and reserve the right in and for such person  
35 to take all action which the corporation may lawfully take in respect  
36 of such payments and all matters relating thereto, provided such  
37 person shall bear and pay all costs and expenses of the corporation  
38 thereby incurred at the request of such person or by reason of any  
39 such action taken by such person in behalf of the corporation. If  
40 such person occupying a project has paid the amounts in lieu of  
41 taxes required by this section to be paid such person shall not be  
42 required to pay any such taxes as to which a payment in lieu thereof  
43 has been made to the State or to any political subdivision, any other  
44 statute to the contrary notwithstanding.

45  
46 12. Section 15 of P.L.1987, c.58 (C.52:9Q-23) is repealed.

47  
48 13. This act shall take effect immediately.

## STATEMENT

1

2

3 This bill revises the organization and powers of the Capital City  
4 Redevelopment Corporation, established pursuant to the “Capital  
5 City Redevelopment Corporation Act,” N.J.S.A.52:9Q-9 et seq.

6 The bill adds the Secretary of State and the Commissioner of  
7 Community Affairs to the board of directors of the Capital City  
8 Redevelopment Corporation, and adds two more public members to  
9 the board. Of the seven public members, four shall be appointed by  
10 the mayor of the city of Trenton and three shall be appointed by the  
11 Governor, one of which must have a business in the city of Trenton  
12 and one of which must have a business in Mercer County. The bill  
13 also terminates the Capital District Oversight Committee, and  
14 transfers the management of the Capital City Redevelopment Loan  
15 and Grant Fund from the State Director to the executive director of  
16 the Capital City Redevelopment Corporation.

17 The bill also provides that the Capital City Redevelopment  
18 Corporation may borrow money and to issue bonds and notes and  
19 other obligations of the corporation, for which neither the members  
20 of the corporation nor any person executing bonds issued pursuant  
21 to this bill shall be liable personally by reason of the issuance  
22 thereof, and to provide for the rights of the holders thereof; accept  
23 such fees as the corporation shall determine to be reasonable for  
24 work not performed in relation to any project in which the  
25 corporation has an interest; form, purchase or assume control of one  
26 or more subsidiaries; market all private development projects  
27 undertaken within the Capital City District; enter into partnerships  
28 or joint ventures with private developers, the New Jersey Economic  
29 Development Authority or any other public entity, for the purpose  
30 of community redevelopment, and establish fees therefor; handle  
31 procurement independently; and act as a municipal redevelopment  
32 entity, with all powers conferred upon such an entity pursuant to the  
33 “Local Redevelopment and Housing Law”, P.L.1992, c.79  
34 (C.40A:12A-1 et al.). In addition, all State-owned real property  
35 within the Capital City District that the State deems to be surplus  
36 property shall conveyed to the Capital City Redevelopment  
37 Corporation in the form of a leasehold interest agreement which  
38 terms and conditions will be established between the Department of  
39 the Treasury and the Capital City Redevelopment Corporation, or  
40 conveyed to the Capital City Redevelopment Corporation for the  
41 sum of one dollar. The Capital City Redevelopment Corporation  
42 shall redevelop the property on behalf of the City of Trenton and  
43 the State of New Jersey, and once the property is sold or transferred  
44 to a private developer, 60 percent of the fair market value shall be  
45 repaid to the Department of the Treasury and the remaining 40  
46 percent shall be transferred to the Capital District Loan and Grant  
47 Fund to be used for the continued redevelopment of the Capital  
48 District and for operational costs as necessary.

**A4322 WATSON COLEMAN**

14

1       The bill provides that on or before February 1 of each year, the  
2 board shall adopt a budget, and file a copy with the State Treasurer  
3 and the governing body of the city of Trenton within 30 days of its  
4 adoption. Currently, the corporation's budget must be approved by  
5 the State Treasurer.

# ASSEMBLY STATE GOVERNMENT COMMITTEE

## STATEMENT TO

### ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 4322

# STATE OF NEW JERSEY

DATED: JANUARY 4, 2010

The Assembly State Government Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 4322.

This committee substitute revises the organization and powers of the Capital City Redevelopment Corporation (CCRC), established pursuant to the Capital City Redevelopment Corporation Act, N.J.S.A. 52:9Q-9 et seq.

The substitute bill adds the Commissioner of Transportation and the Commissioner of Community Affairs to the board of directors of the CCRC to replace two gubernatorial appointments, and adds two more public members to the board. Of the seven public members, four will be appointed by the mayor of the city of Trenton and three shall be appointed by the Governor, one of whom must have a business in the city of Trenton and one of whom must have a business in Mercer County. The bill provides for staggered terms of the board members appointed by the mayor.

The substitute bill provides for gubernatorial veto of the minutes of board meetings and prohibits a member, officer, employee or agent of the CCRC from being interested, either directly or indirectly, in any school facilities project, or in any contract, sale, purchase, lease, or transfer of real or personal property to which the CCRC is a party. The bill removes the provision that certain officers, employees and agents appointed by the CCRC will be subject to the provisions of Title 11A of the New Jersey Statutes. The bill terminates the Capital District Oversight Committee, and transfers the management of the Capital City Redevelopment Loan and Grant Fund from the State Treasurer to the CCRC.

In addition, the substitute bill provides that the CCRC may borrow money and to issue bonds and notes and other obligations of the CCRC, for which neither the members of the CCRC nor any person executing bonds issued pursuant to this bill will be liable personally by reason of the issuance thereof, and provide for the rights of the holders thereof; charge and collect fees and charges from local units, the State, and any other person in connection with the CCRC's actions undertaken with respect to projects; market all private development projects undertaken within the Capital City District; enter into



partnerships or joint ventures with private developers, the New Jersey Economic Development Authority or any other public entity, for the purpose of community redevelopment, and establish fees therefor; and act as a municipal redevelopment entity, with all powers conferred upon such an entity pursuant to the Local Redevelopment and Housing Law, P.L.1992, c.79, N.J.S.A. 40A:12A-1 et al. For the purposes of any State surplus property located within the district, the CCRC is authorized to act as the redevelopment entity on behalf of the State pursuant to a memorandum of understanding with the State Treasurer.

The substitute replaces the current requirement that the CCRC's budget must be approved by the State Treasurer with a requirement that it need only be filed with the Treasurer.

The substitute provides the CCRC with the authority to form, purchase or assume control of one or more subsidiaries, in the manner and for the purposes set forth in the bill. Among the powers that the subsidiary corporation may have are: 1) the power to participate as a co-owner or co-venturer in any activity financed by a loan from the CCRC or the subsidiary corporation; and 2) the power to issue non-voting stock and employ the proceeds of such sales for capital investment in, or other expenses in connection with, the projects of the subsidiary, upon authorization by the CCRC.

For the purpose of providing funds to pay all or any part of the cost of any project or projects of the CCRC, the substitute allows the CCRC to make loans in accordance with the provisions of the Capital City Redevelopment Corporation Act, and for the funding or refunding of any bonds, the CCRC shall have the power to authorize or provide for the issuance of bonds pursuant to the provisions of the bill. The CCRC will not issue more than \$100 million of bonds in any one year. Except as may otherwise be expressly provided by the CCRC, every issue of its bonds will be general obligations of the CCRC payable from any revenues or moneys of the CCRC or any other contracted with or agreed upon source, subject only to any agreements with the holders of particular bonds or notes pledging any particular revenues or moneys, provided, however, that any bonds, notes or other obligations issued by the CCRC will not have a pledge of an annual appropriation as the ways and means to pay the principal of, redemption premium if any, and interest on such bonds, notes or other obligations.

In order to secure the payment of such bonds, notes and other obligations, and in addition to its other powers, the CCRC will have power to covenant and agree with bond holders, as to: 1) the custody, security, use, expenditure or application of the proceeds of the bonds, notes or other obligations; and 2) the use, regulation, operation, maintenance, insurance or disposition of all or any part of any project or projects of the CCRC. Bonds, notes or other obligations issued by the CCRC will not be in any way a debt or liability of the State or of any political subdivision thereof and shall not create or constitute any

indebtedness, liability or obligation of the State or of any political subdivision.

Finally, the substitute bill repeals section 15 of P.L.1987, c.58 (C.52:9Q-23) concerning the establishment, membership, and responsibilities of the Capital District Oversight Committee.

The Assembly Committee Substitute for Assembly Bill No. 4322 is identical to the Senate Committee Substitute for Senate Bill No. 3116 of 2009.

# SENATE, No. 3116

## STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED DECEMBER 3, 2009

**Sponsored by:**

**Senator RAYMOND J. LESNIAK**

**District 20 (Union)**

**Senator JOSEPH M. KYRILLOS, JR.**

**District 13 (Middlesex and Monmouth)**

**SYNOPSIS**

Revises organization and powers of Capital City Redevelopment Corporation.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 12/15/2009)**

1 AN ACT revising the organization and powers of the Capital City  
2 Redevelopment Corporation, amending P.L.1992, c.79 and  
3 P.L.1987, c.58, and repealing section 15 of P.L.1987, c.58.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. Section 4 of P.L.1992, c.79 (C.40A:12A-4) is amended to  
9 read as follows:

10 4. In exercising the redevelopment and rehabilitation functions  
11 provided for in this act:

12 a. A municipal governing body shall have the power to:

13 (1) Cause a preliminary investigation to be made pursuant to  
14 subsection a. of section 6 of P.L.1992, c.79 (C.40A:12A-6) as to  
15 whether an area is in need of redevelopment;

16 (2) Determine pursuant to subsection b. of section 6 of  
17 P.L.1992, c.79 (C.40A:12A-6) that an area is in need of  
18 redevelopment;

19 (3) Adopt a redevelopment plan pursuant to section 7 of  
20 P.L.1992, c.79 (C.40A:12A-7);

21 (4) Determine pursuant to section 14 of P.L.1992, c.79  
22 (C.40A:12A-14) that an area is in need of rehabilitation.

23 b. A municipal planning board shall have the power to:

24 (1) Conduct, when authorized by the municipal governing body,  
25 a preliminary investigation and hearing and make a  
26 recommendation pursuant to subsection b. of section 6 of P.L.1992,  
27 c.79 (C.40A:12A-6) as to whether an area is in need of  
28 redevelopment;

29 (2) Make recommendations concerning a redevelopment plan  
30 pursuant to subsection e. of section 7 of P.L.1992, c.79  
31 (C.40A:12A-7), or prepare a redevelopment plan pursuant to  
32 subsection f. of that section.

33 (3) Make recommendations concerning the determination of an  
34 area in need of rehabilitation pursuant to section 14 of P.L.1992,  
35 c.79 (C.40A:12A-14).

36 c. The municipality shall be responsible for implementing  
37 redevelopment plans and carrying out redevelopment projects  
38 pursuant to section 8 of P.L.1992, c.79 (C.40A:12A-8). The  
39 municipality may execute these responsibilities directly, or in  
40 addition thereto or in lieu thereof, through either a municipal  
41 redevelopment agency, or a municipal housing authority authorized  
42 to exercise redevelopment powers pursuant to section 21 of  
43 P.L.1992, c.79 (C.40A:12A-21), but there shall be only one  
44 redevelopment entity responsible for each redevelopment project.  
45 A county improvement authority authorized to undertake

**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 redevelopment projects pursuant to the “county improvement  
2 authorities law,” P.L.1960, c.183 (C.40:37A-44 et seq.) may also  
3 act as a redevelopment entity pursuant to this act. Within a  
4 municipality that has been designated the capital of the State, the  
5 Capital City Redevelopment Corporation, established pursuant to  
6 P.L.1987, c.58 (C.52:9Q-9 et seq.) may also act as a redevelopment  
7 entity pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.). The  
8 redevelopment entity, so authorized, may contract with any other  
9 public body, in accordance with the provisions of section 8 of  
10 P.L.1992, c.79 (C.40A:12A-8), for the carrying out of a  
11 redevelopment project or any part thereof under its jurisdiction.  
12 Notwithstanding the above, the governing body of the municipality  
13 may, by ordinance, change or rescind the designation of the  
14 redevelopment entity responsible for implementing a redevelopment  
15 plan and carrying out a redevelopment project and may assume this  
16 responsibility itself, but only the redevelopment entity authorized to  
17 undertake a particular redevelopment project shall remain  
18 authorized to complete it, unless the redevelopment entity and  
19 redeveloper agree otherwise, or unless no obligations have been  
20 entered into by the redevelopment entity with parties other than the  
21 municipality. This shall not diminish the power of the municipality  
22 to dissolve a redevelopment entity pursuant to section 24 of  
23 P.L.1992, c.79 (C.40A:12A-24), and section 20 of the “Local  
24 Authorities Fiscal Control Law,” P.L.1983, c.313 (C.40A:5A-20).  
25 (cf: P.L.1992, c.79, s.4)

26

27 2. Section 4 of P.L.1987, c.58 (C.52:9Q-12) is amended to read  
28 as follows:

29 4. a. There is established in the Executive Branch of the State  
30 Government a public body corporate and politic, with corporate  
31 succession, to be known as the Capital City Redevelopment  
32 Corporation. For the purpose of complying with the provisions of  
33 Article V, Section IV, paragraph 1 of the New Jersey Constitution,  
34 the corporation is allocated within the Department of the Treasury,  
35 but, notwithstanding that allocation the corporation shall be  
36 independent of any supervision or control by the department or by  
37 the State Treasurer or any officer or employee thereof. The  
38 corporation is constituted as an instrumentality of the State  
39 exercising public and essential governmental functions, and the  
40 exercise by the corporation of the powers conferred by this or any  
41 other act shall be deemed to be an essential governmental function  
42 of the State.

43 b. The board of directors of the corporation shall consist of the  
44 following: **[a member of the Executive Branch to be appointed by**  
45 **the Governor,]** the Secretary of State, the Commissioner of  
46 Community Affairs, and the State Treasurer who shall **[both]** all  
47 serve ex officio and may each designate, by written notification to  
48 the board, an alternate who shall act in their place with the authority

1 to attend, vote and perform any duty or function assigned to them in  
2 their absence; [one other high-ranking State officer designated by  
3 the Governor;] the mayor of the city of Trenton, ex officio; and  
4 [five] seven public members, four of whom shall be appointed by  
5 the mayor of the city of Trenton and three of whom shall be  
6 appointed by the Governor with the advice and consent of the  
7 Senate, [one of whom shall be a public employee of the State or  
8 city,] one of whom shall [have] be a business owner in the city of  
9 Trenton [as his principal place of business], and at least one of  
10 whom shall [have] be a business owner in the county of Mercer [as  
11 his principal place of business]. The [five] three directors  
12 appointed by the Governor shall be residents of the State and shall  
13 have knowledge and expertise in the areas of economic  
14 development, urban planning, community affairs or finance;

15 c. Each public member shall serve for a term of four years and  
16 until the appointment and qualification of a successor, except that  
17 of the directors who are first appointed, three shall be designated to  
18 serve for terms of two years, and two shall be designated to serve  
19 for terms of four years, from the date of appointment. All vacancies  
20 shall be filled in the same manner as the original appointment but  
21 for the unexpired term only. The directors shall receive no  
22 compensation for their services, but may be reimbursed for their  
23 expenses in performing their official duties;

24 d. Each director, before entering upon the duties of office, shall  
25 take and subscribe an oath to perform the duties of the office  
26 faithfully, impartially and justly to the best of their ability. A  
27 record of these oaths shall be filed in the Office of the Secretary of  
28 State. Each director appointed by the Governor may be removed  
29 from office by the Governor, for cause, after a public hearing, and  
30 may be suspended by the Governor pending the completion of the  
31 hearing;

32 e. The Governor shall appoint a chairman from among the  
33 members of the board. The vice chairman shall be one of the five  
34 public members and shall be elected by majority vote of all the  
35 directors. The directors shall elect a secretary and a treasurer from  
36 among their number, and the same person may be elected to serve  
37 both as secretary and treasurer. Five directors shall constitute a  
38 quorum at any meeting of the board. Action may be taken and  
39 motions and resolutions adopted by the board at any meeting  
40 thereof by the affirmative vote of at least five directors. No  
41 vacancy in a directorship shall impair the right of a quorum to  
42 exercise all the powers and perform all the duties of the board;

43 f. Each director shall execute a bond to be conditioned upon  
44 the faithful performance of their respective duties in such form and  
45 amount as may be prescribed by the Director of the Division of  
46 Budget and Accounting in the Department of the Treasury. The  
47 bonds shall be filed in the office of the Secretary of State. At all

1 times thereafter the directors shall maintain these bonds in full  
2 force. All costs of the bonds shall be borne by the corporation; and  
3 g. The corporation may be dissolved by act of the Legislature if  
4 it has no debts or obligations outstanding or if adequate provision  
5 has been made for the payment or retirement of any outstanding  
6 debts or obligations. Upon dissolution of the corporation all  
7 property, funds and assets thereof shall be vested in the State, the  
8 city or the county, subject to the terms of the act of dissolution.  
9 (cf: P.L.1987, c.58, s.4)

10

11 3. Section 5 of P.L.1987, c.58 (C.52:9Q-13) is amended to read  
12 as follows:

13 5. The corporation shall have the following general powers:

14 a. To sue and be sued;

15 b. To adopt an official seal and alter it;

16 c. To make and alter bylaws for its organization and internal  
17 management and to make rules and regulations with respect to its  
18 projects, operations, properties and facilities;

19 d. To make and enter into all contracts, leases, as lessee or  
20 lessor, and agreements necessary or incidental to the performance  
21 of its duties and the exercise of its powers under this act, and  
22 consent to any modification, amendment or revision of any contract,  
23 lease or agreement to which it is a party;

24 e. To enter into agreements or other transactions with, and to  
25 accept grants, appropriations or the cooperation of the United States  
26 or any agency thereof or the State or any agency thereof in  
27 furtherance of the purposes of this act;

28 f. To receive and accept aid or contributions from any public  
29 or private source of money, property, labor or other thing of value,  
30 to be held, used and applied to carry out the purposes of this act  
31 subject to the conditions upon which that aid or contribution may be  
32 made, including, but not limited to, gifts or grants from the United  
33 States or any agency thereof or the State or any agency thereof for  
34 any purpose consistent with this act;

35 g. ~~【To invest moneys not required for immediate use in any~~  
36 ~~obligations, securities or other investments in the same manner as~~  
37 ~~trust funds in the custody of the State Treasurer】 (Deleted by  
38 amendment, P.L. , c. ) (pending before the Legislature as this  
39 bill);~~

40 h. To acquire or contract to acquire from any individual,  
41 partnership, trust, association or corporation, or any public agency,  
42 by grant, purchase or otherwise, real or personal property or any  
43 interest therein; to own, hold, clear, improve and rehabilitate, and to  
44 sell, assign, exchange, transfer, convey, lease, mortgage or  
45 otherwise dispose of or encumber the same. In addition, all State-  
46 owned real property within the Capital City District that the State  
47 deems to be surplus property shall conveyed to the Capital City  
48 Redevelopment Corporation in the form of a leasehold interest

1 agreement which terms and conditions will be established between  
2 the Department of the Treasury and the Capital City Redevelopment  
3 Corporation, or conveyed to the Capital City Redevelopment  
4 Corporation for the sum of one dollar. The Capital City  
5 Redevelopment Corporation shall redevelop the property on behalf  
6 of the City of Trenton and the State of New Jersey, and once the  
7 property is sold or transferred to a private developer, 60 percent of  
8 the fair market value shall be repaid to the Department of the  
9 Treasury and the remaining 40 percent shall be transferred to the  
10 Capital District Loan and Grant Fund to be used for the continued  
11 redevelopment of the Capital District and for operational costs as  
12 necessary;

13 i. To sell, lease, assign, transfer, convey, exchange, mortgage,  
14 or otherwise dispose of or encumber any project, and in the case of  
15 the sale of any project, to accept a purchase money mortgage in  
16 connection therewith, and to lease, repurchase or otherwise acquire  
17 and hold any project which the corporation has theretofore sold,  
18 leased or otherwise conveyed, transferred or disposed of;

19 j. To grant options to purchase any project or to renew any  
20 leases entered into by it in connection with any of its projects, on  
21 such terms and conditions as it may deem advisable;

22 k. To manage any project, whether then owned or leased by the  
23 corporation, and to enter into agreements with any individual,  
24 partnership, trust, association or corporation, or with any public  
25 agency, for the purpose of causing any project to be managed;

26 l. To consent to the modification, with respect to rate of  
27 interest, time of payment or any installment of principal or interest,  
28 security, or any other terms, of any loan, mortgage, commitment,  
29 contract or agreement of any kind to which the corporation is a  
30 party;

31 m. In connection with any property on which it has made a  
32 mortgage loan, to foreclose on the property or commence any action  
33 to protect or enforce any right conferred upon it by any law,  
34 mortgage, contract or other agreement, and to bid for or purchase  
35 the property at any foreclosure or at any other sale, or acquire or  
36 take possession of the property; and in such event the corporation  
37 may complete, administer, pay the principal of and interest on any  
38 obligations incurred in connection with the property, dispose of and  
39 otherwise deal with the property, in such manner as may be  
40 necessary or desirable to protect the interests of the corporation  
41 therein;

42 n. To procure insurance against any loss in connection with its  
43 property and other assets and operations in any amounts and from  
44 any insurers it deems desirable;

45 o. To arrange or contract with any county or municipal  
46 government, or instrumentality thereof, with jurisdiction within the  
47 Capital City District, for the planning, opening, grading or closing  
48 of streets, roads or other places or for the construction or



1 reconstruction of improvements, or public works necessary or  
2 convenient to carry out its purposes;

3 p. To appoint an executive director and any other officers,  
4 employees and agents as it may require for the performance of its  
5 duties. The executive director, and any employees appointed as  
6 personal staff to the executive director, shall be appointed by the  
7 corporation, which shall determine their qualifications, terms of  
8 office, duties, fix their compensation, and promote and discharge  
9 them, all without regard to the provisions of Title 11A of the New  
10 Jersey Statutes. All other officers, employees and agents appointed  
11 by the corporation shall be subject to the provisions of Title 11A of  
12 the New Jersey Statutes;

13 q. To engage the services of attorneys, accountants, architects,  
14 building contractors, engineers, urban planners, and any other  
15 advisors, consultants and agents as may be necessary in its  
16 judgment for the performance of its duties and fix their  
17 compensation;

18 r. To provide advisory, consultative, training and educational  
19 services, technical assistance and advice to any person, firm,  
20 association, partnership or corporation, either public or private, in  
21 order to carry out the purposes of this act; **[and]**

22 s. To do any and all things necessary or convenient to the  
23 exercise of the foregoing powers or reasonably implied therefrom;

24 t. To borrow money and to issue bonds and notes and other  
25 obligations of the corporation, for which neither the members of the  
26 corporation, nor any person executing bonds issued pursuant to this  
27 subsection shall be liable personally by reason of the issuance  
28 thereof, and to provide for the rights of the holders thereof, which  
29 obligations shall not have a pledge of an annual appropriation as the  
30 means to pay the interest or liability of such obligation;

31 u. To accept such fees as the corporation shall determine to be  
32 reasonable for work not performed in relation to any project in  
33 which the corporation has an interest, including, but not limited to,  
34 fees and charges for the authority's administrative, organization,  
35 insurance, operating and other expenses;

36 v. To market any private development projects undertaken  
37 within the Capital City District;

38 w. To enter into partnerships or joint ventures with private  
39 developers, the New Jersey Economic Development Authority or  
40 any other public entity, for the purpose of community  
41 redevelopment, and establish fees therefor; and

42 x. To act as a municipal redevelopment entity, with all powers  
43 conferred pursuant to the "Local Redevelopment and Housing  
44 Law", P.L.1992, c.79 (C.40A:12A-1 et al.).

45 (cf: P.L.1987, c.58, s.5)

46

47 4. Section 11 of P.L.1987, c.58 (C.52:9Q-19) is amended to  
48 read as follows:

1 11. a. There is established **[in the State Treasury]** a nonlapsing,  
2 revolving fund to be known as the Capital City Redevelopment  
3 Loan and Grant Fund, and which shall be at the disposal of the  
4 executive director for carrying out the provisions of this act, and for  
5 no other purpose.

6 b. The **[State Treasurer]** executive director may from time to  
7 time invest and reinvest those portions of the fund in investments in  
8 which other State funds may be invested. Net earnings received  
9 from the deposit of moneys in the Capital City Redevelopment  
10 Loan and Grant Fund shall be used only for the purposes of the  
11 fund.

12 c. There shall be included in the fund (1) all moneys  
13 appropriated and made available by the Legislature for inclusion  
14 therein, (2) any other moneys made available to the corporation  
15 from any source or sources, for its purposes, (3) any moneys repaid  
16 by persons pursuant to loan agreements under the terms of **[this**  
17 **act]** P.L.1987, c.58 (C.52:9Q-9 et seq.), which payments shall be  
18 transmitted to the **[State Treasurer]** executive director for inclusion  
19 in the fund, and (4) any income, increment or interest derived from  
20 investment or reinvestment.

21 (cf: P.L.1987, c.58, s.11)

22

23 5. Section 17 of P.L.1987, c.58 (C.52:9Q-25) is amended to  
24 read as follows:

25 17. a. On or before February 1 of each year, the board shall  
26 **[submit]** adopt a budget for the corporation **[to the State Treasurer**  
27 **for the State Treasurer's approval]**. **[The budget shall include those**  
28 **sums made available to the committee pursuant to section 15 of this**  
29 **act.]** The board shall file a copy of the budget with the State  
30 Treasurer and the governing body of the city of Trenton within 30  
31 days of its **[approval]** adoption. The board shall cause an audit of  
32 its books and accounts to be made at least once in each year by  
33 certified public accountants, and the cost thereof shall be considered  
34 an expense of the corporation and a copy thereof shall be filed with  
35 the State Treasurer.

36 b. The executive director shall submit with the corporation's  
37 annual budget **[request]** a plan for expenditures from the Capital  
38 City Redevelopment Loan and Grant Fund for the upcoming fiscal  
39 year. This plan shall include, but not be limited to: performance  
40 evaluation of the expenditures made from the fund to date; a  
41 description of the various projects to be funded for the upcoming  
42 fiscal year; relocation assistance for the upcoming fiscal year; a  
43 copy of procedures developed by the corporation governing the  
44 operation of the loan and grant fund; a complete financial statement  
45 on the status of the State fund to date; and an estimate of  
46 expenditures from the State fund for the upcoming fiscal year. This

1 information shall be used to assist the Legislature in determining  
2 the amount to appropriate to the State fund.

3 (cf: P.L.1987, c.58, s.17)

4

5 6. (New section) a. In addition to the powers set forth in  
6 section 5 of P.L.1987, c.58 (C.52:9Q-13), the corporation shall have  
7 the authority to form, purchase or assume control of one or more  
8 subsidiaries, in the manner and for the purposes set forth in this  
9 section.

10 b. The corporation may form a subsidiary by filing with the  
11 Secretary of State a certificate of incorporation, which may be  
12 amended from time to time and which shall set forth the name of  
13 the subsidiary, its duration, the location of its principal office, the  
14 joint owners thereof, and the purposes of the subsidiary.

15 c. The directors of the subsidiary shall be members or  
16 employees of the corporation, who shall constitute at least a  
17 majority, and such other persons representing any joint owner or  
18 owners as may be provided for in the agreement in connection with  
19 the incorporation of the subsidiary.

20 d. The subsidiary shall have all the powers vested in the  
21 corporation which the corporation may delegate to it by terms of the  
22 certificate of incorporation, except that it shall not have the power  
23 to contract indebtedness independently of the corporation. The  
24 subsidiary and any of its properties, functions and activities shall  
25 have all the privileges, immunities, tax exemptions, and other  
26 exemptions as the corporation and its property, functions and  
27 activities. The subsidiary shall also be subject to the restrictions  
28 and limitations to which the corporation is subject. The subsidiary  
29 shall be subject to suit as if it were the corporation itself.

30 e. Whenever the State or any municipality, commission, public  
31 authority, agency, officer, department, board, or division is  
32 authorized and empowered to cooperate and enter into agreements  
33 with the corporation, or to grant any consent to the corporation, or  
34 to grant, convey, lease or otherwise transfer any property to the  
35 corporation, or to execute any document, the State or such  
36 municipality, commission, public authority, agency, officer,  
37 department, board, or division shall have the same authorization and  
38 power for any of such purposes to cooperate and enter into  
39 agreements with the subsidiary, to grant consents to the subsidiary,  
40 to grant, convey, lease, or otherwise transfer property to the  
41 subsidiary, and to execute documents for the subsidiary.

42 f. Among the powers that shall be granted to a subsidiary  
43 corporation established by the corporation are:

44 (1) the power to participate as a co-owner or co-venturer in any  
45 activity financed by a loan from the corporation or the subsidiary  
46 corporation; and

47 (2) the power to issue non-voting stock and employ the proceeds  
48 of such sales for capital investment in, or other expenses in

1 connection with, the projects of the subsidiary, upon authorization  
2 by the corporation.

3  
4 7. By resolution, the corporation shall have power to incur  
5 indebtedness, borrow money and issue its bonds for the purposes  
6 stated in section 9 of P.L.1974, c.80 (C.34:1B-9). Except as may  
7 otherwise be expressly provided by the corporation, or by the  
8 provisions of section 6 of P.L.2001, c.401 (C.34:1B-4.1), every  
9 issue of its bonds shall be general obligations of the corporation  
10 payable from any revenues or moneys of the corporation, subject  
11 only to any agreements with the holders of particular bonds or notes  
12 pledging any particular revenues or moneys. Such bonds shall be  
13 authorized by resolution and may be issued in one or more series  
14 and shall bear such date or dates, mature at such time or times not  
15 exceeding 40 years from the date thereof, bear interest at a rate or  
16 rates, be in such denomination or denominations, be in such form,  
17 either coupon or registered, carry such conversion or registration  
18 privileges, have such rank or priority, be executed in such manner,  
19 be payable from such sources in such medium of payment at such  
20 place or places within or without the State, and be subject to such  
21 terms of redemption (with or without premium) as such resolution  
22 may provide. Bonds of the corporation may be sold by the  
23 corporation at public or private sale at such price or prices as the  
24 corporation shall determine.

25  
26 8. Any provision of any law to the contrary notwithstanding,  
27 any bond or other obligation issued pursuant to this act shall be  
28 fully negotiable within the meaning and for all purposes of Title  
29 12A, Commercial Transactions, of the New Jersey Statutes, and  
30 each holder or owner of such a bond or other obligation, or of any  
31 coupon appurtenant thereto, by accepting such bond or coupon shall  
32 be conclusively deemed to have agreed that such bond, obligation  
33 or coupon is and shall be fully negotiable within the meaning and  
34 for all purposes of said Title 12A.

35  
36 9. In order to secure the payment of such bonds and in addition  
37 to its other powers, the corporation shall have power by resolution  
38 to covenant and agree with the several holders of such bonds, as to:

39 a. The custody, security, use, expenditure or application of the  
40 proceeds of the bonds;

41 b. The use, regulation, operation, maintenance, insurance or  
42 disposition of all or any part of any project or projects;

43 c. Payment of the principal of or interest on the bonds, or any  
44 other obligations, and the sources and methods thereof, the rank or  
45 priority of any such bonds or obligations as to any lien or security,  
46 or the acceleration of the maturity of any such bonds or obligations;

1 d. The use and disposition of any moneys of the corporation,  
2 including all revenues or other moneys derived or to be derived  
3 from any project or projects;

4 e. Pledging, setting aside, depositing or trusteeing all or any  
5 part of the revenues or other moneys of the corporation to secure  
6 the payment of the principal of or interest on the bonds or any other  
7 obligations and the powers and duties of any trustee with regard  
8 thereto;

9 f. The setting aside out of the revenues or other moneys of the  
10 corporation of reserves and sinking funds, and the source, custody,  
11 security, regulation, application and disposition thereof;

12 g. The rents, fees or other charges for the use of any project or  
13 projects, including any parts thereof theretofore constructed or  
14 acquired and any parts, replacements or improvements thereof  
15 thereafter constructed or acquired, and the fixing, establishment,  
16 collection and enforcement of the same;

17 h. Limitation on the issuance of additional bonds or any other  
18 obligations or on the incurrence of indebtedness of the corporation;

19 i. Vesting in a trustee or trustees, fiscal or escrow agent or  
20 agents within or without the State such property, rights, powers and  
21 duties in trust as the corporation may determine and limiting the  
22 rights, duties and powers of such trustee or agent;

23 j. Payment of costs or expenses incident to the enforcement of  
24 the bonds or of the provisions of the resolution or of any covenant  
25 or contract with the holders of the bonds;

26 k. The procedure, if any, by which the terms of any covenant or  
27 contract with, or duty to, the holders of bonds may be amended or  
28 abrogated, the amount of bonds the holders of which must consent  
29 thereto, and the manner in which such consent may be given or  
30 evidenced; or

31 l. Any other matter or course of conduct which, by recital in  
32 the resolution, is declared to further secure the payment of the  
33 principal of or interest on the bonds.

34 All such provisions of the resolution and all such covenants and  
35 agreements shall constitute valid and legally-binding contracts  
36 between the corporation and the several holders of the bonds,  
37 regardless of the time of issuance of such bonds, and shall be  
38 enforceable by any such holder or holders by appropriate action,  
39 suit or proceeding in any court of competent jurisdiction, or by  
40 proceeding in lieu of prerogative writ.

41  
42 10. Any pledge of revenues or other moneys made by the  
43 corporation shall be valid and binding from the time when the  
44 pledge is made; the revenues or other moneys so pledged and  
45 thereafter received by the corporation shall immediately be subject  
46 to the lien of such pledge without any physical delivery thereof or  
47 further act, and the lien of any such pledge shall be valid and  
48 binding as against all parties having claims of any kind in tort,

1 contract or otherwise against the corporation irrespective of whether  
2 such parties have notice thereof. Neither the resolution nor any  
3 other instrument by which a pledge is created need be filed or  
4 recorded except in the records of the corporation.

5  
6 11. The exercise of the powers granted by this act, P.L.2000,  
7 c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137 (C.52:18A-235 et al.)  
8 shall constitute the performance of an essential governmental  
9 function and the corporation shall not be required to pay any taxes  
10 or assessments upon or in respect of a project or any property or  
11 moneys of the corporation, and the corporation, its projects,  
12 property and moneys and any bonds and notes issued under the  
13 provisions of this act, P.L.2000, c.72 (C.18A:7G-1 et al.), and  
14 P.L.2007, c.137 (C.52:18A-235 et al.), their transfer and the income  
15 therefrom, including any profit made on the sale thereof, shall at all  
16 times be free from taxation of every kind by the State except for  
17 transfer, inheritance and estate taxes and by any political  
18 subdivision of the State; provided, that any person occupying a  
19 project whether as lessee, vendee or otherwise shall, as long as title  
20 thereto shall remain in the corporation, pay to the political  
21 subdivision in which such project is located a payment in lieu of  
22 taxes which shall equal the taxes on real and personal property,  
23 including water and sewer service charges or assessments, which  
24 such person would have been required to pay had it been the owner  
25 of such property during the period for which such payment is made  
26 and neither the corporation nor its projects, properties, money or  
27 bonds and notes shall be obligated, liable or subject to lien of any  
28 kind for the enforcement, collection or payment thereof. If and to  
29 the extent the proceedings under which the bonds authorized to be  
30 issued under the provisions of this act so provide, the corporation  
31 may agree to cooperate with such person occupying a project, in  
32 connection with any administrative or judicial proceedings for  
33 determining the validity or amount of such payments and may agree  
34 to appoint or designate and reserve the right in and for such person  
35 to take all action which the corporation may lawfully take in respect  
36 of such payments and all matters relating thereto, provided such  
37 person shall bear and pay all costs and expenses of the corporation  
38 thereby incurred at the request of such person or by reason of any  
39 such action taken by such person in behalf of the corporation. If  
40 such person occupying a project has paid the amounts in lieu of  
41 taxes required by this section to be paid such person shall not be  
42 required to pay any such taxes as to which a payment in lieu thereof  
43 has been made to the State or to any political subdivision, any other  
44 statute to the contrary notwithstanding.

45  
46 12. Section 15 of P.L.1987, c.58 (C.52:9Q-23) is repealed.

47  
48 13. This act shall take effect immediately.

STATEMENT

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This bill revises the organization and powers of the Capital City Redevelopment Corporation, established pursuant to the “Capital City Redevelopment Corporation Act,” N.J.S.A.52:9Q-9 et seq.

The bill adds the Secretary of State and the Commissioner of Community Affairs to the board of directors of the Capital City Redevelopment Corporation, and adds two more public members to the board. Of the seven public members, four shall be appointed by the mayor of the city of Trenton and three shall be appointed by the Governor, one of which must have a business in the city of Trenton and one of which must have a business in Mercer County. The bill also terminates the Capital District Oversight Committee, and transfers the management of the Capital City Redevelopment Loan and Grant Fund from the State Director to the executive director of the Capital City Redevelopment Corporation.

The bill also provides that the Capital City Redevelopment Corporation may borrow money and to issue bonds and notes and other obligations of the corporation, for which neither the members of the corporation nor any person executing bonds issued pursuant to this bill shall be liable personally by reason of the issuance thereof, and to provide for the rights of the holders thereof; accept such fees as the corporation shall determine to be reasonable for work not performed in relation to any project in which the corporation has an interest; form, purchase or assume control of one or more subsidiaries; market all private development projects undertaken within the Capital City District; enter into partnerships or joint ventures with private developers, the New Jersey Economic Development Authority or any other public entity, for the purpose of community redevelopment, and establish fees therefor; handle procurement independently; and act as a municipal redevelopment entity, with all powers conferred upon such an entity pursuant to the “Local Redevelopment and Housing Law”, P.L.1992, c.79 (C.40A:12A-1 et al.). In addition, all State-owned real property within the Capital City District that the State deems to be surplus property shall conveyed to the Capital City Redevelopment Corporation in the form of a leasehold interest agreement which terms and conditions will be established between the Department of the Treasury and the Capital City Redevelopment Corporation, or conveyed to the Capital City Redevelopment Corporation for the sum of one dollar. The Capital City Redevelopment Corporation shall redevelop the property on behalf of the City of Trenton and the State of New Jersey, and once the property is sold or transferred to a private developer, 60 percent of the fair market value shall be repaid to the Department of the Treasury and the remaining 40 percent shall be transferred to the Capital District Loan and Grant Fund to be used for the continued redevelopment of the Capital District and for operational costs as necessary.

**S3116 LESNIAK, KYRILLOS**

14

1       The bill provides that on or before February 1 of each year, the  
2 board shall adopt a budget, and file a copy with the State Treasurer  
3 and the governing body of the city of Trenton within 30 days of its  
4 adoption. Currently, the corporation's budget must be approved by  
5 the State Treasurer.



# SENATE ECONOMIC GROWTH COMMITTEE

## STATEMENT TO

### SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 3116**

# **STATE OF NEW JERSEY**

DATED: DECEMBER 14, 2009

The Senate Economic Growth Committee reports a Senate Committee Substitute for Senate Bill No. 3116.

This bill, as substituted, revises the organization and powers of the Capital City Redevelopment Corporation (“CCRC”), established pursuant to the “Capital City Redevelopment Corporation Act,” N.J.S.A.52:9Q-9 et seq.

The substitute bill adds the Commissioner of Transportation and the Commissioner of Community Affairs to the board of directors (“board”) of the CCRC to replace two gubernatorial appointments, and adds two more public members to the board. Of the seven public members, four shall be appointed by the mayor of the city of Trenton and three shall be appointed by the Governor, one of whom must have a business in the city of Trenton and one of whom must have a business in Mercer County. The bill provides for staggered terms of the board members appointed by the mayor.

The substitute bill provides for gubernatorial veto of the minutes of board meetings and prohibits a member, officer, employee or agent of the CCRC from being interested, either directly or indirectly, in any school facilities project, or in any contract, sale, purchase, lease, or transfer of real or personal property to which the CCRC is a party. The bill removes the provision that certain officers, employees and agents appointed by the CCRC shall be subject to the provisions of Title 11A of the New Jersey Statutes. The bill terminates the Capital District Oversight Committee, and transfers the management of the Capital City Redevelopment Loan and Grant Fund (“fund”) from the State Treasurer to the CCRC.

The substitute bill provides that the CCRC may borrow money and to issue bonds and notes and other obligations of the CCRC, for which neither the members of the CCRC nor any person executing bonds issued pursuant to this bill shall be liable personally by reason of the issuance thereof, and provide for the rights of the holders thereof; charge and collect fees and charges from local units, the State, and any other person in connection with the CCRC's actions undertaken with respect to projects; market all private development projects undertaken within the Capital City District; enter into partnerships or joint

ventures with private developers, the New Jersey Economic Development Authority or any other public entity, for the purpose of community redevelopment, and establish fees therefor; and act as a municipal redevelopment entity, with all powers conferred upon such an entity pursuant to the “Local Redevelopment and Housing Law”, P.L.1992, c.79 (C.40A:12A-1 et al.). In addition, for the purposes of any State surplus property located within the district, the CCRC is authorized to act as the redevelopment entity on behalf of the State pursuant to a memorandum of understanding with the State Treasurer.

The substitute bill replaces the current requirement that the CCRC’s budget must be approved by the State Treasurer with a requirement that it need only be filed with the Treasurer.

The bill provides the CCRC with the authority to form, purchase or assume control of one or more subsidiaries, in the manner and for the purposes set forth in the bill. Among the powers that the subsidiary corporation may have are: 1) the power to participate as a co-owner or co-venturer in any activity financed by a loan from the CCRC or the subsidiary corporation; and 2) the power to issue non-voting stock and employ the proceeds of such sales for capital investment in, or other expenses in connection with, the projects of the subsidiary, upon authorization by the CCRC.

For the purpose of providing funds to pay all or any part of the cost of any project or projects of the CCRC, the bill allows the CCRC to make loans in accordance with the provisions of the “Capital City Redevelopment Corporation Act,” and for the funding or refunding of any bonds, the CCRC shall have the power to authorize or provide for the issuance of bonds pursuant to the provisions of the bill. The CCRC shall not issue more than \$100 million of bonds in any one year. Except as may otherwise be expressly provided by the CCRC, every issue of its bonds shall be general obligations of the CCRC payable from any revenues or moneys of the CCRC or any other contracted with or agreed upon source, subject only to any agreements with the holders of particular bonds or notes pledging any particular revenues or moneys, provided, however, that any bonds, notes or other obligations issued by the CCRC shall not have a pledge of an annual appropriation as the ways and means to pay the principal of, redemption premium if any, and interest on such bonds, notes or other obligations.

In order to secure the payment of such bonds, notes and other obligations, and in addition to its other powers, the CCRC shall have power to covenant and agree with bond holders, as to: 1) the custody, security, use, expenditure or application of the proceeds of the bonds, notes or other obligations; and 2) the use, regulation, operation, maintenance, insurance or disposition of all or any part of any project or projects of the CCRC. Bonds, notes or other obligations issued by the CCRC shall not be in any way a debt or liability of the State or of any political subdivision thereof and shall not create or constitute any

indebtedness, liability or obligation of the State or of any political subdivision.

Finally, the substitute bill repeals section 15 of P.L.1987, c.58 (C.52:9Q-23) concerning the establishment, membership, and responsibilities of the Capital District Oversight Committee.