

TECHNICAL REVIEW:	No	
COMMITTEE STATEMENT:	ASSEMBLY: Yes	Commerce, Economic Development, & Agriculture Appropriations
	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)

FLOOR AMENDMENT STATEMENT:	No
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LEGISLATIVE FISCAL ESTIMATE:	Yes
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VETO MESSAGE:	No
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GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes
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REPORTS:	No
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NEWSPAPER ARTICLES:	No
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CL/MM

P.L. 2024, CHAPTER 71, *approved September 12, 2024*

Senate, No. 3097

1 AN ACT concerning the Economic Redevelopment and Growth
2 Grant program and amending P.L.2009, c.90 and P.L.2022, c.75.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 3 of P.L.2009, c.90 (C.52:27D-489c) is amended to
8 read as follows:

9 3. As used in sections 3 through 18 of P.L.2009, c.90
10 (C.52:27D-489c et al.):

11 "Applicant" means a developer proposing to enter into a
12 redevelopment incentive grant agreement.

13 "Ancillary infrastructure project" means structures or
14 improvements that are located within the incentive area but outside
15 the project area of a redevelopment project, including, but not
16 limited to, docks, bulkheads, parking garages, public electric
17 vehicle charging stations, freight rail spurs, roadway overpasses,
18 and train station platforms, provided a developer or municipal
19 redeveloper has demonstrated that the redevelopment project would
20 not be economically viable or promote the use of public
21 transportation without such improvements, as approved by the State
22 Treasurer.

23 "Authority" means the New Jersey Economic Development
24 Authority established under section 4 of P.L.1974, c.80 (C.34:1B-
25 4).

26 "Aviation district" means all areas within the boundaries of the
27 "Atlantic City International Airport," established pursuant to section
28 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
29 Administration William J. Hughes Technical Center and the area
30 within a one-mile radius of the outermost boundary of the "Atlantic
31 City International Airport" and the Federal Aviation Administration
32 William J. Hughes Technical Center.

33 "Deep poverty pocket" means a population census tract having a
34 poverty level of 20 percent or more, and which is located within the
35 incentive area and has been determined by the authority to be an
36 area appropriate for development and in need of economic
37 development incentive assistance.

38 "Developer" means any person who enters or proposes to enter
39 into a redevelopment incentive grant agreement pursuant to the
40 provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its
41 successors or assignees, including but not limited to a lender that
42 completes a redevelopment project, operates a redevelopment

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 project, or completes and operates a redevelopment project. A
2 developer also may be a municipal redeveloper as defined herein or
3 Rutgers, the State University of New Jersey.

4 "Director" means the Director of the Division of Taxation in the
5 Department of the Treasury.

6 "Disaster recovery project" means a redevelopment project
7 located on property that has been wholly or substantially damaged
8 or destroyed as a result of a federally-declared disaster, and which
9 is located within the incentive area and has been determined by the
10 authority to be in an area appropriate for development and in need
11 of economic development incentive assistance.

12 "Distressed municipality" means a municipality that is qualified
13 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
14 municipality under the supervision of the Local Finance Board
15 pursuant to the provisions of the "Local Government Supervision
16 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
17 identified by the Director of the Division of Local Government
18 Services in the Department of Community Affairs to be facing
19 serious fiscal distress, a SDA municipality, or a municipality in
20 which a major rail station is located.

21 "Electric vehicle charging station" means an electric component
22 assembly or cluster of component assemblies designed specifically
23 to charge batteries within electric vehicles by permitting the transfer
24 of electric energy to a battery or other storage device in an electric
25 vehicle.

26 "Eligibility period" means the period of time specified in a
27 redevelopment incentive grant agreement for the payment of
28 reimbursements to a developer, which period shall not exceed 20
29 years, with the term to be determined solely at the discretion of the
30 applicant.

31 "Eligible revenue" means the property tax increment and any
32 other incremental revenues set forth in section 11 of P.L.2009, c.90
33 (C.52:27D-489k), except in the case of a Garden State Growth
34 Zone, in which the property tax increment and any other
35 incremental revenues are calculated as those incremental revenues
36 that would have existed notwithstanding the provisions of the "New
37 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
38 (C.52:27D-489p et al.).

39 "Garden State Growth Zone" or "growth zone" means the four
40 New Jersey cities with the lowest median family income based on
41 the 2009 American Community Survey from the US Census, (Table
42 708. Household, Family, and Per Capita Income and Individuals,
43 and Families Below Poverty Level by City: 2009); a municipality
44 which contains a Tourism District as established pursuant to section
45 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
46 Reinvestment Development Authority; or an aviation district.

47 "Highlands development credit receiving area or redevelopment
48 area" means an area located within an incentive area and designated

1 by the Highlands Council for the receipt of Highlands Development
2 Credits under the Highlands Transfer Development Rights Program
3 authorized under section 13 of P.L.2004, c.120 (C.13:20-13).

4 "Incentive grant" means reimbursement of all or a portion of the
5 project financing gap of a redevelopment project through the State
6 or a local Economic Redevelopment and Growth Grant program
7 pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d
8 or C.52:27D-489e).

9 "Infrastructure improvements in the public right-of-way" mean
10 public structures or improvements, including public electric vehicle
11 charging stations, located in the public right-of-way that are located
12 within a project area or that constitute an ancillary infrastructure
13 project, either of which are dedicated to or owned by a
14 governmental body or agency upon completion, or any required
15 payment in lieu of the structures, improvements or projects, or any
16 costs of remediation associated with the structures, improvements
17 or projects, and that are determined by the authority, in consultation
18 with applicable State agencies, to be consistent with and in
19 furtherance of State public infrastructure objectives and initiatives.

20 "Low-income housing" means housing affordable according to
21 federal Department of Housing and Urban Development or other
22 recognized standards for home ownership and rental costs and
23 occupied or reserved for occupancy by households with a gross
24 household income equal to 50 percent or less of the median gross
25 household income for households of the same size within the
26 housing region in which the housing is located.

27 "Major rail station" means a railroad station located within a
28 qualified incentive area which provides access to the public to a
29 minimum of six rail passenger service lines operated by the New
30 Jersey Transit Corporation.

31 "Mixed use parking project" means a redevelopment project, the
32 parking component of which shall constitute 51 percent or more of
33 any of the following:

- 34 a. the total square footage of the entire mixed use parking
35 project;
- 36 b. the estimated revenues of the entire mixed use parking
37 project; or
- 38 c. the total construction cost of the entire mixed use parking
39 project.

40 "Moderate-income housing" means housing affordable,
41 according to United States Department of Housing and Urban
42 Development or other recognized standards for home ownership
43 and rental costs, and occupied or reserved for occupancy by
44 households with a gross household income equal to more than 50
45 percent but less than 80 percent of the median gross household
46 income for households of the same size within the housing region in
47 which the housing is located.

1 "Municipal redeveloper" means an applicant for a redevelopment
2 incentive grant agreement, which applicant is:

- 3 a. a municipal government, a municipal parking authority, or a
4 redevelopment agency acting on behalf of a municipal government
5 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or
6 b. a developer of a mixed use parking project, provided that the
7 parking component of the mixed use parking project is operated and
8 maintained by a municipal parking authority for the term of any
9 financial assistance granted pursuant to P.L.2015, c.69.

10 "Municipal Revitalization Index" means the 2007 index by the
11 Office of Planning Advocacy within the Department of State
12 measuring or ranking municipal distress.

13 "Non-parking component" means that portion of a mixed use
14 parking project not used for parking, together with the portion of
15 the costs of the mixed use parking project, including but not limited
16 to the footings, foundations, site work, infrastructure, and soft costs
17 that are allocable to the non-parking use.

18 "Parking component" means that portion of a mixed use parking
19 project used for parking, together with the portion of the costs of
20 the mixed use parking project, including but not limited to the
21 footings, foundations, site work, infrastructure, and soft costs that
22 are allocable to the parking use. The parking component, which
23 may include enclosed pedestrian walkways or a skybridge, may be
24 in the same structure as all the non-parking components or may be
25 in a structure with some non-parking components with the
26 remaining non-parking components in an adjacent or nearby
27 structure that is no more than one third of a mile from the parking
28 components.

29 "Project area" means land or lands located within the incentive
30 area under common ownership or control including through a
31 redevelopment agreement with a municipality, or as otherwise
32 established by a municipality or a redevelopment agreement
33 executed by a State entity to implement a redevelopment project.

34 "Project cost" means the costs incurred in connection with the
35 redevelopment project by the developer until the issuance of a
36 permanent certificate of occupancy, or until such other time
37 specified by the authority, for a specific investment or
38 improvement, including the costs relating to: receiving Highlands
39 Development Credits under the Highlands Transfer Development
40 Rights Program authorized pursuant to section 13 of P.L.2004,
41 c.120 (C.13:20-13), lands, buildings, improvements, real or
42 personal property, or any interest therein, including leases
43 discounted to present value, including lands under water, riparian
44 rights, space rights and air rights acquired, owned, developed or
45 redeveloped, constructed, reconstructed, rehabilitated or improved,
46 and any environmental remediation costs], plus costs not directly
47 related to construction, of an amount not to exceed 20 percent of the
48 total costs], capitalized interest paid to third parties, which for

1 purposes of this definition shall be deemed to be costs directly
2 related to construction, the funding of a debt service reserve fund,
3 **[and]** the cost of infrastructure improvements, including ancillary
4 infrastructure projects, and an amount not to exceed 20 percent of
5 the total project cost for costs not directly related to construction,
6 and, for projects located in a Garden State Growth Zone only, the
7 cost of infrastructure improvements, including any ancillary
8 infrastructure project and the amount by which total project cost
9 exceeds the cost of an alternative location for the redevelopment
10 project, but excluding any particular costs for which the project has
11 received federal, State, or local funding. In the case of a mixed use
12 parking project that is undertaken by a municipal redeveloper and
13 that did not commence construction before the declaration of the
14 COVID-19 public health emergency on March 9, 2020, project
15 costs may include, in the discretion of the chief executive officer of
16 the authority consistent with applicable law, the cost or value of
17 land, demolition, and equity contributions, as well as any particular
18 costs for which the project has received State or local funding.

19 "Project financing gap" means:

20 a. the part of the total project cost, including return on
21 investment, that remains to be financed after all other sources of
22 capital have been accounted for, including, but not limited to,
23 developer-contributed capital, which shall not be less than 20
24 percent of the total project cost, which may include the value of any
25 existing land and improvements in the project area owned or
26 controlled by the developer, and the cost of infrastructure
27 improvements in the public right-of-way, subject to review by the
28 State Treasurer, and investor or financial entity capital or loans for
29 which the developer, after making all good faith efforts to raise
30 additional capital, certifies that additional capital cannot be raised
31 from other sources on a non-recourse basis; and

32 b. the amount by which total project cost exceeds the cost of an
33 alternative location for the out-of-State redevelopment project.

34 "Project revenue" means all rents, fees, sales, and payments
35 generated by a project, less taxes or other government payments.

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

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

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

45 For the purpose of this definition, "property tax increment base"
46 means the aggregate taxable value of all property assessed which is
47 located within the redevelopment project area as of October 1st of

1 the year preceding the year in which the redevelopment incentive
2 grant agreement is authorized.

3 "Public electric vehicle charging station" means an electric
4 vehicle charging station located at a publicly available parking
5 space.

6 "Public hydrogen fueling station" means publicly available
7 equipment to store and dispense hydrogen fuel to vehicles
8 according to industry codes and standards.

9 "Publicly available parking space" means a parking space that is
10 available to, and accessible by, the public and may include on-street
11 parking spaces and parking spaces in surface lots or parking
12 garages, but shall not include: a parking space that is part of, or
13 associated with, a private residence; or a parking space that is
14 reserved for the exclusive use of an individual driver or vehicle or
15 for a group of drivers or vehicles, such as employees, tenants,
16 visitors, residents of a common interest development, or residents
17 of an adjacent building.

18 "Qualified incubator facility" means a commercial building
19 located within an incentive area: which contains 100,000 or more
20 square feet of office, laboratory, or industrial space; which is
21 located near, and presents opportunities for collaboration with, a
22 research institution, teaching hospital, college, or university; and
23 within which, at least 75 percent of the gross leasable area is
24 restricted for use by one or more technology startup companies
25 during the commitment period.

26 "Qualified residential project" means a redevelopment project
27 that is predominantly residential and includes multi-family
28 residential units for purchase or lease, or dormitory units for
29 purchase or lease, having a total project cost of at least
30 \$17,500,000, if the project is located in any municipality with a
31 population greater than 200,000 according to the latest federal
32 decennial census, or having a total project cost of at least
33 \$10,000,000 if the project is located in any municipality with a
34 population less than 200,000 according to the latest federal
35 decennial census, or is a disaster recovery project, or having a total
36 project cost of \$5,000,000 if the project is in a Garden State Growth
37 Zone.

38 "Qualifying economic redevelopment and growth grant incentive
39 area" or "incentive area" means:

- 40 a. an aviation district;
- 41 b. a port district;
- 42 c. a distressed municipality; or
- 43 d. an area (1) designated pursuant to the "State Planning Act,"
44 P.L.1985, c.398 (C.52:18A-196 et seq.), as:
 - 45 (a) Planning Area 1 (Metropolitan);
 - 46 (b) Planning Area 2 (Suburban); or
 - 47 (c) Planning Area 3 (Fringe Planning Area);

- 1 (2) located within a smart growth area and planning area
2 designated in a master plan adopted by the New Jersey
3 Meadowlands Commission pursuant to subsection (i) of section 6 of
4 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
5 adopted by the New Jersey Meadowlands Commission pursuant to
6 section 20 of P.L.1968, c.404 (C.13:17-21);
- 7 (3) located within any land owned by the New Jersey Sports and
8 Exposition Authority, established pursuant to P.L.1971, c.137
9 (C.5:10-1 et seq.), within the boundaries of the Hackensack
10 Meadowlands District as delineated in section 4 of P.L.1968, c.404
11 (C.13:17-4);
- 12 (4) located within a regional growth area, rural development area
13 zoned for industrial use as of the effective date of P.L.2016, c.75,
14 town, village, or a military and federal installation area designated
15 in the comprehensive management plan prepared and adopted by
16 the Pinelands Commission pursuant to the "Pinelands Protection
17 Act," P.L.1979, c.111 (C.13:18A-1 et seq.);
- 18 (5) located within the planning area of the Highlands Region as
19 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a
20 highlands development credit receiving area or redevelopment area;
- 21 (6) located within a Garden State Growth Zone;
- 22 (7) located within land approved for closure under any federal
23 Base Closure and Realignment Commission action; or
- 24 (8) located only within the following portions of the areas
25 designated pursuant to the "State Planning Act," P.L.1985, c.398
26 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
27 Planning Area 4B (Rural/Environmentally Sensitive) or Planning
28 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
29 Planning Area), Planning Area 4B (Rural/Environmentally
30 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
31 located within:
- 32 (a) a designated center under the State Development and
33 Redevelopment Plan;
- 34 (b) a designated growth center in an endorsed plan until the State
35 Planning Commission revises and readopts New Jersey's State
36 Strategic Plan and adopts regulations to revise this definition as it
37 pertains to Statewide planning areas;
- 38 (c) any area determined to be in need of redevelopment pursuant
39 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and
40 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of
41 P.L.1992, c.79 (C.40A:12A-14);
- 42 (d) any area on which a structure exists or previously existed
43 including any desired expansion of the footprint of the existing or
44 previously existing structure provided the expansion otherwise
45 complies with all applicable federal, State, county, and local
46 permits and approvals;

1 (e) the planning area of the Highlands Region as defined in
2 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
3 development credit receiving area or redevelopment area; or

4 (f) any area on which an existing tourism destination project is
5 located.

6 "Qualifying economic redevelopment and growth grant incentive
7 area" or "incentive area" shall not include any property located
8 within the preservation area of the Highlands Region as defined in
9 the "Highlands Water Protection and Planning Act," P.L.2004,
10 c.120 (C.13:20-1 et al.).

11 "Redevelopment incentive grant agreement" means an agreement
12 between:

13 a. the State and the New Jersey Economic Development
14 Authority and a developer; or

15 b. a municipality and a developer, or a municipal ordinance
16 authorizing a project to be undertaken by a municipal redeveloper,
17 under which, in exchange for the proceeds of an incentive grant, the
18 developer agrees to perform any work or undertaking necessary for
19 a redevelopment project, including the clearance, development or
20 redevelopment, construction, or rehabilitation of any structure or
21 improvement of commercial, industrial, residential, or public
22 structures or improvements within a qualifying economic
23 redevelopment and growth grant incentive area or a transit village.

24 "Redevelopment project" means a specific construction project
25 or improvement, including lands, buildings, improvements, real and
26 personal property or any interest therein, including lands under
27 water, riparian rights, space rights and air rights, acquired, owned,
28 leased, developed or redeveloped, constructed, reconstructed,
29 rehabilitated or improved, undertaken by a developer, owner or
30 tenant, or both, within a project area and any ancillary infrastructure
31 project including infrastructure improvements in the public right-of-
32 way, as set forth in an application to be made to the authority. The
33 use of the term "redevelopment project" in sections 3 through 18 of
34 P.L.2009, c.90 (C.52:27D-489c et al.) shall not be limited to only
35 redevelopment projects located in areas determined to be in need of
36 redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79
37 (C.40A:12A-5 and C.40A:12A-6) but shall also include, but not be
38 limited to, any work or undertaking in accordance with the
39 "Redevelopment Area Bond Financing Law," sections 1 through 10
40 of P.L.2001, c.310 (C.40A:12A-64 et seq.) or other applicable law,
41 pursuant to a redevelopment plan adopted by a State entity, or as
42 described in the resolution adopted by a public entity created by
43 State law with the power to adopt a redevelopment plan or
44 otherwise determine the location, type and character of a
45 redevelopment project or part of a redevelopment project on land
46 owned or controlled by it or within its jurisdiction, including but
47 not limited to, the New Jersey Meadowlands Commission
48 established pursuant to P.L.1968, c.404 (C.13:17-1 et seq.), the

1 New Jersey Sports and Exposition Authority established pursuant to
2 P.L.1971 c.137 (C.5:10-1 et seq.) and the Fort Monmouth
3 Economic Revitalization Authority created pursuant to P.L.2010,
4 c.51 (C.52:27I-18 et seq.). A redevelopment project may include
5 the development of zero-emission vehicle fueling and charging
6 infrastructure.

7 "Redevelopment utility" means a self-liquidating fund created by
8 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-
9 489l) to account for revenues collected and incentive grants paid
10 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
11 revenues dedicated to a redevelopment project.

12 "Revenue increment base" means the amounts of all eligible
13 revenues from sources within the redevelopment project area in the
14 calendar year proceeding the year in which the redevelopment
15 incentive grant agreement is executed, as certified by the State
16 Treasurer for State revenues, and the chief financial officer of the
17 municipality for municipal revenues.

18 "SDA district" means an SDA district as defined in section 3 of
19 P.L.2000, c.72 (C.18A:7G-3).

20 "SDA municipality" means a municipality in which an SDA
21 district is situated.

22 "Technology startup company" means a for profit business that
23 has been in operation fewer than five years and is developing or
24 possesses a proprietary technology or business method of a high-
25 technology or life science-related product, process, or service which
26 the business intends to move to commercialization.

27 "Tourism destination project" means a redevelopment project
28 that will be among the most visited privately owned or operated
29 tourism or recreation sites in the State, and which is located within
30 the incentive area and has been determined by the authority to be in
31 an area appropriate for development and in need of economic
32 development incentive assistance.

33 "Transit project" means a redevelopment project located within a
34 1/2-mile radius, or one-mile radius for projects located in a Garden
35 State Growth Zone, surrounding the mid-point of a New Jersey
36 Transit Corporation, Port Authority Transit Corporation, or Port
37 Authority Trans-Hudson Corporation rail, bus, or ferry station
38 platform area, including all light rail stations.

39 "Transit village" means a community with a bus, train, light rail,
40 or ferry station that has developed a plan to achieve its economic
41 development and revitalization goals and has been designated by
42 the New Jersey Department of Transportation as a transit village.

43 "University infrastructure" means any of the following located
44 on the campus of Rutgers, the State University of New Jersey:

45 a. buildings and structures, such as academic buildings,
46 recreation centers, indoor athletic facilities, public works garages,
47 and water and sewer treatment and pumping facilities;

1 b. open space with improvements, such as athletic fields and
2 other outdoor athletic facilities, planned commons, and parks; and

3 c. transportation facilities, such as bus shelters and parking
4 facilities.

5 "Urban transit hub" means an urban transit hub, as defined in
6 section 2 of P.L.2007, c.346 (C.34:1B-208), that is located within
7 an eligible municipality, as defined in section 2 of P.L.2007, c.346
8 (C.34:1B-208), or all light rail stations and property located within
9 a one-mile radius of the mid-point of the platform area of such a
10 rail, bus, or ferry station if the property is in a qualified
11 municipality under the "Municipal Rehabilitation and Economic
12 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.).

13 "Vacant commercial building" means any commercial building
14 or complex of commercial buildings having over 400,000 square
15 feet of office, laboratory, or industrial space that is more than 70
16 percent unoccupied at the time of application to the authority or is
17 negatively impacted by the approval of a "qualified business
18 facility," as defined pursuant to section 2 of P.L.2007, c.346
19 (C.34:1B-208), or any vacant commercial building in a Garden
20 State Growth Zone having over 35,000 square feet of office,
21 laboratory, or industrial space, or over 200,000 square feet of
22 office, laboratory, or industrial space in Atlantic, Burlington,
23 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
24 counties available for occupancy for a period of over one year.

25 "Vacant health facility project" means a redevelopment project
26 where a health facility, as defined by section 2 of P.L.1971, c.136
27 (C.26:2H-2), currently exists and is considered vacant. A health
28 facility shall be considered vacant if at least 70 percent of that
29 facility has not been open to the public or utilized to serve any
30 patients at the time of application to the authority.

31 "Zero-emission vehicle" means a vehicle certified as a zero
32 emission vehicle pursuant to the California Air Resources Board
33 zero emission vehicle standards for the applicable model year,
34 including but not limited to, battery electric-powered vehicles and
35 hydrogen fuel cell vehicles.

36 "Zero-emission vehicle fueling and charging infrastructure"
37 means infrastructure to charge or fuel zero-emission vehicles,
38 including but not limited to, public electric vehicle charging
39 stations and public hydrogen fueling stations.

40 (cf: P.L.2022, c.75, s.1)

41

42 2. Section 6 of P.L.2009, c.90 (C.52:27D-489f) is amended to
43 read as follows:

44 6. a. Up to the limits established in subsection b. of this
45 section and in accordance with a redevelopment incentive grant
46 agreement, beginning upon the receipt of occupancy permits for any
47 portion of the redevelopment project, or upon any other event
48 evidencing project completion as set forth in the incentive grant

1 agreement, the State Treasurer shall pay to the developer
2 incremental State revenues directly realized from businesses
3 operating at the site of the redevelopment project from the
4 following taxes: the Corporation Business Tax Act (1945),
5 P.L.1945, c.162 (C.54:10A-1 et seq.), the tax imposed on marine
6 insurance companies pursuant to R.S.54:16-1 et seq., the tax
7 imposed on insurers generally, pursuant to P.L.1945, c.132
8 (C.54:18A-1 et seq.), the public utility franchise tax, public utilities
9 gross receipts tax and public utility excise tax imposed on sewerage
10 and water corporations pursuant to P.L.1940, c.5 (C.54:30A-49 et
11 seq.), those tariffs and charges imposed by electric, natural gas,
12 telecommunications, water and sewage utilities, and cable television
13 companies under the jurisdiction of the New Jersey Board of Public
14 Utilities, or comparable entity, except for those tariffs, fees, or taxes
15 related to societal benefits charges assessed pursuant to section 12
16 of P.L.1999, c.23 (C.48:3-60), any charges paid for compliance
17 with the "Global Warming Response Act," P.L.2007, c.112
18 (C.26:2C-37 et seq.), transitional energy facility assessment unit
19 taxes paid pursuant to section 67 of P.L.1997, c.162 (C.48:2-21.34),
20 and the sales and use taxes on public utility and cable television
21 services and commodities, the tax derived from net profits from
22 business, a distributive share of partnership income, or a pro rata
23 share of S corporation income under the "New Jersey Gross Income
24 Tax Act," N.J.S.54A:1-1 et seq., the tax derived from a business at
25 the site of a redevelopment project that is required to collect the tax
26 pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-
27 1 et seq.), the tax imposed pursuant to P.L.1966, c.30 (C.54:32B-1
28 et seq.) from the purchase of furniture, fixtures and equipment, or
29 materials for the remediation, the construction of new structures at
30 the site of a redevelopment project, the hotel and motel occupancy
31 fee imposed pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1),
32 or the portion of the fee imposed pursuant to section 3 of P.L.1968,
33 c.49 (C.46:15-7) derived from the sale of real property at the site of
34 the redevelopment project and paid to the State Treasurer for use by
35 the State, that is not credited to the "Shore Protection Fund" or the
36 "Neighborhood Preservation Nonlapsing Revolving Fund" ("New
37 Jersey Affordable Housing Trust Fund") pursuant to section 4 of
38 P.L.1968, c.49 (C.46:15-8). Any developer shall be allowed to
39 assign their ability to apply for the tax credit under this subsection
40 to a non-profit organization with a mission dedicated to attracting
41 investment and completing development and redevelopment
42 projects in a Garden State Growth Zone. The non-profit
43 organization may make an application on behalf of a developer
44 which meets the requirements for the tax credit, or a group of non-
45 qualifying developers, such that these will be considered a unified
46 project for the purposes of the incentives provided under this
47 section.

1 b. (1) (a) Up to an average of 75 percent of the projected
2 annual incremental revenues or 85 percent of the projected annual
3 incremental revenues in a Garden State Growth Zone may be
4 pledged towards the State portion of an incentive grant.

5 (b) State incentive grants not to exceed an aggregate total value
6 of \$75,000,000 shall be made available by the authority for
7 applications submitted after the effective date of P.L.2020, c.156,
8 but prior to December 31, 2021, for projects that are predominantly
9 commercial and contain 100,000 or more square feet of office and
10 retail space, or industrial space for purchase or lease, and may
11 include a parking component. The developer of a project seeking
12 an award of credits for a project restricted under this subparagraph
13 shall submit an incentive grant application prior to December 31,
14 2021, and if approved after the effective date of P.L.2020, c.156,
15 shall submit a temporary certificate of occupancy for the project no
16 later than December 31, 2024. In addition to the requirements for
17 an incentive award set forth in P.L.2009, c.90 (C.52:27D-489a et
18 al.), a developer shall be eligible to receive an award of credits for a
19 project restricted under this subparagraph only if the developer
20 demonstrates to the authority at that time of application that: (i) the
21 project shall comply with minimum environmental and
22 sustainability standards; (ii) the project shall comply with the
23 authority's affirmative action requirements, adopted pursuant to
24 section 4 of P.L.1979, c.303 (C.34:1B-5.4); (iii) each worker
25 employed by the developer, or subcontractor of a developer
26 working at the project, shall be paid not less than \$15 per hour or
27 120 percent of the minimum wage fixed under subsection a. of
28 section 5 of P.L.1966, c.113 (C.34:11-56a4), whichever is higher;
29 and (iv) during the eligibility period, each worker employed to
30 perform construction work or building services work at the project
31 shall be paid not less than the prevailing wage rate for the worker's
32 craft or trade, as determined by the Commissioner of Labor and
33 Workforce Development pursuant to P.L.1963, c.150 (C.34:11-
34 56.25 et seq.) and P.L.2005, c.379 (C.34:11-56.58 et seq.).

35 (2) In the case of a qualified residential project or a project
36 involving university infrastructure, if the authority determines that
37 the estimated amount of incremental revenues pledged towards the
38 State portion of an incentive grant is inadequate to fully fund the
39 amount of the State portion of the incentive grant, then in lieu of an
40 incentive grant based on the incremental revenues, the developer
41 shall be awarded tax credits equal to the full amount of the
42 incentive grant.

43 (3) In the case of a mixed use parking project, if the authority
44 determines that the estimated amount of incremental revenues
45 pledged towards the State portion of an incentive grant is
46 inadequate to fully fund the amount of the State portion of the
47 incentive grant, then, in lieu of an incentive grant based on the

1 incremental revenues, the developer shall be awarded tax credits
2 equal to the full amount of the incentive grant.

3 The value of all credits approved by the authority pursuant to
4 paragraphs (2) and (3) of this subsection shall not exceed
5 \$993,000,000, of which:

6 (a) \$250,000,000 shall be restricted to qualified residential
7 projects within Atlantic, Burlington, Camden, Cape May,
8 Cumberland, Gloucester, Ocean, and Salem counties, of which
9 \$175,000,000 of the credits shall be restricted to the following
10 categories of projects: (i) qualified residential projects located in a
11 Garden State Growth Zone located within the aforementioned
12 counties; and (ii) mixed use parking projects located in a Garden
13 State Growth Zone or urban transit hub located within the
14 aforementioned counties; (iii) and \$75,000,000 of the credits shall
15 be restricted to qualified residential projects in municipalities with a
16 2007 Municipal Revitalization Index of 400 or higher as of the date
17 of enactment of the "New Jersey Economic Opportunity Act of
18 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located within
19 the aforementioned counties;

20 (b) \$440,000,000 shall be restricted to the following categories
21 of projects: (i) qualified residential projects located in urban transit
22 hubs that are commuter rail in nature that otherwise do not qualify
23 under subparagraph (a) of this paragraph; (ii) qualified residential
24 projects located in Garden State Growth Zones that do not qualify
25 under subparagraph (a) of this paragraph; (iii) mixed use parking
26 projects located in urban transit hubs or Garden State Growth Zones
27 that do not qualify under subparagraph (a) of this paragraph,
28 provided however, an urban transit hub shall be allocated no more
29 than \$25,000,000 for mixed use parking projects; (iv) qualified
30 residential projects which are disaster recovery projects that
31 otherwise do not qualify under subparagraph (a) of this paragraph;
32 (v) qualified residential projects in SDA municipalities located in
33 Hudson County that were awarded State Aid in State Fiscal Year
34 2013 through the Transitional Aid to Localities program and
35 otherwise do not qualify under subparagraph (a) of this paragraph;
36 (vi) \$25,000,000 of credits shall be restricted to mixed use parking
37 projects in Garden State Growth Zones which have a population in
38 excess of 125,000 and do not qualify under subparagraph (a) of this
39 paragraph; (vii) \$40,000,000 of credits shall be restricted to
40 qualified residential projects that include a theater venue for the
41 performing arts and do not qualify under subparagraph (a) of this
42 paragraph, which projects are located in a municipality with a
43 population of less than 100,000 according to the latest federal
44 decennial census, and within which municipality is located an urban
45 transit hub and a campus of a public research university, as defined
46 in section 1 of P.L.2009, c.308 (C.18A:3B-46); and (viii)
47 \$150,000,000 of credits shall be restricted to qualified residential
48 projects and mixed use parking projects in Garden State Growth

- 1 Zones having a population in excess of 125,000 and do not qualify
2 under subparagraph (a) of this paragraph;
- 3 (c) \$87,000,000 shall be restricted to the following categories of
4 projects: (i) qualified residential projects located in distressed
5 municipalities, deep poverty pockets, highlands development credit
6 receiving areas or redevelopment areas, otherwise not qualifying
7 pursuant to subparagraph (a) or (b) of this paragraph; and (ii) mixed
8 use parking projects that do not qualify under subparagraph (a) or
9 (b) of this paragraph, and which are used by an independent
10 institution of higher education, a school of medicine, a nonprofit
11 hospital system, or any combination thereof; provided, however,
12 that \$20,000,000 of the \$87,000,000 shall be allocated to mixed use
13 parking projects that do not qualify under subparagraph (a) or (b) of
14 this paragraph;
- 15 (d) (i) \$16,000,000 shall be restricted to qualified residential
16 projects that are located within a qualifying economic
17 redevelopment and growth grant incentive area otherwise not
18 qualifying under subparagraph (a), (b), or (c) of this paragraph; and
19 (ii) an additional \$50,000,000 shall be restricted to qualified
20 residential projects which, as of the effective date of P.L.2016, c.51,
21 are located in a city of the first class with a population in excess of
22 270,000, are subject to a Renewal Contract for a Section 8 Mark-
23 Up-To-Market Project from the United States Department of
24 Housing and Urban Development, and for which an application for
25 the award of tax credits under this subsection was submitted prior to
26 January 1, 2016;
- 27 (e) \$25,000,000 shall be restricted to projects involving
28 university infrastructure; and
- 29 (f) (Deleted by amendment, P.L.2021, c.160)
- 30 (g) \$125,000,000 shall be restricted to applications submitted
31 after the effective date of P.L.2020, c.156 (C.34:1B-269 et al.) for
32 residential projects in any county of the State.
- 33 (h) For subparagraphs (a) through (d) of this paragraph, not
34 more than \$40,000,000 of credits shall be awarded to any qualified
35 residential project in a deep poverty pocket or distressed
36 municipality and not more than \$20,000,000 of credits shall be
37 awarded to any other qualified residential project. The developer of
38 a qualified residential project seeking an award of credits towards
39 the funding of its incentive grant shall submit an incentive grant
40 application prior to July 1, 2016 and if approved after September
41 18, 2013, the effective date of P.L.2013, c.161 (C.52:27D-489p et
42 al.) shall submit a temporary certificate of occupancy for the project
43 no later than December 31, 2023. The developer of a mixed use
44 parking project seeking an award of credits towards the funding of
45 its incentive grant pursuant to subparagraph (c) of this paragraph
46 and if approved after the effective date of P.L.2015, c.217, shall
47 submit a temporary certificate of occupancy for the project no later
48 than December 31, 2023. The developer of a qualified residential

1 project or a mixed use parking project seeking an award of credits
2 toward the funding of its incentive grant for a project restricted
3 under categories (vi) and (viii) of subparagraph (b) of this
4 paragraph shall submit an incentive grant application prior to July
5 1, 2019 or, in the case of a project restricted under category (viii) of
6 subparagraph (b) of this paragraph, December 31, 2021, and if
7 approved after the effective date of P.L.2017, c.59, shall submit a
8 temporary certificate of occupancy for the project no later than June
9 30, ~~2026~~ 2028 provided that the municipality in which the project
10 is located shall have submitted to the chief executive officer of the
11 authority a letter of support identifying up to six projects prior to
12 July 1, 2018. The letter of support is to contain a project scope for
13 each of the projects and may be supplemented or amended from
14 time to time until July 1, 2019 or, in the case of a project restricted
15 under categories (vi) and (viii) of subparagraph (b) of this
16 paragraph, December 31, 2022. A developer may amend the
17 application, or assign the application to a municipal redeveloper, for
18 a project restricted under categories (vi) and (viii) of subparagraph
19 (b) of this paragraph that is described in subparagraph (c) of
20 paragraph (2) of subsection b. of section 3 of P.L.2022, c.75
21 (C.52:27D-489i1) by excluding the visitor center, youth center, or
22 both from the application, provided that the project otherwise
23 qualifies as a mixed use parking project, and, notwithstanding any
24 provisions of section 3 of P.L.2022, c.75 (C.52:27D-489i1) or any
25 law or rule to the contrary, the maximum amount of any
26 redevelopment incentive grant for the modified project shall be as
27 set forth for projects described in subparagraph (c) of paragraph (2)
28 of subsection b. of section 3 of P.L.2022, c.75 (C.52:27D-489i1).
29 Applications for tax credits pursuant to this subsection relating to
30 an ancillary infrastructure project or infrastructure improvement in
31 the public right-of-way, or both, shall be accompanied with a letter
32 of support relating to the project or improvement by the governing
33 body or agency in which the project is located. Credits awarded to
34 a developer pursuant to this subsection shall be subject to the same
35 financial and related analysis by the authority, the same term of the
36 grant, and the same mechanism for administering the credits, and
37 shall be utilized or transferred by the developer as if the credits had
38 been awarded to the developer pursuant to section 35 of P.L.2009,
39 c.90 (C.34:1B-209.3) for qualified residential projects thereunder.
40 No portion of the revenues pledged pursuant to the "New Jersey
41 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-
42 489p et al.) shall be subject to withholding or retainage for
43 adjustment, in the event the developer or taxpayer waives its rights
44 to claim a refund thereof.

45 (i) The developer of a project seeking an award of credits for a
46 project restricted under subparagraph (g) of this paragraph shall
47 submit an incentive grant application prior to December 31, 2021,
48 and if approved after the effective date of P.L.2020, c.156

1 (C.34:1B-269 et al.), shall submit a temporary certificate of
2 occupancy for the project no later than December 31, 2024. In
3 addition to the requirements for an award of credits set forth in
4 P.L.2009, c.90 (C.52:27D-489a et al.), a developer shall be eligible
5 to receive an award of credits for a project restricted under
6 subparagraph (g) of this paragraph only if the developer
7 demonstrates to the authority at that time of application that: (i) the
8 project shall comply with minimum environmental and
9 sustainability standards; (ii) the project shall comply with the
10 authority's affirmative action requirements, adopted pursuant to
11 section 4 of P.L.1979, c.303 (C.34:1B-5.4); (iii) each worker
12 employed by the developer or subcontractor of a developer working
13 at the project shall be paid not less than \$15 per hour or 120 percent
14 of the minimum wage fixed under subsection a. of section 5 of
15 P.L.1966, c.113 (C.34:11-56a4), whichever is higher; and (iv)
16 during the eligibility period, each worker employed to perform
17 construction work or building services work at the project shall be
18 paid not less than the prevailing wage rate for the worker's craft or
19 trade, as determined by the Commissioner of Labor and Workforce
20 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.)
21 and P.L.2005, c.379 (C.34:11-56.58 et seq.).

22 Prior to the board considering an application submitted by a
23 developer for a project restricted under subparagraph (g) of this
24 paragraph, the authority shall confirm with the Department of Labor
25 and Workforce Development, the Department of Environmental
26 Protection, and the Department of the Treasury whether the
27 developer is in substantial good standing with the respective
28 department, or has entered into an agreement with the respective
29 department that includes a practical corrective action plan for the
30 developer. The developer, or an authorized agent of the developer,
31 shall certify to the authority that all factual assertions made in the
32 developer's application are true under the penalty of perjury. If at
33 any time the authority determines that the developer made a
34 material misrepresentation on the developer's application, the
35 developer shall forfeit the award of credits and the authority shall
36 recapture any tax credits awarded to the developer.

37 (4) A developer may apply to the Director of the Division of
38 Taxation in the Department of the Treasury and the chief executive
39 officer of the authority for a tax credit transfer certificate, if the
40 developer is awarded a tax credit pursuant to paragraph (2) or
41 paragraph (3) of this subsection, covering one or more years, in lieu
42 of the developer being allowed any amount of the credit against the
43 tax liability of the developer. The tax credit transfer certificate,
44 upon receipt thereof by the developer from the director and the
45 chief executive officer of the authority, may be sold or assigned, in
46 full or in part, to any other person who may have a tax liability
47 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
48 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1

1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The certificate
2 provided to the developer shall include a statement waiving the
3 developer's right to claim that amount of the credit against the taxes
4 that the developer has elected to sell or assign. The sale or
5 assignment of any amount of a tax credit transfer certificate allowed
6 under this paragraph shall not be exchanged for consideration
7 received by the developer of less than 75 percent of the transferred
8 credit amount before considering any further discounting to present
9 value that may be permitted. Any amount of a tax credit transfer
10 certificate used by a purchaser or assignee against a tax liability
11 shall be subject to the same limitations and conditions that apply to
12 the use of the credit by the developer who originally applied for and
13 was allowed the credit.

14 c. All administrative costs associated with the incentive grant
15 shall be assessed to the applicant and be retained by the State
16 Treasurer from the annual incentive grant payments.

17 d. The incremental revenue for the revenues listed in
18 subsection a. of this section shall be calculated as the difference
19 between the amount collected in any fiscal year from any eligible
20 revenue source included in the State redevelopment incentive grant
21 agreement, less the revenue increment base for that eligible
22 revenue.

23 e. The municipality is authorized to collect any information
24 necessary to facilitate grants under this program and remit that
25 information in order to assist in the calculation of incremental
26 revenue.

27 (cf: P.L.2022, c.75, s.2)

28

29 3. Section 3 of P.L.2022, c.75 (C.52:27D-489i1) is amended to
30 read as follows:

31 3. Notwithstanding any provision of the "New Jersey Economic
32 Stimulus Act of 2009," P.L.2009, c.90 (C.52:27D-489a et al.) to the
33 contrary, the following provisions shall apply to a mixed use
34 parking project that is restricted under categories (vi) or (viii) of
35 subparagraph (b) of paragraph (3) of subsection b. of section 6 of
36 P.L.2009, c.90 (C.52:27D-489f) and undertaken by a municipal
37 redeveloper after the effective date of P.L.2022, c.75 (C.52:27D-
38 489i1 et al.), for which a redevelopment incentive grant is awarded:

39 a. A municipal redeveloper shall submit a temporary certificate
40 of occupancy for such proposed mixed use parking project no later
41 than June 30, **【2026】** 2028.

42 b. (1) Except as provided in paragraph (2) of this subsection, a
43 redevelopment incentive grant award shall be equal to 100 percent
44 of the total project costs allocated to the parking component of the
45 project and 40 percent of the total project costs allocated to the non-
46 parking component of a proposed mixed use parking project.

47 (2) A redevelopment incentive grant award shall be equal to 100
48 percent of the total project costs allocated to the parking component

- 1 of the project and 80 percent of the total project costs allocated to
2 the non-parking component of the mixed use parking project if the
3 mixed use parking project is:
- 4 (a) constructed upon all or a portion of a project site that was
5 previously the subject of an award of tax credits pursuant to the
6 "Urban Transit Hub Tax Credit Act," P.L.2007, c. 346 (C.34:1B-
7 207 et seq.) or the "New Jersey Economic Stimulus Act of 2009,"
8 P.L.2009, c. 90 (C.52:27D-489a et al.), but the tax credits were not
9 issued;
- 10 (b) an entertainment venue with seating capacity in excess of
11 5,000; or
- 12 (c) constructed to be utilized by a visitor center or youth center
13 within or adjacent to a national historic park.
- 14 c. The terms of any approval, granted by the authority, for a
15 proposed mixed use parking project undertaken by a municipal
16 redeveloper, which has not yet commenced construction activities
17 other than demolition or site work, may be modified to reflect the
18 terms established pursuant to P.L.2022, c.75 (C.52:27D-489i1 et
19 al.), upon application to the authority for review and approval;
20 provided, however, the developer shall not be required to pay any
21 fee that may be established under law or regulation related to the
22 application for modification. All dates of required action by a
23 municipal redeveloper contained in an approval, granted by the
24 authority, shall be automatically extended by the thirty-month
25 period corresponding to the temporary certificate of occupancy
26 submission date established by subsection a. of this section.
- 27 d. All proposed mixed use parking projects shall comply with
28 Leadership in Energy and Environmental Design (LEED) standards,
29 to the extent that the United States Green Building Council shall
30 have promulgated standards for the project type proposed.
31 (cf: P.L.2022, c.75, s.3)

32

33 4. This act shall take effect immediately.

34

35

36

STATEMENT

37

38 This bill modifies certain deadlines for certain existing projects
39 under the Economic Redevelopment and Growth Grant program
40 (program) and modifies the definition of "project cost" for purposes
41 of the program.

42

Temporary Certificate of Occupancy Deadlines

43

44 This bill extends the deadline for a developer to submit a
45 temporary certificate of occupancy for certain qualified residential
46 projects or mixed use parking projects to June 30, 2028. Under
47 current law, the deadline to submit this documentation is June 30,
48 2026. Specifically, this extension would apply for any residential

1 project or mixed use parking project: (1) that was approved after
2 May 1, 2017; (2) that is located in a Garden State Growth Zone with
3 a population over 125,000, except not including those projects
4 located in Atlantic, Burlington, Camden, Cape May, Cumberland,
5 Gloucester, Ocean, and Salem counties; and (3) for which the
6 municipality in which the project is located submitted a letter of
7 support to the chief executive officer of the Economic Development
8 Authority identifying up to six projects prior to July 1, 2018.

9 This bill also extends the deadline for a municipal redeveloper to
10 submit a temporary certificate of occupancy for certain proposed
11 mixed use parking projects to June 30, 2028. Under current law,
12 the deadline to submit this documentation is June 30, 2026. This
13 extension would apply for any mixed use parking project: (1) that is
14 undertaken by a municipal redeveloper after July 29, 2022; (2) for
15 which a redevelopment incentive grant is awarded; and (3) that is
16 located in a Garden State Growth Zone with a population over
17 125,000, except not including those projects located in Atlantic,
18 Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean,
19 and Salem counties.

20

21 *Modified Projects*

22 Additionally, the bill permits the developers of certain mixed use
23 parking projects to exclude a visitor center, youth center, or both
24 from the project application, or to assign the application to a
25 municipal redeveloper, provided that the project otherwise qualifies
26 as a mixed-use parking project. This permission to amend or assign
27 an application applies to any mixed use parking project: (1) that is
28 undertaken by a municipal redeveloper after July 29, 2022; (2) for
29 which a redevelopment incentive grant is awarded; (3) that is
30 located in a Garden State Growth Zone with a population over
31 125,000, except not including those projects located in Atlantic,
32 Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean,
33 and Salem counties; and (4) that was initially intended to be utilized
34 by a visitor center or youth center within or adjacent to a national
35 historic park.

36 Under current law, the redevelopment incentive grant award for
37 such a project is equal to 100 percent of the total project costs
38 allocated to the parking component combined with 80 percent of the
39 total project costs allocated to the non-parking component. Under
40 the bill, the maximum amount of any redevelopment incentive grant
41 for the modified project would be determined in the same manner as
42 for an unmodified project.

43

44 *Project Cost*

45 This bill revises the definition of the term “project cost,” for the
46 purposes of the program, to include among other costs: capitalized
47 interest paid to third parties, the funding of a debt service reserve
48 fund, the cost of infrastructure improvements, including ancillary

1 infrastructure projects, and an amount not to exceed 20 percent of
2 the total project cost for costs not directly related to construction.

3 The bill also provides that, for purposes of the definition of
4 “project cost,” capitalized interest paid to third parties is deemed to
5 be costs directly related to construction.

6

7

8

9

10 Modifies requirements for certain projects under Economic
11 Redevelopment and Growth Grant program.

CHAPTER 71

AN ACT concerning the Economic Redevelopment and Growth Grant program and amending P.L.2009, c.90 and P.L.2022, c.75.

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

1. Section 3 of P.L.2009, c.90 (C.52:27D-489c) is amended to read as follows:

C.52:27D-489c Definitions relative to economic stimulus.

3. As used in sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.):

"Applicant" means a developer proposing to enter into a redevelopment incentive grant agreement.

"Ancillary infrastructure project" means structures or improvements that are located within the incentive area but outside the project area of a redevelopment project, including, but not limited to, docks, bulkheads, parking garages, public electric vehicle charging stations, freight rail spurs, roadway overpasses, and train station platforms, provided a developer or municipal redeveloper has demonstrated that the redevelopment project would not be economically viable or promote the use of public transportation without such improvements, as approved by the State Treasurer.

"Authority" means the New Jersey Economic Development Authority established under section 4 of P.L.1974, c.80 (C.34:1B-4).

"Aviation district" means all areas within the boundaries of the "Atlantic City International Airport," established pursuant to section 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation Administration William J. Hughes Technical Center and the area within a one-mile radius of the outermost boundary of the "Atlantic City International Airport" and the Federal Aviation Administration William J. Hughes Technical Center.

"Deep poverty pocket" means a population census tract having a poverty level of 20 percent or more, and which is located within the incentive area and has been determined by the authority to be an area appropriate for development and in need of economic development incentive assistance.

"Developer" means any person who enters or proposes to enter into a redevelopment incentive grant agreement pursuant to the provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its successors or assignees, including but not limited to a lender that completes a redevelopment project, operates a redevelopment project, or completes and operates a redevelopment project. A developer also may be a municipal redeveloper as defined herein or Rutgers, the State University of New Jersey.

"Director" means the Director of the Division of Taxation in the Department of the Treasury.

"Disaster recovery project" means a redevelopment project located on property that has been wholly or substantially damaged or destroyed as a result of a federally-declared disaster, and which is located within the incentive area and has been determined by the authority to be in an area appropriate for development and in need of economic development incentive assistance.

"Distressed municipality" means a municipality that is qualified to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a municipality under the supervision of the Local Finance Board pursuant to the provisions of the "Local Government Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality identified by the Director of the Division of Local Government Services in the Department of Community Affairs to be facing serious fiscal distress, a SDA municipality, or a municipality in which a major rail station is located.

"Electric vehicle charging station" means an electric component assembly or cluster of component assemblies designed specifically to charge batteries within electric vehicles by permitting the transfer of electric energy to a battery or other storage device in an electric vehicle.

"Eligibility period" means the period of time specified in a redevelopment incentive grant agreement for the payment of reimbursements to a developer, which period shall not exceed 20 years, with the term to be determined solely at the discretion of the applicant.

"Eligible revenue" means the property tax increment and any other incremental revenues set forth in section 11 of P.L.2009, c.90 (C.52:27D-489k), except in the case of a Garden State Growth Zone, in which the property tax increment and any other incremental revenues are calculated as those incremental revenues that would have existed notwithstanding the provisions of the "New Jersey Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.).

"Garden State Growth Zone" or "growth zone" means the four New Jersey cities with the lowest median family income based on the 2009 American Community Survey from the US Census, (Table 708. Household, Family, and Per Capita Income and Individuals, and Families Below Poverty Level by City: 2009); a municipality which contains a Tourism District as established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino Reinvestment Development Authority; or an aviation district.

"Highlands development credit receiving area or redevelopment area" means an area located within an incentive area and designated by the Highlands Council for the receipt of Highlands Development Credits under the Highlands Transfer Development Rights Program authorized under section 13 of P.L.2004, c.120 (C.13:20-13).

"Incentive grant" means reimbursement of all or a portion of the project financing gap of a redevelopment project through the State or a local Economic Redevelopment and Growth Grant program pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d or C.52:27D-489e).

"Infrastructure improvements in the public right-of-way" mean public structures or improvements, including public electric vehicle charging stations, located in the public right-of-way that are located within a project area or that constitute an ancillary infrastructure project, either of which are dedicated to or owned by a governmental body or agency upon completion, or any required payment in lieu of the structures, improvements or projects, or any costs of remediation associated with the structures, improvements or projects, and that are determined by the authority, in consultation with applicable State agencies, to be consistent with and in furtherance of State public infrastructure objectives and initiatives.

"Low-income housing" means housing affordable according to federal Department of Housing and Urban Development or other recognized standards for home ownership and rental costs and occupied or reserved for occupancy by households with a gross household income equal to 50 percent or less of the median gross household income for households of the same size within the housing region in which the housing is located.

"Major rail station" means a railroad station located within a qualified incentive area which provides access to the public to a minimum of six rail passenger service lines operated by the New Jersey Transit Corporation.

"Mixed-use parking project" means a redevelopment project, the parking component of which shall constitute 51 percent or more of any of the following:

- a. the total square footage of the entire mixed-use parking project;
- b. the estimated revenues of the entire mixed-use parking project; or
- c. the total construction cost of the entire mixed-use parking project.

"Moderate-income housing" means housing affordable, according to United States Department of Housing and Urban Development or other recognized standards for home ownership and rental costs, and occupied or reserved for occupancy by households with a gross household income equal to more than 50 percent but less than 80 percent of the median gross

household income for households of the same size within the housing region in which the housing is located.

"Municipal redeveloper" means an applicant for a redevelopment incentive grant agreement, which applicant is:

a. a municipal government, a municipal parking authority, or a redevelopment agency acting on behalf of a municipal government as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or

b. a developer of a mixed-use parking project, provided that the parking component of the mixed-use parking project is operated and maintained by a municipal parking authority for the term of any financial assistance granted pursuant to P.L.2015, c.69.

"Municipal Revitalization Index" means the 2007 index by the Office of Planning Advocacy within the Department of State measuring or ranking municipal distress.

"Non-parking component" means that portion of a mixed-use parking project not used for parking, together with the portion of the costs of the mixed-use parking project, including but not limited to the footings, foundations, site work, infrastructure, and soft costs that are allocable to the non-parking use.

"Parking component" means that portion of a mixed-use parking project used for parking, together with the portion of the costs of the mixed-use parking project, including but not limited to the footings, foundations, site work, infrastructure, and soft costs that are allocable to the parking use. The parking component, which may include enclosed pedestrian walkways or a skybridge, may be in the same structure as all the non-parking components or may be in a structure with some non-parking components with the remaining non-parking components in an adjacent or nearby structure that is no more than one third of a mile from the parking components.

"Project area" means land or lands located within the incentive area under common ownership or control including through a redevelopment agreement with a municipality, or as otherwise established by a municipality or a redevelopment agreement executed by a State entity to implement a redevelopment project.

"Project cost" means the costs incurred in connection with the redevelopment project by the developer until the issuance of a permanent certificate of occupancy, or until such other time specified by the authority, for a specific investment or improvement, including the costs relating to: receiving Highlands Development Credits under the Highlands Transfer Development Rights Program authorized pursuant to section 13 of P.L.2004, c.120 (C.13:20-13), lands, buildings, improvements, real or personal property, or any interest therein, including leases discounted to present value, including lands under water, riparian rights, space rights and air rights acquired, owned, developed or redeveloped, constructed, reconstructed, rehabilitated or improved, and any environmental remediation costs, capitalized interest paid to third parties, which for purposes of this definition shall be deemed to be costs directly related to construction, the funding of a debt service reserve fund, the cost of infrastructure improvements, including ancillary infrastructure projects, and an amount not to exceed 20 percent of the total project cost for costs not directly related to construction, and, for projects located in a Garden State Growth Zone only, the cost of infrastructure improvements, including any ancillary infrastructure project and the amount by which total project cost exceeds the cost of an alternative location for the redevelopment project, but excluding any particular costs for which the project has received federal, State, or local funding. In the case of a mixed-use parking project that is undertaken by a municipal redeveloper and that did not commence construction before the declaration of the COVID-19 public health emergency on March 9, 2020, project costs may include, in the discretion of the chief executive officer of the authority

consistent with applicable law, the cost or value of land, demolition, and equity contributions, as well as any particular costs for which the project has received State or local funding.

"Project financing gap" means:

a. the part of the total project cost, including return on investment, that remains to be financed after all other sources of capital have been accounted for, including, but not limited to, developer-contributed capital, which shall not be less than 20 percent of the total project cost, which may include the value of any existing land and improvements in the project area owned or controlled by the developer, and the cost of infrastructure improvements in the public right-of-way, subject to review by the State Treasurer, and investor or financial entity capital or loans for which the developer, after making all good faith efforts to raise additional capital, certifies that additional capital cannot be raised from other sources on a non-recourse basis; and

b. the amount by which total project cost exceeds the cost of an alternative location for the out-of-State redevelopment project.

"Project revenue" means all rents, fees, sales, and payments generated by a project, less taxes or other government payments.

"Property tax increment" means the amount obtained by:

a. multiplying the general tax rate levied each year by the taxable value of all the property assessed within a project area in the same year, excluding any special assessments; and

b. multiplying that product by a fraction having a numerator equal to the taxable value of all the property assessed within the project area, minus the property tax increment base, and having a denominator equal to the taxable value of all property assessed within the project area.

For the purpose of this definition, "property tax increment base" means the aggregate taxable value of all property assessed which is located within the redevelopment project area as of October 1st of the year preceding the year in which the redevelopment incentive grant agreement is authorized.

"Public electric vehicle charging station" means an electric vehicle charging station located at a publicly available parking space.

"Public hydrogen fueling station" means publicly available equipment to store and dispense hydrogen fuel to vehicles according to industry codes and standards.

"Publicly available parking space" means a parking space that is available to, and accessible by, the public and may include on-street parking spaces and parking spaces in surface lots or parking garages, but shall not include: a parking space that is part of, or associated with, a private residence; or a parking space that is reserved for the exclusive use of an individual driver or vehicle or for a group of drivers or vehicles, such as employees, tenants, visitors, residents of a common interest development, or residents of an adjacent building.

"Qualified incubator facility" means a commercial building located within an incentive area: which contains 100,000 or more square feet of office, laboratory, or industrial space; which is located near, and presents opportunities for collaboration with, a research institution, teaching hospital, college, or university; and within which, at least 75 percent of the gross leasable area is restricted for use by one or more technology startup companies during the commitment period.

"Qualified residential project" means a redevelopment project that is predominantly residential and includes multi-family residential units for purchase or lease, or dormitory units for purchase or lease, having a total project cost of at least \$17,500,000, if the project is located in any municipality with a population greater than 200,000 according to the latest federal decennial census, or having a total project cost of at least \$10,000,000 if the project is located in any municipality with a population less than 200,000 according to the latest federal decennial census, or is a disaster recovery project, or having a total project cost of \$5,000,000 if the project is in a Garden State Growth Zone.

"Qualifying economic redevelopment and growth grant incentive area" or "incentive area" means:

- a. an aviation district;
- b. a port district;
- c. a distressed municipality; or
- d. an area (1) designated pursuant to the "State Planning Act," P.L.1985, c.398 (C.52:18A-196 et seq.), as:
 - (a) Planning Area 1 (Metropolitan);
 - (b) Planning Area 2 (Suburban); or
 - (c) Planning Area 3 (Fringe Planning Area);(2) located within a smart growth area and planning area designated in a master plan adopted by the New Jersey Meadowlands Commission pursuant to subsection (i) of section 6 of P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan adopted by the New Jersey Meadowlands Commission pursuant to section 20 of P.L.1968, c.404 (C.13:17-21);
 - (3) located within any land owned by the New Jersey Sports and Exposition Authority, established pursuant to P.L.1971, c.137 (C.5:10-1 et seq.), within the boundaries of the Hackensack Meadowlands District as delineated in section 4 of P.L.1968, c.404 (C.13:17-4);
 - (4) located within a regional growth area, rural development area zoned for industrial use as of the effective date of P.L.2016, c.75, town, village, or a military and federal installation area designated in the comprehensive management plan prepared and adopted by the Pinelands Commission pursuant to the "Pinelands Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.);
 - (5) located within the planning area of the Highlands Region as defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a highlands development credit receiving area or redevelopment area;
 - (6) located within a Garden State Growth Zone;
 - (7) located within land approved for closure under any federal Base Closure and Realignment Commission action; or
 - (8) located only within the following portions of the areas designated pursuant to the "State Planning Act," P.L.1985, c.398 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area), Planning Area 4B (Rural/Environmentally Sensitive) or Planning Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural Planning Area), Planning Area 4B (Rural/Environmentally Sensitive) or Planning Area 5 (Environmentally Sensitive) is located within:
 - (a) a designated center under the State Development and Redevelopment Plan;
 - (b) a designated growth center in an endorsed plan until the State Planning Commission revises and readopts New Jersey's State Strategic Plan and adopts regulations to revise this definition as it pertains to Statewide planning areas;
 - (c) any area determined to be in need of redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of P.L.1992, c.79 (C.40A:12A-14);
 - (d) any area on which a structure exists or previously existed including any desired expansion of the footprint of the existing or previously existing structure provided the expansion otherwise complies with all applicable federal, State, county, and local permits and approvals;
 - (e) the planning area of the Highlands Region as defined in section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands development credit receiving area or redevelopment area; or
 - (f) any area on which an existing tourism destination project is located.

"Qualifying economic redevelopment and growth grant incentive area" or "incentive area" shall not include any property located within the preservation area of the Highlands Region as defined in the "Highlands Water Protection and Planning Act," P.L.2004, c.120 (C.13:20-1 et al.).

"Redevelopment incentive grant agreement" means an agreement between:

- a. the State and the New Jersey Economic Development Authority and a developer; or
- b. a municipality and a developer, or a municipal ordinance authorizing a project to be undertaken by a municipal redeveloper, under which, in exchange for the proceeds of an incentive grant, the developer agrees to perform any work or undertaking necessary for a redevelopment project, including the clearance, development or redevelopment, construction, or rehabilitation of any structure or improvement of commercial, industrial, residential, or public structures or improvements within a qualifying economic redevelopment and growth grant incentive area or a transit village.

"Redevelopment project" means a specific construction project or improvement, including lands, buildings, improvements, real and personal property or any interest therein, including lands under water, riparian rights, space rights and air rights, acquired, owned, leased, developed or redeveloped, constructed, reconstructed, rehabilitated or improved, undertaken by a developer, owner or tenant, or both, within a project area and any ancillary infrastructure project including infrastructure improvements in the public right-of-way, as set forth in an application to be made to the authority. The use of the term "redevelopment project" in sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.) shall not be limited to only redevelopment projects located in areas determined to be in need of redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and C.40A:12A-6) but shall also include, but not be limited to, any work or undertaking in accordance with the "Redevelopment Area Bond Financing Law," sections 1 through 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.) or other applicable law, pursuant to a redevelopment plan adopted by a State entity, or as described in the resolution adopted by a public entity created by State law with the power to adopt a redevelopment plan or otherwise determine the location, type and character of a redevelopment project or part of a redevelopment project on land owned or controlled by it or within its jurisdiction, including but not limited to, the New Jersey Meadowlands Commission established pursuant to P.L.1968, c.404 (C.13:17-1 et seq.), the New Jersey Sports and Exposition Authority established pursuant to P.L.1971 c.137 (C.5:10-1 et seq.) and the Fort Monmouth Economic Revitalization Authority created pursuant to P.L.2010, c.51 (C.52:27I-18 et seq.). A redevelopment project may include the development of zero-emission vehicle fueling and charging infrastructure.

"Redevelopment utility" means a self-liquidating fund created by a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-489l) to account for revenues collected and incentive grants paid pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other revenues dedicated to a redevelopment project.

"Revenue increment base" means the amounts of all eligible revenues from sources within the redevelopment project area in the calendar year proceeding the year in which the redevelopment incentive grant agreement is executed, as certified by the State Treasurer for State revenues, and the chief financial officer of the municipality for municipal revenues.

"SDA district" means an SDA district as defined in section 3 of P.L.2000, c.72 (C.18A:7G-3).

"SDA municipality" means a municipality in which an SDA district is situated.

"Technology startup company" means a for profit business that has been in operation fewer than five years and is developing or possesses a proprietary technology or business method of a high-technology or life science-related product, process, or service which the business intends to move to commercialization.

"Tourism destination project" means a redevelopment project that will be among the most visited privately owned or operated tourism or recreation sites in the State, and which is located

within the incentive area and has been determined by the authority to be in an area appropriate for development and in need of economic development incentive assistance.

"Transit project" means a redevelopment project located within a 1/2-mile radius, or one-mile radius for projects located in a Garden State Growth Zone, surrounding the mid-point of a New Jersey Transit Corporation, Port Authority Transit Corporation, or Port Authority Trans-Hudson Corporation rail, bus, or ferry station platform area, including all light rail stations.

"Transit village" means a community with a bus, train, light rail, or ferry station that has developed a plan to achieve its economic development and revitalization goals and has been designated by the New Jersey Department of Transportation as a transit village.

"University infrastructure" means any of the following located on the campus of Rutgers, the State University of New Jersey:

- a. buildings and structures, such as academic buildings, recreation centers, indoor athletic facilities, public works garages, and water and sewer treatment and pumping facilities;
- b. open space with improvements, such as athletic fields and other outdoor athletic facilities, planned commons, and parks; and
- c. transportation facilities, such as bus shelters and parking facilities.

"Urban transit hub" means an urban transit hub, as defined in section 2 of P.L.2007, c.346 (C.34:1B-208), that is located within an eligible municipality, as defined in section 2 of P.L.2007, c.346 (C.34:1B-208), or all light rail stations and property located within a one-mile radius of the mid-point of the platform area of such a rail, bus, or ferry station if the property is in a qualified municipality under the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.).

"Vacant commercial building" means any commercial building or complex of commercial buildings having over 400,000 square feet of office, laboratory, or industrial space that is more than 70 percent unoccupied at the time of application to the authority or is negatively impacted by the approval of a "qualified business facility," as defined pursuant to section 2 of P.L.2007, c.346 (C.34:1B-208), or any vacant commercial building in a Garden State Growth Zone having over 35,000 square feet of office, laboratory, or industrial space, or over 200,000 square feet of office, laboratory, or industrial space in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem counties available for occupancy for a period of over one year.

"Vacant health facility project" means a redevelopment project where a health facility, as defined by section 2 of P.L.1971, c.136 (C.26:2H-2), currently exists and is considered vacant. A health facility shall be considered vacant if at least 70 percent of that facility has not been open to the public or utilized to serve any patients at the time of application to the authority.

"Zero-emission vehicle" means a vehicle certified as a zero emission vehicle pursuant to the California Air Resources Board zero emission vehicle standards for the applicable model year, including but not limited to, battery electric-powered vehicles and hydrogen fuel cell vehicles.

"Zero-emission vehicle fueling and charging infrastructure" means infrastructure to charge or fuel zero-emission vehicles, including but not limited to, public electric vehicle charging stations and public hydrogen fueling stations.

2. Section 6 of P.L.2009, c.90 (C.52:27D-489f) is amended to read as follows:

C.52:27D-489f Payment to developer from State.

6. a. Up to the limits established in subsection b. of this section and in accordance with a redevelopment incentive grant agreement, beginning upon the receipt of occupancy permits for any portion of the redevelopment project, or upon any other event evidencing project completion as set forth in the incentive grant agreement, the State Treasurer shall pay to the

developer incremental State revenues directly realized from businesses operating at the site of the redevelopment project from the following taxes: the Corporation Business Tax Act (1945), P.L.1945, c.162 (C.54:10A-1 et seq.), the tax imposed on marine insurance companies pursuant to R.S.54:16-1 et seq., the tax imposed on insurers generally, pursuant to P.L.1945, c.132 (C.54:18A-1 et seq.), the public utility franchise tax, public utilities gross receipts tax and public utility excise tax imposed on sewerage and water corporations pursuant to P.L.1940, c.5 (C.54:30A-49 et seq.), those tariffs and charges imposed by electric, natural gas, telecommunications, water and sewage utilities, and cable television companies under the jurisdiction of the New Jersey Board of Public Utilities, or comparable entity, except for those tariffs, fees, or taxes related to societal benefits charges assessed pursuant to section 12 of P.L.1999, c.23 (C.48:3-60), any charges paid for compliance with the "Global Warming Response Act," P.L.2007, c.112 (C.26:2C-37 et seq.), transitional energy facility assessment unit taxes paid pursuant to section 67 of P.L.1997, c.162 (C.48:2-21.34), and the sales and use taxes on public utility and cable television services and commodities, the tax derived from net profits from business, a distributive share of partnership income, or a pro rata share of S corporation income under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., the tax derived from a business at the site of a redevelopment project that is required to collect the tax pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), the tax imposed pursuant to P.L.1966, c.30 (C.54:32B-1 et seq.) from the purchase of furniture, fixtures and equipment, or materials for the remediation, the construction of new structures at the site of a redevelopment project, the hotel and motel occupancy fee imposed pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1), or the portion of the fee imposed pursuant to section 3 of P.L.1968, c.49 (C.46:15-7) derived from the sale of real property at the site of the redevelopment project and paid to the State Treasurer for use by the State, that is not credited to the "Shore Protection Fund" or the "Neighborhood Preservation Nonlapsing Revolving Fund" ("New Jersey Affordable Housing Trust Fund") pursuant to section 4 of P.L.1968, c.49 (C.46:15-8). Any developer shall be allowed to assign their ability to apply for the tax credit under this subsection to a non-profit organization with a mission dedicated to attracting investment and completing development and redevelopment projects in a Garden State Growth Zone. The non-profit organization may make an application on behalf of a developer which meets the requirements for the tax credit, or a group of non-qualifying developers, such that these will be considered a unified project for the purposes of the incentives provided under this section.

b. (1) (a) Up to an average of 75 percent of the projected annual incremental revenues or 85 percent of the projected annual incremental revenues in a Garden State Growth Zone may be pledged towards the State portion of an incentive grant.

(b) State incentive grants not to exceed an aggregate total value of \$75,000,000 shall be made available by the authority for applications submitted after the effective date of P.L.2020, c.156, but prior to December 31, 2021, for projects that are predominantly commercial and contain 100,000 or more square feet of office and retail space, or industrial space for purchase or lease, and may include a parking component. The developer of a project seeking an award of credits for a project restricted under this subparagraph shall submit an incentive grant application prior to December 31, 2021, and if approved after the effective date of P.L.2020, c.156, shall submit a temporary certificate of occupancy for the project no later than December 31, 2024. In addition to the requirements for an incentive award set forth in P.L.2009, c.90 (C.52:27D-489a et al.), a developer shall be eligible to receive an award of credits for a project restricted under this subparagraph only if the developer demonstrates to the authority at that time of application that: (i) the project shall comply with minimum environmental and

sustainability standards; (ii) the project shall comply with the authority's affirmative action requirements, adopted pursuant to section 4 of P.L.1979, c.303 (C.34:1B-5.4); (iii) each worker employed by the developer, or subcontractor of a developer working at the project, shall be paid not less than \$15 per hour or 120 percent of the minimum wage fixed under subsection a. of section 5 of P.L.1966, c.113 (C.34:11-56a4), whichever is higher; and (iv) during the eligibility period, each worker employed to perform construction work or building services work at the project shall be paid not less than the prevailing wage rate for the worker's craft or trade, as determined by the Commissioner of Labor and Workforce Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.) and P.L.2005, c.379 (C.34:11-56.58 et seq.).

(2) In the case of a qualified residential project or a project involving university infrastructure, if the authority determines that the estimated amount of incremental revenues pledged towards the State portion of an incentive grant is inadequate to fully fund the amount of the State portion of the incentive grant, then in lieu of an incentive grant based on the incremental revenues, the developer shall be awarded tax credits equal to the full amount of the incentive grant.

(3) In the case of a mixed-use parking project, if the authority determines that the estimated amount of incremental revenues pledged towards the State portion of an incentive grant is inadequate to fully fund the amount of the State portion of the incentive grant, then, in lieu of an incentive grant based on the incremental revenues, the developer shall be awarded tax credits equal to the full amount of the incentive grant.

The value of all credits approved by the authority pursuant to paragraphs (2) and (3) of this subsection shall not exceed \$993,000,000, of which:

(a) \$250,000,000 shall be restricted to qualified residential projects within Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties, of which \$175,000,000 of the credits shall be restricted to the following categories of projects: (i) qualified residential projects located in a Garden State Growth Zone located within the aforementioned counties; and (ii) mixed-use parking projects located in a Garden State Growth Zone or urban transit hub located within the aforementioned counties; (iii) and \$75,000,000 of the credits shall be restricted to qualified residential projects in municipalities with a 2007 Municipal Revitalization Index of 400 or higher as of the date of enactment of the "New Jersey Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located within the aforementioned counties;

(b) \$440,000,000 shall be restricted to the following categories of projects: (i) qualified residential projects located in urban transit hubs that are commuter rail in nature that otherwise do not qualify under subparagraph (a) of this paragraph; (ii) qualified residential projects located in Garden State Growth Zones that do not qualify under subparagraph (a) of this paragraph; (iii) mixed-use parking projects located in urban transit hubs or Garden State Growth Zones that do not qualify under subparagraph (a) of this paragraph, provided however, an urban transit hub shall be allocated no more than \$25,000,000 for mixed-use parking projects; (iv) qualified residential projects which are disaster recovery projects that otherwise do not qualify under subparagraph (a) of this paragraph; (v) qualified residential projects in SDA municipalities located in Hudson County that were awarded State Aid in State Fiscal Year 2013 through the Transitional Aid to Localities program and otherwise do not qualify under subparagraph (a) of this paragraph; (vi) \$25,000,000 of credits shall be restricted to mixed-use parking projects in Garden State Growth Zones which have a population in excess of 125,000 and do not qualify under subparagraph (a) of this paragraph; (vii) \$40,000,000 of credits shall be restricted to qualified residential projects that include a theater venue for the performing arts and do not qualify under subparagraph (a) of this paragraph, which projects

are located in a municipality with a population of less than 100,000 according to the latest federal decennial census, and within which municipality is located an urban transit hub and a campus of a public research university, as defined in section 1 of P.L.2009, c.308 (C.18A:3B-46); and (viii) \$150,000,000 of credits shall be restricted to qualified residential projects and mixed-use parking projects in Garden State Growth Zones having a population in excess of 125,000 and do not qualify under subparagraph (a) of this paragraph;

(c) \$87,000,000 shall be restricted to the following categories of projects: (i) qualified residential projects located in distressed municipalities, deep poverty pockets, highlands development credit receiving areas or redevelopment areas, otherwise not qualifying pursuant to subparagraph (a) or (b) of this paragraph; and (ii) mixed-use parking projects that do not qualify under subparagraph (a) or (b) of this paragraph, and which are used by an independent institution of higher education, a school of medicine, a nonprofit hospital system, or any combination thereof; provided, however, that \$20,000,000 of the \$87,000,000 shall be allocated to mixed-use parking projects that do not qualify under subparagraph (a) or (b) of this paragraph;

(d) (i) \$16,000,000 shall be restricted to qualified residential projects that are located within a qualifying economic redevelopment and growth grant incentive area otherwise not qualifying under subparagraph (a), (b), or (c) of this paragraph; and

(ii) an additional \$50,000,000 shall be restricted to qualified residential projects which, as of the effective date of P.L.2016, c.51, are located in a city of the first class with a population in excess of 270,000, are subject to a Renewal Contract for a Section 8 Mark-Up-To-Market Project from the United States Department of Housing and Urban Development, and for which an application for the award of tax credits under this subsection was submitted prior to January 1, 2016;

(e) \$25,000,000 shall be restricted to projects involving university infrastructure; and

(f) (Deleted by amendment, P.L.2021, c.160)

(g) \$125,000,000 shall be restricted to applications submitted after the effective date of P.L.2020, c.156 (C.34:1B-269 et al.) for residential projects in any county of the State.

(h) For subparagraphs (a) through (d) of this paragraph, not more than \$40,000,000 of credits shall be awarded to any qualified residential project in a deep poverty pocket or distressed municipality and not more than \$20,000,000 of credits shall be awarded to any other qualified residential project. The developer of a qualified residential project seeking an award of credits towards the funding of its incentive grant shall submit an incentive grant application prior to July 1, 2016 and if approved after September 18, 2013, the effective date of P.L.2013, c.161 (C.52:27D-489p et al.) shall submit a temporary certificate of occupancy for the project no later than December 31, 2023. The developer of a mixed-use parking project seeking an award of credits towards the funding of its incentive grant pursuant to subparagraph (c) of this paragraph and if approved after the effective date of P.L.2015, c.217, shall submit a temporary certificate of occupancy for the project no later than December 31, 2023. The developer of a qualified residential project or a mixed-use parking project seeking an award of credits toward the funding of its incentive grant for a project restricted under categories (vi) and (viii) of subparagraph (b) of this paragraph shall submit an incentive grant application prior to July 1, 2019 or, in the case of a project restricted under category (viii) of subparagraph (b) of this paragraph, December 31, 2021, and if approved after the effective date of P.L.2017, c.59, shall submit a temporary certificate of occupancy for the project no later than June 30, 2028, provided that the municipality in which the project is located shall have submitted to the chief executive officer of the authority a letter of support identifying up to six projects prior to July 1, 2018. The letter of support is to contain a project scope for each of the projects and may be

supplemented or amended from time to time until July 1, 2019 or, in the case of a project restricted under categories (vi) and (viii) of subparagraph (b) of this paragraph, December 31, 2022. A developer may amend the application, or assign the application to a municipal redeveloper, for a project restricted under categories (vi) and (viii) of subparagraph (b) of this paragraph that is described in subparagraph (c) of paragraph (2) of subsection b. of section 3 of P.L.2022, c.75 (C.52:27D-489i1) by excluding the visitor center, youth center, or both from the application, provided that the project otherwise qualifies as a mixed-use parking project, and, notwithstanding any provisions of section 3 of P.L.2022, c.75 (C.52:27D-489i1) or any law or rule to the contrary, the maximum amount of any redevelopment incentive grant for the modified project shall be as set forth for projects described in subparagraph (c) of paragraph (2) of subsection b. of section 3 of P.L.2022, c.75 (C.52:27D-489i1). Applications for tax credits pursuant to this subsection relating to an ancillary infrastructure project or infrastructure improvement in the public right-of-way, or both, shall be accompanied with a letter of support relating to the project or improvement by the governing body or agency in which the project is located. Credits awarded to a developer pursuant to this subsection shall be subject to the same financial and related analysis by the authority, the same term of the grant, and the same mechanism for administering the credits, and shall be utilized or transferred by the developer as if the credits had been awarded to the developer pursuant to section 35 of P.L.2009, c.90 (C.34:1B-209.3) for qualified residential projects thereunder. No portion of the revenues pledged pursuant to the "New Jersey Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.) shall be subject to withholding or retainage for adjustment, in the event the developer or taxpayer waives its rights to claim a refund thereof.

(i) The developer of a project seeking an award of credits for a project restricted under subparagraph (g) of this paragraph shall submit an incentive grant application prior to December 31, 2021, and if approved after the effective date of P.L.2020, c.156 (C.34:1B-269 et al.), shall submit a temporary certificate of occupancy for the project no later than December 31, 2024. In addition to the requirements for an award of credits set forth in P.L.2009, c.90 (C.52:27D-489a et al.), a developer shall be eligible to receive an award of credits for a project restricted under subparagraph (g) of this paragraph only if the developer demonstrates to the authority at that time of application that: (i) the project shall comply with minimum environmental and sustainability standards; (ii) the project shall comply with the authority's affirmative action requirements, adopted pursuant to section 4 of P.L.1979, c.303 (C.34:1B-5.4); (iii) each worker employed by the developer or subcontractor of a developer working at the project shall be paid not less than \$15 per hour or 120 percent of the minimum wage fixed under subsection a. of section 5 of P.L.1966, c.113 (C.34:11-56a4), whichever is higher; and (iv) during the eligibility period, each worker employed to perform construction work or building services work at the project shall be paid not less than the prevailing wage rate for the worker's craft or trade, as determined by the Commissioner of Labor and Workforce Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.) and P.L.2005, c.379 (C.34:11-56.58 et seq.).

Prior to the board considering an application submitted by a developer for a project restricted under subparagraph (g) of this paragraph, the authority shall confirm with the Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury whether the developer is in substantial good standing with the respective department, or has entered into an agreement with the respective department that includes a practical corrective action plan for the developer. The developer, or an authorized agent of the developer, shall certify to the authority that all factual assertions made in the developer's application are true under the penalty of perjury. If at any time the

authority determines that the developer made a material misrepresentation on the developer's application, the developer shall forfeit the award of credits and the authority shall recapture any tax credits awarded to the developer.

(4) A developer may apply to the Director of the Division of Taxation in the Department of the Treasury and the chief executive officer of the authority for a tax credit transfer certificate, if the developer is awarded a tax credit pursuant to paragraph (2) or paragraph (3) of this subsection, covering one or more years, in lieu of the developer being allowed any amount of the credit against the tax liability of the developer. The tax credit transfer certificate, upon receipt thereof by the developer from the director and the chief executive officer of the authority, may be sold or assigned, in full or in part, to any other person who may have a tax liability pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The certificate provided to the developer shall include a statement waiving the developer's right to claim that amount of the credit against the taxes that the developer has elected to sell or assign. The sale or assignment of any amount of a tax credit transfer certificate allowed under this paragraph shall not be exchanged for consideration received by the developer of less than 75 percent of the transferred credit amount before considering any further discounting to present value that may be permitted. Any amount of a tax credit transfer certificate used by a purchaser or assignee against a tax liability shall be subject to the same limitations and conditions that apply to the use of the credit by the developer who originally applied for and was allowed the credit.

c. All administrative costs associated with the incentive grant shall be assessed to the applicant and be retained by the State Treasurer from the annual incentive grant payments.

d. The incremental revenue for the revenues listed in subsection a. of this section shall be calculated as the difference between the amount collected in any fiscal year from any eligible revenue source included in the State redevelopment incentive grant agreement, less the revenue increment base for that eligible revenue.

e. The municipality is authorized to collect any information necessary to facilitate grants under this program and remit that information in order to assist in the calculation of incremental revenue.

3. Section 3 of P.L.2022, c.75 (C.52:27D-489i1) is amended to read as follows:

C.52:27D-489i1 Provisions applied to mixed-used parking project.

3. Notwithstanding any provision of the "New Jersey Economic Stimulus Act of 2009," P.L.2009, c.90 (C.52:27D-489a et al.) to the contrary, the following provisions shall apply to a mixed-use parking project that is restricted under categories (vi) or (viii) of subparagraph (b) of paragraph (3) of subsection b. of section 6 of P.L.2009, c.90 (C.52:27D-489f) and undertaken by a municipal redeveloper after the effective date of P.L.2022, c.75 (C.52:27D-489i1 et al.), for which a redevelopment incentive grant is awarded:

a. A municipal redeveloper shall submit a temporary certificate of occupancy for such proposed mixed-use parking project no later than June 30, 2028.

b. (1) Except as provided in paragraph (2) of this subsection, a redevelopment incentive grant award shall be equal to 100 percent of the total project costs allocated to the parking component of the project and 40 percent of the total project costs allocated to the non-parking component of a proposed mixed-use parking project.

(2) A redevelopment incentive grant award shall be equal to 100 percent of the total project costs allocated to the parking component of the project and 80 percent of the total project costs

allocated to the non-parking component of the mixed-use parking project if the mixed-use parking project is:

(a) constructed upon all or a portion of a project site that was previously the subject of an award of tax credits pursuant to the "Urban Transit Hub Tax Credit Act," P.L.2007, c. 346 (C.34:1B-207 et seq.) or the "New Jersey Economic Stimulus Act of 2009," P.L.2009, c. 90 (C.52:27D-489a et al.), but the tax credits were not issued;

(b) an entertainment venue with seating capacity in excess of 5,000; or

(c) constructed to be utilized by a visitor center or youth center within or adjacent to a national historic park.

c. The terms of any approval, granted by the authority, for a proposed mixed-use parking project undertaken by a municipal redeveloper, which has not yet commenced construction activities other than demolition or site work, may be modified to reflect the terms established pursuant to P.L.2022, c.75 (C.52:27D-489i1 et al.), upon application to the authority for review and approval; provided, however, the developer shall not be required to pay any fee that may be established under law or regulation related to the application for modification. All dates of required action by a municipal redeveloper contained in an approval, granted by the authority, shall be automatically extended by the thirty-month period corresponding to the temporary certificate of occupancy submission date established by subsection a. of this section.

d. All proposed mixed-use parking projects shall comply with Leadership in Energy and Environmental Design (LEED) standards, to the extent that the United States Green Building Council shall have promulgated standards for the project type proposed.

4. This act shall take effect immediately.

Approved September 12, 2024.

SENATE, No. 3097

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED APRIL 11, 2024

Sponsored by:

Senator NELLIE POU

District 35 (Bergen and Passaic)

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

SYNOPSIS

Modifies requirements for certain projects under Economic Redevelopment and Growth Grant program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/28/2024)

1 AN ACT concerning the Economic Redevelopment and Growth
2 Grant program and amending P.L.2009, c.90 and P.L.2022, c.75.

3

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

6

7 1. Section 3 of P.L.2009, c.90 (C.52:27D-489c) is amended to
8 read as follows:

9 3. As used in sections 3 through 18 of P.L.2009, c.90
10 (C.52:27D-489c et al.):

11 "Applicant" means a developer proposing to enter into a
12 redevelopment incentive grant agreement.

13 "Ancillary infrastructure project" means structures or
14 improvements that are located within the incentive area but outside
15 the project area of a redevelopment project, including, but not
16 limited to, docks, bulkheads, parking garages, public electric
17 vehicle charging stations, freight rail spurs, roadway overpasses,
18 and train station platforms, provided a developer or municipal
19 redeveloper has demonstrated that the redevelopment project would
20 not be economically viable or promote the use of public
21 transportation without such improvements, as approved by the State
22 Treasurer.

23 "Authority" means the New Jersey Economic Development
24 Authority established under section 4 of P.L.1974, c.80 (C.34:1B-
25 4).

26 "Aviation district" means all areas within the boundaries of the
27 "Atlantic City International Airport," established pursuant to section
28 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
29 Administration William J. Hughes Technical Center and the area
30 within a one-mile radius of the outermost boundary of the "Atlantic
31 City International Airport" and the Federal Aviation Administration
32 William J. Hughes Technical Center.

33 "Deep poverty pocket" means a population census tract having a
34 poverty level of 20 percent or more, and which is located within the
35 incentive area and has been determined by the authority to be an
36 area appropriate for development and in need of economic
37 development incentive assistance.

38 "Developer" means any person who enters or proposes to enter
39 into a redevelopment incentive grant agreement pursuant to the
40 provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its
41 successors or assignees, including but not limited to a lender that
42 completes a redevelopment project, operates a redevelopment
43 project, or completes and operates a redevelopment project. A
44 developer also may be a municipal redeveloper as defined herein or
45 Rutgers, the State University of New Jersey.

46 "Director" means the Director of the Division of Taxation in the
47 Department of the Treasury.

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 "Disaster recovery project" means a redevelopment project
2 located on property that has been wholly or substantially damaged
3 or destroyed as a result of a federally-declared disaster, and which
4 is located within the incentive area and has been determined by the
5 authority to be in an area appropriate for development and in need
6 of economic development incentive assistance.

7 "Distressed municipality" means a municipality that is qualified
8 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
9 municipality under the supervision of the Local Finance Board
10 pursuant to the provisions of the "Local Government Supervision
11 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
12 identified by the Director of the Division of Local Government
13 Services in the Department of Community Affairs to be facing
14 serious fiscal distress, a SDA municipality, or a municipality in
15 which a major rail station is located.

16 "Electric vehicle charging station" means an electric component
17 assembly or cluster of component assemblies designed specifically
18 to charge batteries within electric vehicles by permitting the transfer
19 of electric energy to a battery or other storage device in an electric
20 vehicle.

21 "Eligibility period" means the period of time specified in a
22 redevelopment incentive grant agreement for the payment of
23 reimbursements to a developer, which period shall not exceed 20
24 years, with the term to be determined solely at the discretion of the
25 applicant.

26 "Eligible revenue" means the property tax increment and any
27 other incremental revenues set forth in section 11 of P.L.2009, c.90
28 (C.52:27D-489k), except in the case of a Garden State Growth
29 Zone, in which the property tax increment and any other
30 incremental revenues are calculated as those incremental revenues
31 that would have existed notwithstanding the provisions of the "New
32 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
33 (C.52:27D-489p et al.).

34 "Garden State Growth Zone" or "growth zone" means the four
35 New Jersey cities with the lowest median family income based on
36 the 2009 American Community Survey from the US Census, (Table
37 708. Household, Family, and Per Capita Income and Individuals,
38 and Families Below Poverty Level by City: 2009); a municipality
39 which contains a Tourism District as established pursuant to section
40 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
41 Reinvestment Development Authority; or an aviation district.

42 "Highlands development credit receiving area or redevelopment
43 area" means an area located within an incentive area and designated
44 by the Highlands Council for the receipt of Highlands Development
45 Credits under the Highlands Transfer Development Rights Program
46 authorized under section 13 of P.L.2004, c.120 (C.13:20-13).

47 "Incentive grant" means reimbursement of all or a portion of the
48 project financing gap of a redevelopment project through the State

1 or a local Economic Redevelopment and Growth Grant program
2 pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d
3 or C.52:27D-489e).

4 "Infrastructure improvements in the public right-of-way" mean
5 public structures or improvements, including public electric vehicle
6 charging stations, located in the public right-of-way that are located
7 within a project area or that constitute an ancillary infrastructure
8 project, either of which are dedicated to or owned by a
9 governmental body or agency upon completion, or any required
10 payment in lieu of the structures, improvements or projects, or any
11 costs of remediation associated with the structures, improvements
12 or projects, and that are determined by the authority, in consultation
13 with applicable State agencies, to be consistent with and in
14 furtherance of State public infrastructure objectives and initiatives.

15 "Low-income housing" means housing affordable according to
16 federal Department of Housing and Urban Development or other
17 recognized standards for home ownership and rental costs and
18 occupied or reserved for occupancy by households with a gross
19 household income equal to 50 percent or less of the median gross
20 household income for households of the same size within the
21 housing region in which the housing is located.

22 "Major rail station" means a railroad station located within a
23 qualified incentive area which provides access to the public to a
24 minimum of six rail passenger service lines operated by the New
25 Jersey Transit Corporation.

26 "Mixed use parking project" means a redevelopment project, the
27 parking component of which shall constitute 51 percent or more of
28 any of the following:

- 29 a. the total square footage of the entire mixed use parking
30 project;
- 31 b. the estimated revenues of the entire mixed use parking
32 project; or
- 33 c. the total construction cost of the entire mixed use parking
34 project.

35 "Moderate-income housing" means housing affordable,
36 according to United States Department of Housing and Urban
37 Development or other recognized standards for home ownership
38 and rental costs, and occupied or reserved for occupancy by
39 households with a gross household income equal to more than 50
40 percent but less than 80 percent of the median gross household
41 income for households of the same size within the housing region in
42 which the housing is located.

43 "Municipal redeveloper" means an applicant for a redevelopment
44 incentive grant agreement, which applicant is:

- 45 a. a municipal government, a municipal parking authority, or a
46 redevelopment agency acting on behalf of a municipal government
47 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or

1 b. a developer of a mixed use parking project, provided that the
2 parking component of the mixed use parking project is operated and
3 maintained by a municipal parking authority for the term of any
4 financial assistance granted pursuant to P.L.2015, c.69.

5 "Municipal Revitalization Index" means the 2007 index by the
6 Office of Planning Advocacy within the Department of State
7 measuring or ranking municipal distress.

8 "Non-parking component" means that portion of a mixed use
9 parking project not used for parking, together with the portion of
10 the costs of the mixed use parking project, including but not limited
11 to the footings, foundations, site work, infrastructure, and soft costs
12 that are allocable to the non-parking use.

13 "Parking component" means that portion of a mixed use parking
14 project used for parking, together with the portion of the costs of
15 the mixed use parking project, including but not limited to the
16 footings, foundations, site work, infrastructure, and soft costs that
17 are allocable to the parking use. The parking component, which
18 may include enclosed pedestrian walkways or a skybridge, may be
19 in the same structure as all the non-parking components or may be
20 in a structure with some non-parking components with the
21 remaining non-parking components in an adjacent or nearby
22 structure that is no more than one third of a mile from the parking
23 components.

24 "Project area" means land or lands located within the incentive
25 area under common ownership or control including through a
26 redevelopment agreement with a municipality, or as otherwise
27 established by a municipality or a redevelopment agreement
28 executed by a State entity to implement a redevelopment project.

29 "Project cost" means the costs incurred in connection with the
30 redevelopment project by the developer until the issuance of a
31 permanent certificate of occupancy, or until such other time
32 specified by the authority, for a specific investment or
33 improvement, including the costs relating to: receiving Highlands
34 Development Credits under the Highlands Transfer Development
35 Rights Program authorized pursuant to section 13 of P.L.2004,
36 c.120 (C.13:20-13), lands, buildings, improvements, real or
37 personal property, or any interest therein, including leases
38 discounted to present value, including lands under water, riparian
39 rights, space rights and air rights acquired, owned, developed or
40 redeveloped, constructed, reconstructed, rehabilitated or improved,
41 and any environmental remediation costs], plus costs not directly
42 related to construction, of an amount not to exceed 20 percent of the
43 total costs], capitalized interest paid to third parties, which for
44 purposes of this definition shall be deemed to be costs directly
45 related to construction, the funding of a debt service reserve fund,
46 **[and]** the cost of infrastructure improvements, including ancillary
47 infrastructure projects, and an amount not to exceed 20 percent of
48 the total project cost for costs not directly related to construction,

1 and, for projects located in a Garden State Growth Zone only, the
2 cost of infrastructure improvements, including any ancillary
3 infrastructure project and the amount by which total project cost
4 exceeds the cost of an alternative location for the redevelopment
5 project, but excluding any particular costs for which the project has
6 received federal, State, or local funding. In the case of a mixed use
7 parking project that is undertaken by a municipal redeveloper and
8 that did not commence construction before the declaration of the
9 COVID-19 public health emergency on March 9, 2020, project
10 costs may include, in the discretion of the chief executive officer of
11 the authority consistent with applicable law, the cost or value of
12 land, demolition, and equity contributions, as well as any particular
13 costs for which the project has received State or local funding.

14 "Project financing gap" means:

15 a. the part of the total project cost, including return on
16 investment, that remains to be financed after all other sources of
17 capital have been accounted for, including, but not limited to,
18 developer-contributed capital, which shall not be less than 20
19 percent of the total project cost, which may include the value of any
20 existing land and improvements in the project area owned or
21 controlled by the developer, and the cost of infrastructure
22 improvements in the public right-of-way, subject to review by the
23 State Treasurer, and investor or financial entity capital or loans for
24 which the developer, after making all good faith efforts to raise
25 additional capital, certifies that additional capital cannot be raised
26 from other sources on a non-recourse basis; and

27 b. the amount by which total project cost exceeds the cost of an
28 alternative location for the out-of-State redevelopment project.

29 "Project revenue" means all rents, fees, sales, and payments
30 generated by a project, less taxes or other government payments.

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

32 a. multiplying the general tax rate levied each year by the
33 taxable value of all the property assessed within a project area in
34 the same year, excluding any special assessments; and

35 b. multiplying that product by a fraction having a numerator
36 equal to the taxable value of all the property assessed within the
37 project area, minus the property tax increment base, and having a
38 denominator equal to the taxable value of all property assessed
39 within the project area.

40 For the purpose of this definition, "property tax increment base"
41 means the aggregate taxable value of all property assessed which is
42 located within the redevelopment project area as of October 1st of
43 the year preceding the year in which the redevelopment incentive
44 grant agreement is authorized.

45 "Public electric vehicle charging station" means an electric
46 vehicle charging station located at a publicly available parking
47 space.

1 "Public hydrogen fueling station" means publicly available
2 equipment to store and dispense hydrogen fuel to vehicles
3 according to industry codes and standards.

4 "Publicly available parking space" means a parking space that is
5 available to, and accessible by, the public and may include on-street
6 parking spaces and parking spaces in surface lots or parking
7 garages, but shall not include: a parking space that is part of, or
8 associated with, a private residence; or a parking space that is
9 reserved for the exclusive use of an individual driver or vehicle or
10 for a group of drivers or vehicles, such as employees, tenants,
11 visitors, residents of a common interest development, or residents
12 of an adjacent building.

13 "Qualified incubator facility" means a commercial building
14 located within an incentive area: which contains 100,000 or more
15 square feet of office, laboratory, or industrial space; which is
16 located near, and presents opportunities for collaboration with, a
17 research institution, teaching hospital, college, or university; and
18 within which, at least 75 percent of the gross leasable area is
19 restricted for use by one or more technology startup companies
20 during the commitment period.

21 "Qualified residential project" means a redevelopment project
22 that is predominantly residential and includes multi-family
23 residential units for purchase or lease, or dormitory units for
24 purchase or lease, having a total project cost of at least
25 \$17,500,000, if the project is located in any municipality with a
26 population greater than 200,000 according to the latest federal
27 decennial census, or having a total project cost of at least
28 \$10,000,000 if the project is located in any municipality with a
29 population less than 200,000 according to the latest federal
30 decennial census, or is a disaster recovery project, or having a total
31 project cost of \$5,000,000 if the project is in a Garden State Growth
32 Zone.

33 "Qualifying economic redevelopment and growth grant incentive
34 area" or "incentive area" means:

- 35 a. an aviation district;
36 b. a port district;
37 c. a distressed municipality; or
38 d. an area (1) designated pursuant to the "State Planning Act,"
39 P.L.1985, c.398 (C.52:18A-196 et seq.), as:

- 40 (a) Planning Area 1 (Metropolitan);
41 (b) Planning Area 2 (Suburban); or
42 (c) Planning Area 3 (Fringe Planning Area);

43 (2) located within a smart growth area and planning area
44 designated in a master plan adopted by the New Jersey
45 Meadowlands Commission pursuant to subsection (i) of section 6 of
46 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
47 adopted by the New Jersey Meadowlands Commission pursuant to
48 section 20 of P.L.1968, c.404 (C.13:17-21);

1 (3) located within any land owned by the New Jersey Sports and
2 Exposition Authority, established pursuant to P.L.1971, c.137
3 (C.5:10-1 et seq.), within the boundaries of the Hackensack
4 Meadowlands District as delineated in section 4 of P.L.1968, c.404
5 (C.13:17-4);

6 (4) located within a regional growth area, rural development area
7 zoned for industrial use as of the effective date of P.L.2016, c.75,
8 town, village, or a military and federal installation area designated
9 in the comprehensive management plan prepared and adopted by
10 the Pinelands Commission pursuant to the "Pinelands Protection
11 Act," P.L.1979, c.111 (C.13:18A-1 et seq.);

12 (5) located within the planning area of the Highlands Region as
13 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a
14 highlands development credit receiving area or redevelopment area;

15 (6) located within a Garden State Growth Zone;

16 (7) located within land approved for closure under any federal
17 Base Closure and Realignment Commission action; or

18 (8) located only within the following portions of the areas
19 designated pursuant to the "State Planning Act," P.L.1985, c.398
20 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
21 Planning Area 4B (Rural/Environmentally Sensitive) or Planning
22 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
23 Planning Area), Planning Area 4B (Rural/Environmentally
24 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
25 located within:

26 (a) a designated center under the State Development and
27 Redevelopment Plan;

28 (b) a designated growth center in an endorsed plan until the State
29 Planning Commission revises and readopts New Jersey's State
30 Strategic Plan and adopts regulations to revise this definition as it
31 pertains to Statewide planning areas;

32 (c) any area determined to be in need of redevelopment pursuant
33 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and
34 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of
35 P.L.1992, c.79 (C.40A:12A-14);

36 (d) any area on which a structure exists or previously existed
37 including any desired expansion of the footprint of the existing or
38 previously existing structure provided the expansion otherwise
39 complies with all applicable federal, State, county, and local
40 permits and approvals;

41 (e) the planning area of the Highlands Region as defined in
42 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
43 development credit receiving area or redevelopment area; or

44 (f) any area on which an existing tourism destination project is
45 located.

46 "Qualifying economic redevelopment and growth grant incentive
47 area" or "incentive area" shall not include any property located
48 within the preservation area of the Highlands Region as defined in

1 the "Highlands Water Protection and Planning Act," P.L.2004,
2 c.120 (C.13:20-1 et al.).

3 "Redevelopment incentive grant agreement" means an agreement
4 between:

5 a. the State and the New Jersey Economic Development
6 Authority and a developer; or

7 b. a municipality and a developer, or a municipal ordinance
8 authorizing a project to be undertaken by a municipal redeveloper,
9 under which, in exchange for the proceeds of an incentive grant, the
10 developer agrees to perform any work or undertaking necessary for
11 a redevelopment project, including the clearance, development or
12 redevelopment, construction, or rehabilitation of any structure or
13 improvement of commercial, industrial, residential, or public
14 structures or improvements within a qualifying economic
15 redevelopment and growth grant incentive area or a transit village.

16 "Redevelopment project" means a specific construction project
17 or improvement, including lands, buildings, improvements, real and
18 personal property or any interest therein, including lands under
19 water, riparian rights, space rights and air rights, acquired, owned,
20 leased, developed or redeveloped, constructed, reconstructed,
21 rehabilitated or improved, undertaken by a developer, owner or
22 tenant, or both, within a project area and any ancillary infrastructure
23 project including infrastructure improvements in the public right-of-
24 way, as set forth in an application to be made to the authority. The
25 use of the term "redevelopment project" in sections 3 through 18 of
26 P.L.2009, c.90 (C.52:27D-489c et al.) shall not be limited to only
27 redevelopment projects located in areas determined to be in need of
28 redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79
29 (C.40A:12A-5 and C.40A:12A-6) but shall also include, but not be
30 limited to, any work or undertaking in accordance with the
31 "Redevelopment Area Bond Financing Law," sections 1 through 10
32 of P.L.2001, c.310 (C.40A:12A-64 et seq.) or other applicable law,
33 pursuant to a redevelopment plan adopted by a State entity, or as
34 described in the resolution adopted by a public entity created by
35 State law with the power to adopt a redevelopment plan or
36 otherwise determine the location, type and character of a
37 redevelopment project or part of a redevelopment project on land
38 owned or controlled by it or within its jurisdiction, including but
39 not limited to, the New Jersey Meadowlands Commission
40 established pursuant to P.L.1968, c.404 (C.13:17-1 et seq.), the
41 New Jersey Sports and Exposition Authority established pursuant to
42 P.L.1971 c.137 (C.5:10-1 et seq.) and the Fort Monmouth
43 Economic Revitalization Authority created pursuant to P.L.2010,
44 c.51 (C.52:27I-18 et seq.). A redevelopment project may include
45 the development of zero-emission vehicle fueling and charging
46 infrastructure.

47 "Redevelopment utility" means a self-liquidating fund created by
48 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-

1 489l) to account for revenues collected and incentive grants paid
2 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
3 revenues dedicated to a redevelopment project.

4 "Revenue increment base" means the amounts of all eligible
5 revenues from sources within the redevelopment project area in the
6 calendar year proceeding the year in which the redevelopment
7 incentive grant agreement is executed, as certified by the State
8 Treasurer for State revenues, and the chief financial officer of the
9 municipality for municipal revenues.

10 "SDA district" means an SDA district as defined in section 3 of
11 P.L.2000, c.72 (C.18A:7G-3).

12 "SDA municipality" means a municipality in which an SDA
13 district is situated.

14 "Technology startup company" means a for profit business that
15 has been in operation fewer than five years and is developing or
16 possesses a proprietary technology or business method of a high-
17 technology or life science-related product, process, or service which
18 the business intends to move to commercialization.

19 "Tourism destination project" means a redevelopment project
20 that will be among the most visited privately owned or operated
21 tourism or recreation sites in the State, and which is located within
22 the incentive area and has been determined by the authority to be in
23 an area appropriate for development and in need of economic
24 development incentive assistance.

25 "Transit project" means a redevelopment project located within a
26 1/2-mile radius, or one-mile radius for projects located in a Garden
27 State Growth Zone, surrounding the mid-point of a New Jersey
28 Transit Corporation, Port Authority Transit Corporation, or Port
29 Authority Trans-Hudson Corporation rail, bus, or ferry station
30 platform area, including all light rail stations.

31 "Transit village" means a community with a bus, train, light rail,
32 or ferry station that has developed a plan to achieve its economic
33 development and revitalization goals and has been designated by
34 the New Jersey Department of Transportation as a transit village.

35 "University infrastructure" means any of the following located
36 on the campus of Rutgers, the State University of New Jersey:

37 a. buildings and structures, such as academic buildings,
38 recreation centers, indoor athletic facilities, public works garages,
39 and water and sewer treatment and pumping facilities;

40 b. open space with improvements, such as athletic fields and
41 other outdoor athletic facilities, planned commons, and parks; and

42 c. transportation facilities, such as bus shelters and parking
43 facilities.

44 "Urban transit hub" means an urban transit hub, as defined in
45 section 2 of P.L.2007, c.346 (C.34:1B-208), that is located within
46 an eligible municipality, as defined in section 2 of P.L.2007, c.346
47 (C.34:1B-208), or all light rail stations and property located within
48 a one-mile radius of the mid-point of the platform area of such a

1 rail, bus, or ferry station if the property is in a qualified
2 municipality under the "Municipal Rehabilitation and Economic
3 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.).

4 "Vacant commercial building" means any commercial building
5 or complex of commercial buildings having over 400,000 square
6 feet of office, laboratory, or industrial space that is more than 70
7 percent unoccupied at the time of application to the authority or is
8 negatively impacted by the approval of a "qualified business
9 facility," as defined pursuant to section 2 of P.L.2007, c.346
10 (C.34:1B-208), or any vacant commercial building in a Garden
11 State Growth Zone having over 35,000 square feet of office,
12 laboratory, or industrial space, or over 200,000 square feet of
13 office, laboratory, or industrial space in Atlantic, Burlington,
14 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
15 counties available for occupancy for a period of over one year.

16 "Vacant health facility project" means a redevelopment project
17 where a health facility, as defined by section 2 of P.L.1971, c.136
18 (C.26:2H-2), currently exists and is considered vacant. A health
19 facility shall be considered vacant if at least 70 percent of that
20 facility has not been open to the public or utilized to serve any
21 patients at the time of application to the authority.

22 "Zero-emission vehicle" means a vehicle certified as a zero
23 emission vehicle pursuant to the California Air Resources Board
24 zero emission vehicle standards for the applicable model year,
25 including but not limited to, battery electric-powered vehicles and
26 hydrogen fuel cell vehicles.

27 "Zero-emission vehicle fueling and charging infrastructure"
28 means infrastructure to charge or fuel zero-emission vehicles,
29 including but not limited to, public electric vehicle charging
30 stations and public hydrogen fueling stations.

31 (cf: P.L.2022, c.75, s.1)

32

33 2. Section 6 of P.L.2009, c.90 (C.52:27D-489f) is amended to
34 read as follows:

35 6. a. Up to the limits established in subsection b. of this
36 section and in accordance with a redevelopment incentive grant
37 agreement, beginning upon the receipt of occupancy permits for any
38 portion of the redevelopment project, or upon any other event
39 evidencing project completion as set forth in the incentive grant
40 agreement, the State Treasurer shall pay to the developer
41 incremental State revenues directly realized from businesses
42 operating at the site of the redevelopment project from the
43 following taxes: the Corporation Business Tax Act (1945),
44 P.L.1945, c.162 (C.54:10A-1 et seq.), the tax imposed on marine
45 insurance companies pursuant to R.S.54:16-1 et seq., the tax
46 imposed on insurers generally, pursuant to P.L.1945, c.132
47 (C.54:18A-1 et seq.), the public utility franchise tax, public utilities
48 gross receipts tax and public utility excise tax imposed on sewerage

1 and water corporations pursuant to P.L.1940, c.5 (C.54:30A-49 et
2 seq.), those tariffs and charges imposed by electric, natural gas,
3 telecommunications, water and sewage utilities, and cable television
4 companies under the jurisdiction of the New Jersey Board of Public
5 Utilities, or comparable entity, except for those tariffs, fees, or taxes
6 related to societal benefits charges assessed pursuant to section 12
7 of P.L.1999, c.23 (C.48:3-60), any charges paid for compliance
8 with the "Global Warming Response Act," P.L.2007, c.112
9 (C.26:2C-37 et seq.), transitional energy facility assessment unit
10 taxes paid pursuant to section 67 of P.L.1997, c.162 (C.48:2-21.34),
11 and the sales and use taxes on public utility and cable television
12 services and commodities, the tax derived from net profits from
13 business, a distributive share of partnership income, or a pro rata
14 share of S corporation income under the "New Jersey Gross Income
15 Tax Act," N.J.S.54A:1-1 et seq., the tax derived from a business at
16 the site of a redevelopment project that is required to collect the tax
17 pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-
18 1 et seq.), the tax imposed pursuant to P.L.1966, c.30 (C.54:32B-1
19 et seq.) from the purchase of furniture, fixtures and equipment, or
20 materials for the remediation, the construction of new structures at
21 the site of a redevelopment project, the hotel and motel occupancy
22 fee imposed pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1),
23 or the portion of the fee imposed pursuant to section 3 of P.L.1968,
24 c.49 (C.46:15-7) derived from the sale of real property at the site of
25 the redevelopment project and paid to the State Treasurer for use by
26 the State, that is not credited to the "Shore Protection Fund" or the
27 "Neighborhood Preservation Nonlapsing Revolving Fund" ("New
28 Jersey Affordable Housing Trust Fund") pursuant to section 4 of
29 P.L.1968, c.49 (C.46:15-8). Any developer shall be allowed to
30 assign their ability to apply for the tax credit under this subsection
31 to a non-profit organization with a mission dedicated to attracting
32 investment and completing development and redevelopment
33 projects in a Garden State Growth Zone. The non-profit
34 organization may make an application on behalf of a developer
35 which meets the requirements for the tax credit, or a group of non-
36 qualifying developers, such that these will be considered a unified
37 project for the purposes of the incentives provided under this
38 section.

39 b. (1) (a) Up to an average of 75 percent of the projected
40 annual incremental revenues or 85 percent of the projected annual
41 incremental revenues in a Garden State Growth Zone may be
42 pledged towards the State portion of an incentive grant.

43 (b) State incentive grants not to exceed an aggregate total value
44 of \$75,000,000 shall be made available by the authority for
45 applications submitted after the effective date of P.L.2020, c.156,
46 but prior to December 31, 2021, for projects that are predominantly
47 commercial and contain 100,000 or more square feet of office and
48 retail space, or industrial space for purchase or lease, and may

1 include a parking component. The developer of a project seeking
2 an award of credits for a project restricted under this subparagraph
3 shall submit an incentive grant application prior to December 31,
4 2021, and if approved after the effective date of P.L.2020, c.156,
5 shall submit a temporary certificate of occupancy for the project no
6 later than December 31, 2024. In addition to the requirements for
7 an incentive award set forth in P.L.2009, c.90 (C.52:27D-489a et
8 al.), a developer shall be eligible to receive an award of credits for a
9 project restricted under this subparagraph only if the developer
10 demonstrates to the authority at that time of application that: (i) the
11 project shall comply with minimum environmental and
12 sustainability standards; (ii) the project shall comply with the
13 authority's affirmative action requirements, adopted pursuant to
14 section 4 of P.L.1979, c.303 (C.34:1B-5.4); (iii) each worker
15 employed by the developer, or subcontractor of a developer
16 working at the project, shall be paid not less than \$15 per hour or
17 120 percent of the minimum wage fixed under subsection a. of
18 section 5 of P.L.1966, c.113 (C.34:11-56a4), whichever is higher;
19 and (iv) during the eligibility period, each worker employed to
20 perform construction work or building services work at the project
21 shall be paid not less than the prevailing wage rate for the worker's
22 craft or trade, as determined by the Commissioner of Labor and
23 Workforce Development pursuant to P.L.1963, c.150 (C.34:11-
24 56.25 et seq.) and P.L.2005, c.379 (C.34:11-56.58 et seq.).

25 (2) In the case of a qualified residential project or a project
26 involving university infrastructure, if the authority determines that
27 the estimated amount of incremental revenues pledged towards the
28 State portion of an incentive grant is inadequate to fully fund the
29 amount of the State portion of the incentive grant, then in lieu of an
30 incentive grant based on the incremental revenues, the developer
31 shall be awarded tax credits equal to the full amount of the
32 incentive grant.

33 (3) In the case of a mixed use parking project, if the authority
34 determines that the estimated amount of incremental revenues
35 pledged towards the State portion of an incentive grant is
36 inadequate to fully fund the amount of the State portion of the
37 incentive grant, then, in lieu of an incentive grant based on the
38 incremental revenues, the developer shall be awarded tax credits
39 equal to the full amount of the incentive grant.

40 The value of all credits approved by the authority pursuant to
41 paragraphs (2) and (3) of this subsection shall not exceed
42 \$993,000,000, of which:

43 (a) \$250,000,000 shall be restricted to qualified residential
44 projects within Atlantic, Burlington, Camden, Cape May,
45 Cumberland, Gloucester, Ocean, and Salem counties, of which
46 \$175,000,000 of the credits shall be restricted to the following
47 categories of projects: (i) qualified residential projects located in a
48 Garden State Growth Zone located within the aforementioned

1 counties; and (ii) mixed use parking projects located in a Garden
2 State Growth Zone or urban transit hub located within the
3 aforementioned counties; (iii) and \$75,000,000 of the credits shall
4 be restricted to qualified residential projects in municipalities with a
5 2007 Municipal Revitalization Index of 400 or higher as of the date
6 of enactment of the "New Jersey Economic Opportunity Act of
7 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located within
8 the aforementioned counties;

9 (b) \$440,000,000 shall be restricted to the following categories
10 of projects: (i) qualified residential projects located in urban transit
11 hubs that are commuter rail in nature that otherwise do not qualify
12 under subparagraph (a) of this paragraph; (ii) qualified residential
13 projects located in Garden State Growth Zones that do not qualify
14 under subparagraph (a) of this paragraph; (iii) mixed use parking
15 projects located in urban transit hubs or Garden State Growth Zones
16 that do not qualify under subparagraph (a) of this paragraph,
17 provided however, an urban transit hub shall be allocated no more
18 than \$25,000,000 for mixed use parking projects; (iv) qualified
19 residential projects which are disaster recovery projects that
20 otherwise do not qualify under subparagraph (a) of this paragraph;
21 (v) qualified residential projects in SDA municipalities located in
22 Hudson County that were awarded State Aid in State Fiscal Year
23 2013 through the Transitional Aid to Localities program and
24 otherwise do not qualify under subparagraph (a) of this paragraph;
25 (vi) \$25,000,000 of credits shall be restricted to mixed use parking
26 projects in Garden State Growth Zones which have a population in
27 excess of 125,000 and do not qualify under subparagraph (a) of this
28 paragraph; (vii) \$40,000,000 of credits shall be restricted to
29 qualified residential projects that include a theater venue for the
30 performing arts and do not qualify under subparagraph (a) of this
31 paragraph, which projects are located in a municipality with a
32 population of less than 100,000 according to the latest federal
33 decennial census, and within which municipality is located an urban
34 transit hub and a campus of a public research university, as defined
35 in section 1 of P.L.2009, c.308 (C.18A:3B-46); and (viii)
36 \$150,000,000 of credits shall be restricted to qualified residential
37 projects and mixed use parking projects in Garden State Growth
38 Zones having a population in excess of 125,000 and do not qualify
39 under subparagraph (a) of this paragraph;

40 (c) \$87,000,000 shall be restricted to the following categories of
41 projects: (i) qualified residential projects located in distressed
42 municipalities, deep poverty pockets, highlands development credit
43 receiving areas or redevelopment areas, otherwise not qualifying
44 pursuant to subparagraph (a) or (b) of this paragraph; and (ii) mixed
45 use parking projects that do not qualify under subparagraph (a) or
46 (b) of this paragraph, and which are used by an independent
47 institution of higher education, a school of medicine, a nonprofit
48 hospital system, or any combination thereof; provided, however,

1 that \$20,000,000 of the \$87,000,000 shall be allocated to mixed use
2 parking projects that do not qualify under subparagraph (a) or (b) of
3 this paragraph;

4 (d) (i) \$16,000,000 shall be restricted to qualified residential
5 projects that are located within a qualifying economic
6 redevelopment and growth grant incentive area otherwise not
7 qualifying under subparagraph (a), (b), or (c) of this paragraph; and

8 (ii) an additional \$50,000,000 shall be restricted to qualified
9 residential projects which, as of the effective date of P.L.2016, c.51,
10 are located in a city of the first class with a population in excess of
11 270,000, are subject to a Renewal Contract for a Section 8 Mark-
12 Up-To-Market Project from the United States Department of
13 Housing and Urban Development, and for which an application for
14 the award of tax credits under this subsection was submitted prior to
15 January 1, 2016;

16 (e) \$25,000,000 shall be restricted to projects involving
17 university infrastructure; and

18 (f) (Deleted by amendment, P.L.2021, c.160)

19 (g) \$125,000,000 shall be restricted to applications submitted
20 after the effective date of P.L.2020, c.156 (C.34:1B-269 et al.) for
21 residential projects in any county of the State.

22 (h) For subparagraphs (a) through (d) of this paragraph, not
23 more than \$40,000,000 of credits shall be awarded to any qualified
24 residential project in a deep poverty pocket or distressed
25 municipality and not more than \$20,000,000 of credits shall be
26 awarded to any other qualified residential project. The developer of
27 a qualified residential project seeking an award of credits towards
28 the funding of its incentive grant shall submit an incentive grant
29 application prior to July 1, 2016 and if approved after September
30 18, 2013, the effective date of P.L.2013, c.161 (C.52:27D-489p et
31 al.) shall submit a temporary certificate of occupancy for the project
32 no later than December 31, 2023. The developer of a mixed use
33 parking project seeking an award of credits towards the funding of
34 its incentive grant pursuant to subparagraph (c) of this paragraph
35 and if approved after the effective date of P.L.2015, c.217, shall
36 submit a temporary certificate of occupancy for the project no later
37 than December 31, 2023. The developer of a qualified residential
38 project or a mixed use parking project seeking an award of credits
39 toward the funding of its incentive grant for a project restricted
40 under categories (vi) and (viii) of subparagraph (b) of this
41 paragraph shall submit an incentive grant application prior to July
42 1, 2019 or, in the case of a project restricted under category (viii) of
43 subparagraph (b) of this paragraph, December 31, 2021, and if
44 approved after the effective date of P.L.2017, c.59, shall submit a
45 temporary certificate of occupancy for the project no later than June
46 30, **[2026]** 2028 provided that the municipality in which the project
47 is located shall have submitted to the chief executive officer of the
48 authority a letter of support identifying up to six projects prior to

1 July 1, 2018. The letter of support is to contain a project scope for
2 each of the projects and may be supplemented or amended from
3 time to time until July 1, 2019 or, in the case of a project restricted
4 under categories (vi) and (viii) of subparagraph (b) of this
5 paragraph, December 31, 2022. A developer may amend the
6 application, or assign the application to a municipal redeveloper, for
7 a project restricted under categories (vi) and (viii) of subparagraph
8 (b) of this paragraph that is described in subparagraph (c) of
9 paragraph (2) of subsection b. of section 3 of P.L.2022, c.75
10 (C.52:27D-489i1) by excluding the visitor center, youth center, or
11 both from the application, provided that the project otherwise
12 qualifies as a mixed use parking project, and, notwithstanding any
13 provisions of section 3 of P.L.2022, c.75 (C.52:27D-489i1) or any
14 law or rule to the contrary, the maximum amount of any
15 redevelopment incentive grant for the modified project shall be as
16 set forth for projects described in subparagraph (c) of paragraph (2)
17 of subsection b. of section 3 of P.L.2022, c.75 (C.52:27D-489i1).
18 Applications for tax credits pursuant to this subsection relating to
19 an ancillary infrastructure project or infrastructure improvement in
20 the public right-of-way, or both, shall be accompanied with a letter
21 of support relating to the project or improvement by the governing
22 body or agency in which the project is located. Credits awarded to
23 a developer pursuant to this subsection shall be subject to the same
24 financial and related analysis by the authority, the same term of the
25 grant, and the same mechanism for administering the credits, and
26 shall be utilized or transferred by the developer as if the credits had
27 been awarded to the developer pursuant to section 35 of P.L.2009,
28 c.90 (C.34:1B-209.3) for qualified residential projects thereunder.
29 No portion of the revenues pledged pursuant to the "New Jersey
30 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-
31 489p et al.) shall be subject to withholding or retainage for
32 adjustment, in the event the developer or taxpayer waives its rights
33 to claim a refund thereof.

34 (i) The developer of a project seeking an award of credits for a
35 project restricted under subparagraph (g) of this paragraph shall
36 submit an incentive grant application prior to December 31, 2021,
37 and if approved after the effective date of P.L.2020, c.156
38 (C.34:1B-269 et al.), shall submit a temporary certificate of
39 occupancy for the project no later than December 31, 2024. In
40 addition to the requirements for an award of credits set forth in
41 P.L.2009, c.90 (C.52:27D-489a et al.), a developer shall be eligible
42 to receive an award of credits for a project restricted under
43 subparagraph (g) of this paragraph only if the developer
44 demonstrates to the authority at that time of application that: (i) the
45 project shall comply with minimum environmental and
46 sustainability standards; (ii) the project shall comply with the
47 authority's affirmative action requirements, adopted pursuant to
48 section 4 of P.L.1979, c.303 (C.34:1B-5.4); (iii) each worker

1 employed by the developer or subcontractor of a developer working
2 at the project shall be paid not less than \$15 per hour or 120 percent
3 of the minimum wage fixed under subsection a. of section 5 of
4 P.L.1966, c.113 (C.34:11-56a4), whichever is higher; and (iv)
5 during the eligibility period, each worker employed to perform
6 construction work or building services work at the project shall be
7 paid not less than the prevailing wage rate for the worker's craft or
8 trade, as determined by the Commissioner of Labor and Workforce
9 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.)
10 and P.L.2005, c.379 (C.34:11-56.58 et seq.).

11 Prior to the board considering an application submitted by a
12 developer for a project restricted under subparagraph (g) of this
13 paragraph, the authority shall confirm with the Department of Labor
14 and Workforce Development, the Department of Environmental
15 Protection, and the Department of the Treasury whether the
16 developer is in substantial good standing with the respective
17 department, or has entered into an agreement with the respective
18 department that includes a practical corrective action plan for the
19 developer. The developer, or an authorized agent of the developer,
20 shall certify to the authority that all factual assertions made in the
21 developer's application are true under the penalty of perjury. If at
22 any time the authority determines that the developer made a
23 material misrepresentation on the developer's application, the
24 developer shall forfeit the award of credits and the authority shall
25 recapture any tax credits awarded to the developer.

26 (4) A developer may apply to the Director of the Division of
27 Taxation in the Department of the Treasury and the chief executive
28 officer of the authority for a tax credit transfer certificate, if the
29 developer is awarded a tax credit pursuant to paragraph (2) or
30 paragraph (3) of this subsection, covering one or more years, in lieu
31 of the developer being allowed any amount of the credit against the
32 tax liability of the developer. The tax credit transfer certificate,
33 upon receipt thereof by the developer from the director and the
34 chief executive officer of the authority, may be sold or assigned, in
35 full or in part, to any other person who may have a tax liability
36 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
37 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1
38 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The certificate
39 provided to the developer shall include a statement waiving the
40 developer's right to claim that amount of the credit against the taxes
41 that the developer has elected to sell or assign. The sale or
42 assignment of any amount of a tax credit transfer certificate allowed
43 under this paragraph shall not be exchanged for consideration
44 received by the developer of less than 75 percent of the transferred
45 credit amount before considering any further discounting to present
46 value that may be permitted. Any amount of a tax credit transfer
47 certificate used by a purchaser or assignee against a tax liability
48 shall be subject to the same limitations and conditions that apply to

1 the use of the credit by the developer who originally applied for and
2 was allowed the credit.

3 c. All administrative costs associated with the incentive grant
4 shall be assessed to the applicant and be retained by the State
5 Treasurer from the annual incentive grant payments.

6 d. The incremental revenue for the revenues listed in
7 subsection a. of this section shall be calculated as the difference
8 between the amount collected in any fiscal year from any eligible
9 revenue source included in the State redevelopment incentive grant
10 agreement, less the revenue increment base for that eligible
11 revenue.

12 e. The municipality is authorized to collect any information
13 necessary to facilitate grants under this program and remit that
14 information in order to assist in the calculation of incremental
15 revenue.

16 (cf: P.L.2022, c.75, s.2)

17

18 3. Section 3 of P.L.2022, c.75 (C.52:27D-489i1) is amended to
19 read as follows:

20 3. Notwithstanding any provision of the "New Jersey Economic
21 Stimulus Act of 2009," P.L.2009, c.90 (C.52:27D-489a et al.) to the
22 contrary, the following provisions shall apply to a mixed use
23 parking project that is restricted under categories (vi) or (viii) of
24 subparagraph (b) of paragraph (3) of subsection b. of section 6 of
25 P.L.2009, c.90 (C.52:27D-489f) and undertaken by a municipal
26 redeveloper after the effective date of P.L.2022, c.75 (C.52:27D-
27 489i1 et al.), for which a redevelopment incentive grant is awarded:

28 a. A municipal redeveloper shall submit a temporary certificate
29 of occupancy for such proposed mixed use parking project no later
30 than June 30, **2026** 2028.

31 b. (1) Except as provided in paragraph (2) of this subsection, a
32 redevelopment incentive grant award shall be equal to 100 percent
33 of the total project costs allocated to the parking component of the
34 project and 40 percent of the total project costs allocated to the non-
35 parking component of a proposed mixed use parking project.

36 (2) A redevelopment incentive grant award shall be equal to 100
37 percent of the total project costs allocated to the parking component
38 of the project and 80 percent of the total project costs allocated to
39 the non-parking component of the mixed use parking project if the
40 mixed use parking project is:

41 (a) constructed upon all or a portion of a project site that was
42 previously the subject of an award of tax credits pursuant to the
43 "Urban Transit Hub Tax Credit Act," P.L.2007, c. 346 (C.34:1B-
44 207 et seq.) or the "New Jersey Economic Stimulus Act of 2009,"
45 P.L.2009, c. 90 (C.52:27D-489a et al.), but the tax credits were not
46 issued;

47 (b) an entertainment venue with seating capacity in excess of
48 5,000; or

1 (c) constructed to be utilized by a visitor center or youth center
2 within or adjacent to a national historic park.

3 c. The terms of any approval, granted by the authority, for a
4 proposed mixed use parking project undertaken by a municipal
5 redeveloper, which has not yet commenced construction activities
6 other than demolition or site work, may be modified to reflect the
7 terms established pursuant to P.L.2022, c.75 (C.52:27D-489i1 et
8 al.), upon application to the authority for review and approval;
9 provided, however, the developer shall not be required to pay any
10 fee that may be established under law or regulation related to the
11 application for modification. All dates of required action by a
12 municipal redeveloper contained in an approval, granted by the
13 authority, shall be automatically extended by the thirty-month
14 period corresponding to the temporary certificate of occupancy
15 submission date established by subsection a. of this section.

16 d. All proposed mixed use parking projects shall comply with
17 Leadership in Energy and Environmental Design (LEED) standards,
18 to the extent that the United States Green Building Council shall
19 have promulgated standards for the project type proposed.

20 (cf: P.L.2022, c.75, s.3)

21
22 4. This act shall take effect immediately.
23
24

25 STATEMENT

26
27 This bill modifies certain deadlines for certain existing projects
28 under the Economic Redevelopment and Growth Grant program
29 (program) and modifies the definition of “project cost” for purposes
30 of the program.
31

32 *Temporary Certificate of Occupancy Deadlines*

33 This bill extends the deadline for a developer to submit a
34 temporary certificate of occupancy for certain qualified residential
35 projects or mixed use parking projects to June 30, 2028. Under
36 current law, the deadline to submit this documentation is June 30,
37 2026. Specifically, this extension would apply for any residential
38 project or mixed use parking project: (1) that was approved after
39 May 1, 2017; (2) that is located in a Garden State Growth Zone with
40 a population over 125,000, except not including those projects
41 located in Atlantic, Burlington, Camden, Cape May, Cumberland,
42 Gloucester, Ocean, and Salem counties; and (3) for which the
43 municipality in which the project is located submitted a letter of
44 support to the chief executive officer of the Economic Development
45 Authority identifying up to six projects prior to July 1, 2018.

46 This bill also extends the deadline for a municipal redeveloper to
47 submit a temporary certificate of occupancy for certain proposed
48 mixed use parking projects to June 30, 2028. Under current law,

1 the deadline to submit this documentation is June 30, 2026. This
2 extension would apply for any mixed use parking project: (1) that is
3 undertaken by a municipal redeveloper after July 29, 2022; (2) for
4 which a redevelopment incentive grant is awarded; and (3) that is
5 located in a Garden State Growth Zone with a population over
6 125,000, except not including those projects located in Atlantic,
7 Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean,
8 and Salem counties.

9
10 *Modified Projects*

11 Additionally, the bill permits the developers of certain mixed use
12 parking projects to exclude a visitor center, youth center, or both
13 from the project application, or to assign the application to a
14 municipal redeveloper, provided that the project otherwise qualifies
15 as a mixed-use parking project. This permission to amend or assign
16 an application applies to any mixed use parking project: (1) that is
17 undertaken by a municipal redeveloper after July 29, 2022; (2) for
18 which a redevelopment incentive grant is awarded; (3) that is
19 located in a Garden State Growth Zone with a population over
20 125,000, except not including those projects located in Atlantic,
21 Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean,
22 and Salem counties; and (4) that was initially intended to be utilized
23 by a visitor center or youth center within or adjacent to a national
24 historic park.

25 Under current law, the redevelopment incentive grant award for
26 such a project is equal to 100 percent of the total project costs
27 allocated to the parking component combined with 80 percent of the
28 total project costs allocated to the non-parking component. Under
29 the bill, the maximum amount of any redevelopment incentive grant
30 for the modified project would be determined in the same manner as
31 for an unmodified project.

32
33 *Project Cost*

34 This bill revises the definition of the term “project cost,” for the
35 purposes of the program, to include among other costs: capitalized
36 interest paid to third parties, the funding of a debt service reserve
37 fund, the cost of infrastructure improvements, including ancillary
38 infrastructure projects, and an amount not to exceed 20 percent of
39 the total project cost for costs not directly related to construction.

40 The bill also provides that, for purposes of the definition of
41 “project cost,” capitalized interest paid to third parties is deemed to
42 be costs directly related to construction.

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 3097

STATE OF NEW JERSEY

DATED: MAY 16, 2024

The Senate Economic Growth Committee reports favorably Senate Bill No. 3097.

As reported, this bill modifies certain deadlines for certain existing projects under the Economic Redevelopment and Growth Grant program (program) and modifies the definition of “project cost” for purposes of the program.

Temporary Certificate of Occupancy Deadlines

This bill extends the deadline for a developer to submit a temporary certificate of occupancy for certain qualified residential projects or mixed use parking projects from June 30, 2026 to June 30, 2028. Specifically, this extension would apply for any residential project or mixed use parking project: (1) that was approved after May 1, 2017; (2) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties; and (3) for which the municipality in which the project is located submitted a letter of support to the chief executive officer of the New Jersey Economic Development Authority identifying up to six projects prior to July 1, 2018.

This bill also extends the deadline for a municipal redeveloper to submit a temporary certificate of occupancy for certain proposed mixed use parking projects from June 30, 2026 to June 30, 2028. This extension would apply for any mixed use parking project: (1) that is undertaken by a municipal redeveloper after July 29, 2022; (2) for which a redevelopment incentive grant is awarded; and (3) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties.

Modified Projects

Additionally, the bill permits the developers of certain mixed use parking projects to exclude a visitor center, youth center, or both from the project application, or to assign the application to a municipal redeveloper, provided that the project otherwise qualifies as a mixed-use parking project. This permission to amend or assign an application applies to any mixed use parking project: (1) that is undertaken by a

municipal redeveloper after July 29, 2022; (2) for which a redevelopment incentive grant is awarded; (3) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties; and (4) that was initially intended to be utilized by a visitor center or youth center within or adjacent to a national historic park.

Under current law, the redevelopment incentive grant award for such a project is equal to 100 percent of the total project costs allocated to the parking component combined with 80 percent of the total project costs allocated to the non-parking component. Under the bill, the maximum amount of any redevelopment incentive grant for the modified project would be determined in the same manner as for an unmodified project.

Project Cost

This bill revises the definition of the term “project cost,” for the purposes of the program, to include among other costs: capitalized interest paid to third parties, the funding of a debt service reserve fund, the cost of infrastructure improvements, including ancillary infrastructure projects, and an amount not to exceed 20 percent of the total project cost for costs not directly related to construction.

The bill also provides that, for purposes of the definition of “project cost,” capitalized interest paid to third parties is deemed to be costs directly related to construction.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3097

STATE OF NEW JERSEY

DATED: JUNE 24, 2024

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3097.

This bill modifies certain deadlines for certain existing projects under the Economic Redevelopment and Growth Grant program (program) and modifies the definition of “project cost” for purposes of the program.

Temporary Certificate of Occupancy Deadlines

This bill extends the deadline for a developer to submit a temporary certificate of occupancy for certain qualified residential projects or mixed use parking projects from June 30, 2026 to June 30, 2028. Specifically, this extension would apply for any residential project or mixed use parking project: (1) that was approved after May 1, 2017; (2) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties; and (3) for which the municipality in which the project is located submitted a letter of support to the chief executive officer of the New Jersey Economic Development Authority identifying up to six projects prior to July 1, 2018.

This bill also extends the deadline for a municipal redeveloper to submit a temporary certificate of occupancy for certain proposed mixed use parking projects from June 30, 2026 to June 30, 2028. This extension would apply for any mixed use parking project: (1) that is undertaken by a municipal redeveloper after July 29, 2022; (2) for which a redevelopment incentive grant is awarded; and (3) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties.

Modified Projects

Additionally, the bill permits the developers of certain mixed use parking projects to exclude a visitor center, youth center, or both from the project application, or to assign the application to a municipal redeveloper, provided that the project otherwise qualifies as a mixed-use parking project. This permission to amend or assign an application applies to any mixed use parking project: (1) that is undertaken by a municipal redeveloper after July 29, 2022; (2) for which a

redevelopment incentive grant is awarded; (3) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties; and (4) that was initially intended to be utilized by a visitor center or youth center within or adjacent to a national historic park.

Under current law, the redevelopment incentive grant award for such a project is equal to 100 percent of the total project costs allocated to the parking component combined with 80 percent of the total project costs allocated to the non-parking component. Under the bill, the maximum amount of any redevelopment incentive grant for the modified project would be determined in the same manner as for an unmodified project.

Project Cost

This bill revises the definition of the term “project cost,” for the purposes of the program, to include among other costs: capitalized interest paid to third parties, the funding of a debt service reserve fund, the cost of infrastructure improvements, including ancillary infrastructure projects, and an amount not to exceed 20 percent of the total project cost for costs not directly related to construction.

The bill also provides that, for purposes of the definition of “project cost,” capitalized interest paid to third parties is deemed to be costs directly related to construction.

FISCAL IMPACT:

The Office of Legislative Services (OLS) finds that the bill will result in an indeterminate net increase in State costs. The Economic Redevelopment and Growth Grant program is administered by the Economic Development Authority.

By expanding the definition of project cost to include costs associated with the funding of a debt services reserve fund in total projects costs, the bill may result in a State revenue loss because it allows a developer to receive an incentive grant or tax credit award in an amount greater than otherwise permitted under current law.

The OLS notes that provisions of the bill allowing the developers of certain mixed use parking projects to exclude a visitor center or youth center, or both, from the project application, or to assign the application to a municipal redeveloper, would have an indeterminate impact on State finances. The impact of these provisions will vary, depending on whether a project is eliminated from a project application or reassigned to a municipal redeveloper. The elimination of a project from an application may result in a reduction in a developer’s incentive grant or tax credit award, thereby reducing State expenditures and revenue losses. In contrast, the reassignment of project to a municipal redeveloper may result in a recalculation of total project costs resulting in a larger tax credit award to the extent the reassignment enables the completion of approved projects.

The bill may also result in a State revenue loss by extending the deadline for a developer to submit a temporary certificate of

occupancy for certain qualified projects to June 30, 2028. Through the Economic Redevelopment and Growth Grant Program, the authority awards incentive grants or tax credits for a portion of project costs incurred in connection with the redevelopment project by a developer until the issuance of a permanent certificate of occupancy. Extending the deadline for the submission of a temporary certificate of occupancy may allow additional project costs to be counted in the calculation of the incentive grant or tax credit awards.

Additionally, a developer that has been awarded an incentive grant or tax credit does not receive their final incentive grant or tax credit award until they submit a certificate of occupancy to the authority. The deadline extension proposed by the bill may allow developers to receive larger incentive grants or tax credit awards over a longer period of time, resulting in additional State revenue losses.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3097
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: JULY 3, 2024

SUMMARY

Synopsis: Modifies requirements for certain projects under Economic Redevelopment and Growth Grant Program.

Type of Impact: Multi-year net decrease in State revenues.

Agencies Affected: New Jersey Economic Development Authority.

Office of Legislative Services Estimate

Fiscal Impact	<u>Multi-Year Lifespan of Incentive Awards</u>
State Revenue Decrease	Indeterminate

- The Office of Legislative Services (OLS) finds that the bill will result in an indeterminate multi-year net decrease in State revenues. The Economic Redevelopment and Growth Grant program is administered by the Economic Development Authority.
- By extending the definition of project cost to include costs associated with the funding of a debt services reserve fund in total projects costs, the bill may result in a State revenue loss because it allows a developer to receive an incentive grant or tax credit award in an amount greater than otherwise permitted under current law.
- The OLS notes that provisions of the bill allowing the developers of certain mixed use parking projects to exclude a visitor center or youth center, or both, from the project application, or to assign the application to a municipal redeveloper, would have an indeterminate impact on State finances. The impact of these provisions will vary, depending on whether a project is eliminated from a project application or reassigned to a municipal redeveloper.
- The bill may also result in a State revenue loss by extending the deadline for a developer to submit a temporary certificate of occupancy for certain qualified projects to June 30, 2028. The deadline extension proposed by the bill may allow developers to receive larger incentive grants or tax credit awards over a longer period of time, resulting in additional State revenue losses.

BILL DESCRIPTION

The bill modifies deadlines for certain existing projects under the Economic Redevelopment and Growth Grant program and modifies the definition of the term “project cost” under that program.

Temporary Certificate of Occupancy Deadlines. The bill extends the deadline for a developer to submit a temporary certificate of occupancy for certain qualified residential projects or mixed use parking projects to June 30, 2028. Under current law, the deadline to submit this documentation is June 30, 2026. This bill also extends the deadline for a municipal redeveloper to submit a temporary certificate of occupancy for certain proposed mixed use parking projects to June 30, 2028. Under current law, the deadline to submit this documentation is June 30, 2026.

Modified Projects. Additionally, the bill permits the developers of certain mixed use parking projects to exclude a visitor center, youth center, or both from the project application, or to assign the application to a municipal redeveloper, provided that the project otherwise qualifies as a mixed-use parking project. This permission to amend or assign an application applies to any mixed use parking project: (1) that is undertaken by a municipal redeveloper after July 29, 2022; (2) for which a redevelopment incentive grant is awarded; (3) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties; and (4) that was initially intended to be utilized by a visitor center or youth center within or adjacent to a national historic park.

Under current law, the redevelopment incentive grant award for such a project is equal to 100 percent of the total project costs allocated to the parking component combined with 80 percent of the total project costs allocated to the non-parking component. Under the bill, the maximum amount of any redevelopment incentive grant for the modified project would be determined in the same manner as for an unmodified project.

Project Cost. This bill revises the definition of the term “project cost,” for the purposes of the program, to include among other costs: capitalized interest paid to third parties, the funding of a debt service reserve fund, the cost of infrastructure improvements, including ancillary infrastructure projects, and an amount not to exceed 20 percent of the total project cost for costs not directly related to construction. The bill also provides that, for purposes of the definition of “project cost,” capitalized interest paid to third parties is deemed to be costs directly related to construction.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will result in an indeterminate multi-year net decrease in State revenues. The Economic Redevelopment and Growth Grant program is administered by the Economic Development Authority.

By extending the definition of project cost to include costs associated with the funding of a debt service reserve fund in total projects costs, the bill may result in a State revenue loss because

it allows a developer to receive an incentive grant or tax credit award in an amount greater than otherwise permitted under current law.

The OLS notes that provisions of the bill allowing the developers of certain mixed use parking projects to exclude a visitor center or youth center, or both, from the project application, or to assign the application to a municipal redeveloper, would have an indeterminate impact on State finances. The impact of these provisions will vary, depending on whether a project is eliminated from a project application or reassigned to a municipal redeveloper. The elimination of a project from an application may result in a reduction in a developer's incentive grant or tax credit award, thereby reducing State expenditures and revenue losses. In contrast, the reassignment of a project to a municipal redeveloper may result in a recalculation of total project costs resulting in a larger tax credit award to the extent the reassignment enables the completion of approved projects.

The bill may also result in a State revenue loss by extending the deadline for a developer to submit a temporary certificate of occupancy for certain qualified projects to June 30, 2028. Through the Economic Redevelopment and Growth Grant program, the authority awards incentive grants or tax credits for a portion of project costs incurred in connection with the redevelopment project by a developer until the issuance of a permanent certificate of occupancy. Extending the deadline for the submission of a temporary certificate of occupancy may allow additional project costs to be counted in the calculation of the incentive grant or tax credit award.

Additionally, a developer that has been awarded an incentive grant or tax credit does not receive the final incentive grant or tax credit award until they submit a certificate of occupancy to the authority. The deadline extension proposed by the bill may allow developers to receive larger incentive grants or tax credit awards over a longer period of time, resulting in additional State revenue losses.

The OLS notes that the statutory Economic Redevelopment and Growth Grant program application deadline was December 31, 2021. Accordingly, any changes to the program proposed in the bill would only impact projects that have already been approved for an incentive grant or tax credit. Current law caps aggregate tax credit awards for qualified residential and mixed use parking projects at \$993 million. The bill does not increase that statutory ceiling and any increases in tax credit awards resulting from changes to the Economic Redevelopment and Growth Grant program proposed by the bill are subject to the \$993 million limit.

Section: Revenue, Finance, and Appropriations

*Analyst: Scott A. Brodsky
Staff Fiscal & Budget Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 4226

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED MAY 2, 2024

Sponsored by:

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

SYNOPSIS

Modifies requirements for certain projects under Economic Redevelopment and Growth Grant program.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the Economic Redevelopment and Growth
2 Grant program and amending P.L.2009, c.90 and P.L.2022, c.75.

3

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

6

7 1. Section 3 of P.L.2009, c.90 (C.52:27D-489c) is amended to
8 read as follows:

9 3. As used in sections 3 through 18 of P.L.2009, c.90
10 (C.52:27D-489c et al.):

11 "Applicant" means a developer proposing to enter into a
12 redevelopment incentive grant agreement.

13 "Ancillary infrastructure project" means structures or
14 improvements that are located within the incentive area but outside
15 the project area of a redevelopment project, including, but not
16 limited to, docks, bulkheads, parking garages, public electric
17 vehicle charging stations, freight rail spurs, roadway overpasses,
18 and train station platforms, provided a developer or municipal
19 redeveloper has demonstrated that the redevelopment project would
20 not be economically viable or promote the use of public
21 transportation without such improvements, as approved by the State
22 Treasurer.

23 "Authority" means the New Jersey Economic Development
24 Authority established under section 4 of P.L.1974, c.80 (C.34:1B-
25 4).

26 "Aviation district" means all areas within the boundaries of the
27 "Atlantic City International Airport," established pursuant to section
28 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
29 Administration William J. Hughes Technical Center and the area
30 within a one-mile radius of the outermost boundary of the "Atlantic
31 City International Airport" and the Federal Aviation Administration
32 William J. Hughes Technical Center.

33 "Deep poverty pocket" means a population census tract having a
34 poverty level of 20 percent or more, and which is located within the
35 incentive area and has been determined by the authority to be an
36 area appropriate for development and in need of economic
37 development incentive assistance.

38 "Developer" means any person who enters or proposes to enter
39 into a redevelopment incentive grant agreement pursuant to the
40 provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its
41 successors or assignees, including but not limited to a lender that
42 completes a redevelopment project, operates a redevelopment
43 project, or completes and operates a redevelopment project. A
44 developer also may be a municipal redeveloper as defined herein or
45 Rutgers, the State University of New Jersey.

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 "Director" means the Director of the Division of Taxation in the
2 Department of the Treasury.

3 "Disaster recovery project" means a redevelopment project
4 located on property that has been wholly or substantially damaged
5 or destroyed as a result of a federally-declared disaster, and which
6 is located within the incentive area and has been determined by the
7 authority to be in an area appropriate for development and in need
8 of economic development incentive assistance.

9 "Distressed municipality" means a municipality that is qualified
10 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
11 municipality under the supervision of the Local Finance Board
12 pursuant to the provisions of the "Local Government Supervision
13 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
14 identified by the Director of the Division of Local Government
15 Services in the Department of Community Affairs to be facing
16 serious fiscal distress, a SDA municipality, or a municipality in
17 which a major rail station is located.

18 "Electric vehicle charging station" means an electric component
19 assembly or cluster of component assemblies designed specifically
20 to charge batteries within electric vehicles by permitting the transfer
21 of electric energy to a battery or other storage device in an electric
22 vehicle.

23 "Eligibility period" means the period of time specified in a
24 redevelopment incentive grant agreement for the payment of
25 reimbursements to a developer, which period shall not exceed 20
26 years, with the term to be determined solely at the discretion of the
27 applicant.

28 "Eligible revenue" means the property tax increment and any
29 other incremental revenues set forth in section 11 of P.L.2009, c.90
30 (C.52:27D-489k), except in the case of a Garden State Growth
31 Zone, in which the property tax increment and any other
32 incremental revenues are calculated as those incremental revenues
33 that would have existed notwithstanding the provisions of the "New
34 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
35 (C.52:27D-489p et al.).

36 "Garden State Growth Zone" or "growth zone" means the four
37 New Jersey cities with the lowest median family income based on
38 the 2009 American Community Survey from the US Census, (Table
39 708. Household, Family, and Per Capita Income and Individuals,
40 and Families Below Poverty Level by City: 2009); a municipality
41 which contains a Tourism District as established pursuant to section
42 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
43 Reinvestment Development Authority; or an aviation district.

44 "Highlands development credit receiving area or redevelopment
45 area" means an area located within an incentive area and designated
46 by the Highlands Council for the receipt of Highlands Development
47 Credits under the Highlands Transfer Development Rights Program
48 authorized under section 13 of P.L.2004, c.120 (C.13:20-13).

1 "Incentive grant" means reimbursement of all or a portion of the
2 project financing gap of a redevelopment project through the State
3 or a local Economic Redevelopment and Growth Grant program
4 pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d
5 or C.52:27D-489e).

6 "Infrastructure improvements in the public right-of-way" mean
7 public structures or improvements, including public electric vehicle
8 charging stations, located in the public right-of-way that are located
9 within a project area or that constitute an ancillary infrastructure
10 project, either of which are dedicated to or owned by a
11 governmental body or agency upon completion, or any required
12 payment in lieu of the structures, improvements or projects, or any
13 costs of remediation associated with the structures, improvements
14 or projects, and that are determined by the authority, in consultation
15 with applicable State agencies, to be consistent with and in
16 furtherance of State public infrastructure objectives and initiatives.

17 "Low-income housing" means housing affordable according to
18 federal Department of Housing and Urban Development or other
19 recognized standards for home ownership and rental costs and
20 occupied or reserved for occupancy by households with a gross
21 household income equal to 50 percent or less of the median gross
22 household income for households of the same size within the
23 housing region in which the housing is located.

24 "Major rail station" means a railroad station located within a
25 qualified incentive area which provides access to the public to a
26 minimum of six rail passenger service lines operated by the New
27 Jersey Transit Corporation.

28 "Mixed use parking project" means a redevelopment project, the
29 parking component of which shall constitute 51 percent or more of
30 any of the following:

- 31 a. the total square footage of the entire mixed use parking
32 project;
- 33 b. the estimated revenues of the entire mixed use parking
34 project; or
- 35 c. the total construction cost of the entire mixed use parking
36 project.

37 "Moderate-income housing" means housing affordable,
38 according to United States Department of Housing and Urban
39 Development or other recognized standards for home ownership
40 and rental costs, and occupied or reserved for occupancy by
41 households with a gross household income equal to more than 50
42 percent but less than 80 percent of the median gross household
43 income for households of the same size within the housing region in
44 which the housing is located.

45 "Municipal redeveloper" means an applicant for a redevelopment
46 incentive grant agreement, which applicant is:

1 a. a municipal government, a municipal parking authority, or a
2 redevelopment agency acting on behalf of a municipal government
3 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or

4 b. a developer of a mixed use parking project, provided that the
5 parking component of the mixed use parking project is operated and
6 maintained by a municipal parking authority for the term of any
7 financial assistance granted pursuant to P.L.2015, c.69.

8 "Municipal Revitalization Index" means the 2007 index by the
9 Office of Planning Advocacy within the Department of State
10 measuring or ranking municipal distress.

11 "Non-parking component" means that portion of a mixed use
12 parking project not used for parking, together with the portion of
13 the costs of the mixed use parking project, including but not limited
14 to the footings, foundations, site work, infrastructure, and soft costs
15 that are allocable to the non-parking use.

16 "Parking component" means that portion of a mixed use parking
17 project used for parking, together with the portion of the costs of
18 the mixed use parking project, including but not limited to the
19 footings, foundations, site work, infrastructure, and soft costs that
20 are allocable to the parking use. The parking component, which
21 may include enclosed pedestrian walkways or a skybridge, may be
22 in the same structure as all the non-parking components or may be
23 in a structure with some non-parking components with the
24 remaining non-parking components in an adjacent or nearby
25 structure that is no more than one third of a mile from the parking
26 components.

27 "Project area" means land or lands located within the incentive
28 area under common ownership or control including through a
29 redevelopment agreement with a municipality, or as otherwise
30 established by a municipality or a redevelopment agreement
31 executed by a State entity to implement a redevelopment project.

32 "Project cost" means the costs incurred in connection with the
33 redevelopment project by the developer until the issuance of a
34 permanent certificate of occupancy, or until such other time
35 specified by the authority, for a specific investment or
36 improvement, including the costs relating to: receiving Highlands
37 Development Credits under the Highlands Transfer Development
38 Rights Program authorized pursuant to section 13 of P.L.2004,
39 c.120 (C.13:20-13), lands, buildings, improvements, real or
40 personal property, or any interest therein, including leases
41 discounted to present value, including lands under water, riparian
42 rights, space rights and air rights acquired, owned, developed or
43 redeveloped, constructed, reconstructed, rehabilitated or improved,
44 and any environmental remediation costs], plus costs not directly
45 related to construction, of an amount not to exceed 20 percent of the
46 total costs], capitalized interest paid to third parties, which for
47 purposes of this definition shall be deemed to be costs directly
48 related to construction, the funding of a debt service reserve fund,

1 **[and]** the cost of infrastructure improvements, including ancillary
2 infrastructure projects, and an amount not to exceed 20 percent of
3 the total project cost for costs not directly related to construction,
4 and, for projects located in a Garden State Growth Zone only, the
5 cost of infrastructure improvements, including any ancillary
6 infrastructure project and the amount by which total project cost
7 exceeds the cost of an alternative location for the redevelopment
8 project, but excluding any particular costs for which the project has
9 received federal, State, or local funding. In the case of a mixed use
10 parking project that is undertaken by a municipal redeveloper and
11 that did not commence construction before the declaration of the
12 COVID-19 public health emergency on March 9, 2020, project
13 costs may include, in the discretion of the chief executive officer of
14 the authority consistent with applicable law, the cost or value of
15 land, demolition, and equity contributions, as well as any particular
16 costs for which the project has received State or local funding.

17 "Project financing gap" means:

18 a. the part of the total project cost, including return on
19 investment, that remains to be financed after all other sources of
20 capital have been accounted for, including, but not limited to,
21 developer-contributed capital, which shall not be less than 20
22 percent of the total project cost, which may include the value of any
23 existing land and improvements in the project area owned or
24 controlled by the developer, and the cost of infrastructure
25 improvements in the public right-of-way, subject to review by the
26 State Treasurer, and investor or financial entity capital or loans for
27 which the developer, after making all good faith efforts to raise
28 additional capital, certifies that additional capital cannot be raised
29 from other sources on a non-recourse basis; and

30 b. the amount by which total project cost exceeds the cost of an
31 alternative location for the out-of-State redevelopment project.

32 "Project revenue" means all rents, fees, sales, and payments
33 generated by a project, less taxes or other government payments.

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

35 a. multiplying the general tax rate levied each year by the
36 taxable value of all the property assessed within a project area in
37 the same year, excluding any special assessments; and

38 b. multiplying that product by a fraction having a numerator
39 equal to the taxable value of all the property assessed within the
40 project area, minus the property tax increment base, and having a
41 denominator equal to the taxable value of all property assessed
42 within the project area.

43 For the purpose of this definition, "property tax increment base"
44 means the aggregate taxable value of all property assessed which is
45 located within the redevelopment project area as of October 1st of
46 the year preceding the year in which the redevelopment incentive
47 grant agreement is authorized.

1 "Public electric vehicle charging station" means an electric
2 vehicle charging station located at a publicly available parking
3 space.

4 "Public hydrogen fueling station" means publicly available
5 equipment to store and dispense hydrogen fuel to vehicles
6 according to industry codes and standards.

7 "Publicly available parking space" means a parking space that is
8 available to, and accessible by, the public and may include on-street
9 parking spaces and parking spaces in surface lots or parking
10 garages, but shall not include: a parking space that is part of, or
11 associated with, a private residence; or a parking space that is
12 reserved for the exclusive use of an individual driver or vehicle or
13 for a group of drivers or vehicles, such as employees, tenants,
14 visitors, residents of a common interest development, or residents
15 of an adjacent building.

16 "Qualified incubator facility" means a commercial building
17 located within an incentive area: which contains 100,000 or more
18 square feet of office, laboratory, or industrial space; which is
19 located near, and presents opportunities for collaboration with, a
20 research institution, teaching hospital, college, or university; and
21 within which, at least 75 percent of the gross leasable area is
22 restricted for use by one or more technology startup companies
23 during the commitment period.

24 "Qualified residential project" means a redevelopment project
25 that is predominantly residential and includes multi-family
26 residential units for purchase or lease, or dormitory units for
27 purchase or lease, having a total project cost of at least
28 \$17,500,000, if the project is located in any municipality with a
29 population greater than 200,000 according to the latest federal
30 decennial census, or having a total project cost of at least
31 \$10,000,000 if the project is located in any municipality with a
32 population less than 200,000 according to the latest federal
33 decennial census, or is a disaster recovery project, or having a total
34 project cost of \$5,000,000 if the project is in a Garden State Growth
35 Zone.

36 "Qualifying economic redevelopment and growth grant incentive
37 area" or "incentive area" means:

- 38 a. an aviation district;
- 39 b. a port district;
- 40 c. a distressed municipality; or
- 41 d. an area (1) designated pursuant to the "State Planning Act,"
42 P.L.1985, c.398 (C.52:18A-196 et seq.), as:
 - 43 (a) Planning Area 1 (Metropolitan);
 - 44 (b) Planning Area 2 (Suburban); or
 - 45 (c) Planning Area 3 (Fringe Planning Area);
- 46 (2) located within a smart growth area and planning area
47 designated in a master plan adopted by the New Jersey
48 Meadowlands Commission pursuant to subsection (i) of section 6 of

- 1 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
2 adopted by the New Jersey Meadowlands Commission pursuant to
3 section 20 of P.L.1968, c.404 (C.13:17-21);
- 4 (3) located within any land owned by the New Jersey Sports and
5 Exposition Authority, established pursuant to P.L.1971, c.137
6 (C.5:10-1 et seq.), within the boundaries of the Hackensack
7 Meadowlands District as delineated in section 4 of P.L.1968, c.404
8 (C.13:17-4);
- 9 (4) located within a regional growth area, rural development
10 area zoned for industrial use as of the effective date of P.L.2016,
11 c.75, town, village, or a military and federal installation area
12 designated in the comprehensive management plan prepared and
13 adopted by the Pinelands Commission pursuant to the "Pinelands
14 Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.);
- 15 (5) located within the planning area of the Highlands Region as
16 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a
17 highlands development credit receiving area or redevelopment area;
- 18 (6) located within a Garden State Growth Zone;
- 19 (7) located within land approved for closure under any federal
20 Base Closure and Realignment Commission action; or
- 21 (8) located only within the following portions of the areas
22 designated pursuant to the "State Planning Act," P.L.1985, c.398
23 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
24 Planning Area 4B (Rural/Environmentally Sensitive) or Planning
25 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
26 Planning Area), Planning Area 4B (Rural/Environmentally
27 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
28 located within:
- 29 (a) a designated center under the State Development and
30 Redevelopment Plan;
- 31 (b) a designated growth center in an endorsed plan until the
32 State Planning Commission revises and readopts New Jersey's State
33 Strategic Plan and adopts regulations to revise this definition as it
34 pertains to Statewide planning areas;
- 35 (c) any area determined to be in need of redevelopment pursuant
36 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and
37 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of
38 P.L.1992, c.79 (C.40A:12A-14);
- 39 (d) any area on which a structure exists or previously existed
40 including any desired expansion of the footprint of the existing or
41 previously existing structure provided the expansion otherwise
42 complies with all applicable federal, State, county, and local
43 permits and approvals;
- 44 (e) the planning area of the Highlands Region as defined in
45 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
46 development credit receiving area or redevelopment area; or
- 47 (f) any area on which an existing tourism destination project is
48 located.

1 "Qualifying economic redevelopment and growth grant incentive
2 area" or "incentive area" shall not include any property located
3 within the preservation area of the Highlands Region as defined in
4 the "Highlands Water Protection and Planning Act," P.L.2004,
5 c.120 (C.13:20-1 et al.).

6 "Redevelopment incentive grant agreement" means an agreement
7 between:

8 a. the State and the New Jersey Economic Development
9 Authority and a developer; or

10 b. a municipality and a developer, or a municipal ordinance
11 authorizing a project to be undertaken by a municipal redeveloper,
12 under which, in exchange for the proceeds of an incentive grant, the
13 developer agrees to perform any work or undertaking necessary for
14 a redevelopment project, including the clearance, development or
15 redevelopment, construction, or rehabilitation of any structure or
16 improvement of commercial, industrial, residential, or public
17 structures or improvements within a qualifying economic
18 redevelopment and growth grant incentive area or a transit village.

19 "Redevelopment project" means a specific construction project
20 or improvement, including lands, buildings, improvements, real and
21 personal property or any interest therein, including lands under
22 water, riparian rights, space rights and air rights, acquired, owned,
23 leased, developed or redeveloped, constructed, reconstructed,
24 rehabilitated or improved, undertaken by a developer, owner or
25 tenant, or both, within a project area and any ancillary infrastructure
26 project including infrastructure improvements in the public right-of-
27 way, as set forth in an application to be made to the authority. The
28 use of the term "redevelopment project" in sections 3 through 18 of
29 P.L.2009, c.90 (C.52:27D-489c et al.) shall not be limited to only
30 redevelopment projects located in areas determined to be in need of
31 redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79
32 (C.40A:12A-5 and C.40A:12A-6) but shall also include, but not be
33 limited to, any work or undertaking in accordance with the
34 "Redevelopment Area Bond Financing Law," sections 1 through 10
35 of P.L.2001, c.310 (C.40A:12A-64 et seq.) or other applicable law,
36 pursuant to a redevelopment plan adopted by a State entity, or as
37 described in the resolution adopted by a public entity created by
38 State law with the power to adopt a redevelopment plan or
39 otherwise determine the location, type and character of a
40 redevelopment project or part of a redevelopment project on land
41 owned or controlled by it or within its jurisdiction, including but
42 not limited to, the New Jersey Meadowlands Commission
43 established pursuant to P.L.1968, c.404 (C.13:17-1 et seq.), the
44 New Jersey Sports and Exposition Authority established pursuant to
45 P.L.1971 c.137 (C.5:10-1 et seq.) and the Fort Monmouth
46 Economic Revitalization Authority created pursuant to P.L.2010,
47 c.51 (C.52:27I-18 et seq.). A redevelopment project may include

1 the development of zero-emission vehicle fueling and charging
2 infrastructure.

3 "Redevelopment utility" means a self-liquidating fund created by
4 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-
5 4891) to account for revenues collected and incentive grants paid
6 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
7 revenues dedicated to a redevelopment project.

8 "Revenue increment base" means the amounts of all eligible
9 revenues from sources within the redevelopment project area in the
10 calendar year proceeding the year in which the redevelopment
11 incentive grant agreement is executed, as certified by the State
12 Treasurer for State revenues, and the chief financial officer of the
13 municipality for municipal revenues.

14 "SDA district" means an SDA district as defined in section 3 of
15 P.L.2000, c.72 (C.18A:7G-3).

16 "SDA municipality" means a municipality in which an SDA
17 district is situated.

18 "Technology startup company" means a for profit business that
19 has been in operation fewer than five years and is developing or
20 possesses a proprietary technology or business method of a high-
21 technology or life science-related product, process, or service which
22 the business intends to move to commercialization.

23 "Tourism destination project" means a redevelopment project
24 that will be among the most visited privately owned or operated
25 tourism or recreation sites in the State, and which is located within
26 the incentive area and has been determined by the authority to be in
27 an area appropriate for development and in need of economic
28 development incentive assistance.

29 "Transit project" means a redevelopment project located within a
30 1/2-mile radius, or one-mile radius for projects located in a Garden
31 State Growth Zone, surrounding the mid-point of a New Jersey
32 Transit Corporation, Port Authority Transit Corporation, or Port
33 Authority Trans-Hudson Corporation rail, bus, or ferry station
34 platform area, including all light rail stations.

35 "Transit village" means a community with a bus, train, light rail,
36 or ferry station that has developed a plan to achieve its economic
37 development and revitalization goals and has been designated by
38 the New Jersey Department of Transportation as a transit village.

39 "University infrastructure" means any of the following located
40 on the campus of Rutgers, the State University of New Jersey:

- 41 a. buildings and structures, such as academic buildings,
42 recreation centers, indoor athletic facilities, public works garages,
43 and water and sewer treatment and pumping facilities;
- 44 b. open space with improvements, such as athletic fields and
45 other outdoor athletic facilities, planned commons, and parks; and
- 46 c. transportation facilities, such as bus shelters and parking
47 facilities.

1 "Urban transit hub" means an urban transit hub, as defined in
2 section 2 of P.L.2007, c.346 (C.34:1B-208), that is located within
3 an eligible municipality, as defined in section 2 of P.L.2007, c.346
4 (C.34:1B-208), or all light rail stations and property located within
5 a one-mile radius of the mid-point of the platform area of such a
6 rail, bus, or ferry station if the property is in a qualified
7 municipality under the "Municipal Rehabilitation and Economic
8 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.).

9 "Vacant commercial building" means any commercial building
10 or complex of commercial buildings having over 400,000 square
11 feet of office, laboratory, or industrial space that is more than 70
12 percent unoccupied at the time of application to the authority or is
13 negatively impacted by the approval of a "qualified business
14 facility," as defined pursuant to section 2 of P.L.2007, c.346
15 (C.34:1B-208), or any vacant commercial building in a Garden
16 State Growth Zone having over 35,000 square feet of office,
17 laboratory, or industrial space, or over 200,000 square feet of
18 office, laboratory, or industrial space in Atlantic, Burlington,
19 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
20 counties available for occupancy for a period of over one year.

21 "Vacant health facility project" means a redevelopment project
22 where a health facility, as defined by section 2 of P.L.1971, c.136
23 (C.26:2H-2), currently exists and is considered vacant. A health
24 facility shall be considered vacant if at least 70 percent of that
25 facility has not been open to the public or utilized to serve any
26 patients at the time of application to the authority.

27 "Zero-emission vehicle" means a vehicle certified as a zero
28 emission vehicle pursuant to the California Air Resources Board
29 zero emission vehicle standards for the applicable model year,
30 including but not limited to, battery electric-powered vehicles and
31 hydrogen fuel cell vehicles.

32 "Zero-emission vehicle fueling and charging infrastructure"
33 means infrastructure to charge or fuel zero-emission vehicles,
34 including but not limited to, public electric vehicle charging
35 stations and public hydrogen fueling stations.

36 (cf:P.L.2022, c.75, s.1)

37

38 2. Section 6 of P.L.2009, c.90 (C.52:27D-489f) is amended to
39 read as follows:

40 6. a. Up to the limits established in subsection b. of this section
41 and in accordance with a redevelopment incentive grant agreement,
42 beginning upon the receipt of occupancy permits for any portion of
43 the redevelopment project, or upon any other event evidencing
44 project completion as set forth in the incentive grant agreement, the
45 State Treasurer shall pay to the developer incremental State
46 revenues directly realized from businesses operating at the site of
47 the redevelopment project from the following taxes: the Corporation
48 Business Tax Act (1945), P.L.1945, c.162 (C.54:10A-1 et seq.), the

1 tax imposed on marine insurance companies pursuant to R.S.54:16-
2 1 et seq., the tax imposed on insurers generally, pursuant to
3 P.L.1945, c.132 (C.54:18A-1 et seq.), the public utility franchise
4 tax, public utilities gross receipts tax and public utility excise tax
5 imposed on sewerage and water corporations pursuant to P.L.1940,
6 c.5 (C.54:30A-49 et seq.), those tariffs and charges imposed by
7 electric, natural gas, telecommunications, water and sewage
8 utilities, and cable television companies under the jurisdiction of
9 the New Jersey Board of Public Utilities, or comparable entity,
10 except for those tariffs, fees, or taxes related to societal benefits
11 charges assessed pursuant to section 12 of P.L.1999, c.23 (C.48:3-
12 60), any charges paid for compliance with the "Global Warming
13 Response Act," P.L.2007, c.112 (C.26:2C-37 et seq.), transitional
14 energy facility assessment unit taxes paid pursuant to section 67 of
15 P.L.1997, c.162 (C.48:2-21.34), and the sales and use taxes on
16 public utility and cable television services and commodities, the tax
17 derived from net profits from business, a distributive share of
18 partnership income, or a pro rata share of S corporation income
19 under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et
20 seq., the tax derived from a business at the site of a redevelopment
21 project that is required to collect the tax pursuant to the "Sales and
22 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), the tax imposed
23 pursuant to P.L.1966, c.30 (C.54:32B-1 et seq.) from the purchase
24 of furniture, fixtures and equipment, or materials for the
25 remediation, the construction of new structures at the site of a
26 redevelopment project, the hotel and motel occupancy fee imposed
27 pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1), or the
28 portion of the fee imposed pursuant to section 3 of P.L.1968, c.49
29 (C.46:15-7) derived from the sale of real property at the site of the
30 redevelopment project and paid to the State Treasurer for use by the
31 State, that is not credited to the "Shore Protection Fund" or the
32 "Neighborhood Preservation Nonlapsing Revolving Fund" ("New
33 Jersey Affordable Housing Trust Fund") pursuant to section 4 of
34 P.L.1968, c.49 (C.46:15-8). Any developer shall be allowed to
35 assign their ability to apply for the tax credit under this subsection
36 to a non-profit organization with a mission dedicated to attracting
37 investment and completing development and redevelopment
38 projects in a Garden State Growth Zone. The non-profit
39 organization may make an application on behalf of a developer
40 which meets the requirements for the tax credit, or a group of non-
41 qualifying developers, such that these will be considered a unified
42 project for the purposes of the incentives provided under this
43 section.

44 b. (1) (a) Up to an average of 75 percent of the projected
45 annual incremental revenues or 85 percent of the projected annual
46 incremental revenues in a Garden State Growth Zone may be
47 pledged towards the State portion of an incentive grant.

1 (b) State incentive grants not to exceed an aggregate total value
2 of \$75,000,000 shall be made available by the authority for
3 applications submitted after the effective date of P.L.2020, c.156,
4 but prior to December 31, 2021, for projects that are predominantly
5 commercial and contain 100,000 or more square feet of office and
6 retail space, or industrial space for purchase or lease, and may
7 include a parking component. The developer of a project seeking
8 an award of credits for a project restricted under this subparagraph
9 shall submit an incentive grant application prior to December 31,
10 2021, and if approved after the effective date of P.L.2020, c.156,
11 shall submit a temporary certificate of occupancy for the project no
12 later than December 31, 2024. In addition to the requirements for
13 an incentive award set forth in P.L.2009, c.90 (C.52:27D-489a et
14 al.), a developer shall be eligible to receive an award of credits for a
15 project restricted under this subparagraph only if the developer
16 demonstrates to the authority at that time of application that: (i) the
17 project shall comply with minimum environmental and
18 sustainability standards; (ii) the project shall comply with the
19 authority's affirmative action requirements, adopted pursuant to
20 section 4 of P.L.1979, c.303 (C.34:1B-5.4); (iii) each worker
21 employed by the developer, or subcontractor of a developer
22 working at the project, shall be paid not less than \$15 per hour or
23 120 percent of the minimum wage fixed under subsection a. of
24 section 5 of P.L.1966, c.113 (C.34:11-56a4), whichever is higher;
25 and (iv) during the eligibility period, each worker employed to
26 perform construction work or building services work at the project
27 shall be paid not less than the prevailing wage rate for the worker's
28 craft or trade, as determined by the Commissioner of Labor and
29 Workforce Development pursuant to P.L.1963, c.150 (C.34:11-
30 56.25 et seq.) and P.L.2005, c.379 (C.34:11-56.58 et seq.).

31 (2) In the case of a qualified residential project or a project
32 involving university infrastructure, if the authority determines that
33 the estimated amount of incremental revenues pledged towards the
34 State portion of an incentive grant is inadequate to fully fund the
35 amount of the State portion of the incentive grant, then in lieu of an
36 incentive grant based on the incremental revenues, the developer
37 shall be awarded tax credits equal to the full amount of the
38 incentive grant.

39 (3) In the case of a mixed use parking project, if the authority
40 determines that the estimated amount of incremental revenues
41 pledged towards the State portion of an incentive grant is
42 inadequate to fully fund the amount of the State portion of the
43 incentive grant, then, in lieu of an incentive grant based on the
44 incremental revenues, the developer shall be awarded tax credits
45 equal to the full amount of the incentive grant.

46 The value of all credits approved by the authority pursuant to
47 paragraphs (2) and (3) of this subsection shall not exceed
48 \$993,000,000, of which:

1 (a) \$250,000,000 shall be restricted to qualified residential
2 projects within Atlantic, Burlington, Camden, Cape May,
3 Cumberland, Gloucester, Ocean, and Salem counties, of which
4 \$175,000,000 of the credits shall be restricted to the following
5 categories of projects: (i) qualified residential projects located in a
6 Garden State Growth Zone located within the aforementioned
7 counties; and (ii) mixed use parking projects located in a Garden
8 State Growth Zone or urban transit hub located within the
9 aforementioned counties; (iii) and \$75,000,000 of the credits shall
10 be restricted to qualified residential projects in municipalities with a
11 2007 Municipal Revitalization Index of 400 or higher as of the date
12 of enactment of the "New Jersey Economic Opportunity Act of
13 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located within
14 the aforementioned counties;

15 (b) \$440,000,000 shall be restricted to the following categories
16 of projects: (i) qualified residential projects located in urban transit
17 hubs that are commuter rail in nature that otherwise do not qualify
18 under subparagraph (a) of this paragraph; (ii) qualified residential
19 projects located in Garden State Growth Zones that do not qualify
20 under subparagraph (a) of this paragraph; (iii) mixed use parking
21 projects located in urban transit hubs or Garden State Growth Zones
22 that do not qualify under subparagraph (a) of this paragraph,
23 provided however, an urban transit hub shall be allocated no more
24 than \$25,000,000 for mixed use parking projects; (iv) qualified
25 residential projects which are disaster recovery projects that
26 otherwise do not qualify under subparagraph (a) of this paragraph;
27 (v) qualified residential projects in SDA municipalities located in
28 Hudson County that were awarded State Aid in State Fiscal Year
29 2013 through the Transitional Aid to Localities program and
30 otherwise do not qualify under subparagraph (a) of this paragraph;
31 (vi) \$25,000,000 of credits shall be restricted to mixed use parking
32 projects in Garden State Growth Zones which have a population in
33 excess of 125,000 and do not qualify under subparagraph (a) of this
34 paragraph; (vii) \$40,000,000 of credits shall be restricted to
35 qualified residential projects that include a theater venue for the
36 performing arts and do not qualify under subparagraph (a) of this
37 paragraph, which projects are located in a municipality with a
38 population of less than 100,000 according to the latest federal
39 decennial census, and within which municipality is located an urban
40 transit hub and a campus of a public research university, as defined
41 in section 1 of P.L.2009, c.308 (C.18A:3B-46); and (viii)
42 \$150,000,000 of credits shall be restricted to qualified residential
43 projects and mixed use parking projects in Garden State Growth
44 Zones having a population in excess of 125,000 and do not qualify
45 under subparagraph (a) of this paragraph;

46 (c) \$87,000,000 shall be restricted to the following categories of
47 projects: (i) qualified residential projects located in distressed
48 municipalities, deep poverty pockets, highlands development credit

1 receiving areas or redevelopment areas, otherwise not qualifying
2 pursuant to subparagraph (a) or (b) of this paragraph; and (ii) mixed
3 use parking projects that do not qualify under subparagraph (a) or
4 (b) of this paragraph, and which are used by an independent
5 institution of higher education, a school of medicine, a nonprofit
6 hospital system, or any combination thereof; provided, however,
7 that \$20,000,000 of the \$87,000,000 shall be allocated to mixed use
8 parking projects that do not qualify under subparagraph (a) or (b) of
9 this paragraph;

10 (d) (i) \$16,000,000 shall be restricted to qualified residential
11 projects that are located within a qualifying economic
12 redevelopment and growth grant incentive area otherwise not
13 qualifying under subparagraph (a), (b), or (c) of this paragraph; and

14 (ii) an additional \$50,000,000 shall be restricted to qualified
15 residential projects which, as of the effective date of P.L.2016, c.51,
16 are located in a city of the first class with a population in excess of
17 270,000, are subject to a Renewal Contract for a Section 8 Mark-
18 Up-To-Market Project from the United States Department of
19 Housing and Urban Development, and for which an application for
20 the award of tax credits under this subsection was submitted prior to
21 January 1, 2016;

22 (e) \$25,000,000 shall be restricted to projects involving
23 university infrastructure; and

24 (f) (Deleted by amendment, P.L.2021, c.160)

25 (g) \$125,000,000 shall be restricted to applications submitted
26 after the effective date of P.L.2020, c.156 (C.34:1B-269 et al.) for
27 residential projects in any county of the State.

28 (h) For subparagraphs (a) through (d) of this paragraph, not
29 more than \$40,000,000 of credits shall be awarded to any qualified
30 residential project in a deep poverty pocket or distressed
31 municipality and not more than \$20,000,000 of credits shall be
32 awarded to any other qualified residential project. The developer of
33 a qualified residential project seeking an award of credits towards
34 the funding of its incentive grant shall submit an incentive grant
35 application prior to July 1, 2016 and if approved after September
36 18, 2013, the effective date of P.L.2013, c.161 (C.52:27D-489p et
37 al.) shall submit a temporary certificate of occupancy for the project
38 no later than December 31, 2023. The developer of a mixed use
39 parking project seeking an award of credits towards the funding of
40 its incentive grant pursuant to subparagraph (c) of this paragraph
41 and if approved after the effective date of P.L.2015, c.217, shall
42 submit a temporary certificate of occupancy for the project no later
43 than December 31, 2023. The developer of a qualified residential
44 project or a mixed use parking project seeking an award of credits
45 toward the funding of its incentive grant for a project restricted
46 under categories (vi) and (viii) of subparagraph (b) of this
47 paragraph shall submit an incentive grant application prior to July
48 1, 2019 or, in the case of a project restricted under category (viii) of

1 subparagraph (b) of this paragraph, December 31, 2021, and if
2 approved after the effective date of P.L.2017, c.59, shall submit a
3 temporary certificate of occupancy for the project no later than June
4 30, ~~2026~~ 2028 provided that the municipality in which the project
5 is located shall have submitted to the chief executive officer of the
6 authority a letter of support identifying up to six projects prior to
7 July 1, 2018. The letter of support is to contain a project scope for
8 each of the projects and may be supplemented or amended from
9 time to time until July 1, 2019 or, in the case of a project restricted
10 under categories (vi) and (viii) of subparagraph (b) of this
11 paragraph, December 31, 2022. A developer may amend the
12 application, or assign the application to a municipal developer, for a
13 project restricted under categories (vi) and (viii) of subparagraph
14 (b) of this paragraph that is described in subparagraph (c) of
15 paragraph (2) of subsection b. of section 3 of P.L.2022, c.75
16 (C.52:27D-489i1) by excluding the visitor center, youth center, or
17 both from the application, provided that the project otherwise
18 qualifies as a mixed use parking project, and, notwithstanding any
19 provisions of section 3 of P.L.2022, c.75 (C.52:27D-489i1) or any
20 law or rule to the contrary, the maximum amount of any
21 redevelopment incentive grant for the modified project shall be as
22 set forth for projects described in subparagraph (c) of paragraph (2)
23 of subsection b. of section 3 of P.L.2022, c.75 (C.52:27D-489i1).
24 Applications for tax credits pursuant to this subsection relating to
25 an ancillary infrastructure project or infrastructure improvement in
26 the public right-of-way, or both, shall be accompanied with a letter
27 of support relating to the project or improvement by the governing
28 body or agency in which the project is located. Credits awarded to
29 a developer pursuant to this subsection shall be subject to the same
30 financial and related analysis by the authority, the same term of the
31 grant, and the same mechanism for administering the credits, and
32 shall be utilized or transferred by the developer as if the credits had
33 been awarded to the developer pursuant to section 35 of P.L.2009,
34 c.90 (C.34:1B-209.3) for qualified residential projects thereunder.
35 No portion of the revenues pledged pursuant to the "New Jersey
36 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-
37 489p et al.) shall be subject to withholding or retainage for
38 adjustment, in the event the developer or taxpayer waives its rights
39 to claim a refund thereof.

40 (i) The developer of a project seeking an award of credits for a
41 project restricted under subparagraph (g) of this paragraph shall
42 submit an incentive grant application prior to December 31, 2021,
43 and if approved after the effective date of P.L.2020, c.156
44 (C.34:1B-269 et al.), shall submit a temporary certificate of
45 occupancy for the project no later than December 31, 2024. In
46 addition to the requirements for an award of credits set forth in
47 P.L.2009, c.90 (C.52:27D-489a et al.), a developer shall be eligible
48 to receive an award of credits for a project restricted under

1 subparagraph (g) of this paragraph only if the developer
2 demonstrates to the authority at that time of application that: (i) the
3 project shall comply with minimum environmental and
4 sustainability standards; (ii) the project shall comply with the
5 authority's affirmative action requirements, adopted pursuant to
6 section 4 of P.L.1979, c.303 (C.34:1B-5.4); (iii) each worker
7 employed by the developer or subcontractor of a developer working
8 at the project shall be paid not less than \$15 per hour or 120 percent
9 of the minimum wage fixed under subsection a. of section 5 of
10 P.L.1966, c.113 (C.34:11-56a4), whichever is higher; and (iv)
11 during the eligibility period, each worker employed to perform
12 construction work or building services work at the project shall be
13 paid not less than the prevailing wage rate for the worker's craft or
14 trade, as determined by the Commissioner of Labor and Workforce
15 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.)
16 and P.L.2005, c.379 (C.34:11-56.58 et seq.).

17 Prior to the board considering an application submitted by a
18 developer for a project restricted under subparagraph (g) of this
19 paragraph, the authority shall confirm with the Department of Labor
20 and Workforce Development, the Department of Environmental
21 Protection, and the Department of the Treasury whether the
22 developer is in substantial good standing with the respective
23 department, or has entered into an agreement with the respective
24 department that includes a practical corrective action plan for the
25 developer. The developer, or an authorized agent of the developer,
26 shall certify to the authority that all factual assertions made in the
27 developer's application are true under the penalty of perjury. If at
28 any time the authority determines that the developer made a
29 material misrepresentation on the developer's application, the
30 developer shall forfeit the award of credits and the authority shall
31 recapture any tax credits awarded to the developer.

32 (4) A developer may apply to the Director of the Division of
33 Taxation in the Department of the Treasury and the chief executive
34 officer of the authority for a tax credit transfer certificate, if the
35 developer is awarded a tax credit pursuant to paragraph (2) or
36 paragraph (3) of this subsection, covering one or more years, in lieu
37 of the developer being allowed any amount of the credit against the
38 tax liability of the developer. The tax credit transfer certificate,
39 upon receipt thereof by the developer from the director and the
40 chief executive officer of the authority, may be sold or assigned, in
41 full or in part, to any other person who may have a tax liability
42 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
43 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1
44 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The certificate
45 provided to the developer shall include a statement waiving the
46 developer's right to claim that amount of the credit against the taxes
47 that the developer has elected to sell or assign. The sale or
48 assignment of any amount of a tax credit transfer certificate allowed

1 under this paragraph shall not be exchanged for consideration
2 received by the developer of less than 75 percent of the transferred
3 credit amount before considering any further discounting to present
4 value that may be permitted. Any amount of a tax credit transfer
5 certificate used by a purchaser or assignee against a tax liability
6 shall be subject to the same limitations and conditions that apply to
7 the use of the credit by the developer who originally applied for and
8 was allowed the credit.

9 c. All administrative costs associated with the incentive grant
10 shall be assessed to the applicant and be retained by the State
11 Treasurer from the annual incentive grant payments.

12 d. The incremental revenue for the revenues listed in
13 subsection a. of this section shall be calculated as the difference
14 between the amount collected in any fiscal year from any eligible
15 revenue source included in the State redevelopment incentive grant
16 agreement, less the revenue increment base for that eligible
17 revenue.

18 e. The municipality is authorized to collect any information
19 necessary to facilitate grants under this program and remit that
20 information in order to assist in the calculation of incremental
21 revenue.

22 (cf: P.L.2022, c.75, s.2)

23

24 3. Section 3 of P.L.2022, c.75 (C.52:27D-489i1) is amended to
25 read as follows:

26 3. Notwithstanding any provision of the "New Jersey Economic
27 Stimulus Act of 2009," P.L.2009, c.90 (C.52:27D-489a et al.) to the
28 contrary, the following provisions shall apply to a mixed use
29 parking project that is restricted under categories (vi) or (viii) of
30 subparagraph (b) of paragraph (3) of subsection b. of section 6 of
31 P.L.2009, c.90 (C.52:27D-489f) and undertaken by a municipal
32 redeveloper after the effective date of P.L.2022, c.75 (C.52:27D-
33 489i1 et al.), for which a redevelopment incentive grant is awarded:

34 a. A municipal redeveloper shall submit a temporary certificate
35 of occupancy for such proposed mixed use parking project no later
36 than June 30, **[2026]** 2028.

37 b. (1) Except as provided in paragraph (2) of this subsection, a
38 redevelopment incentive grant award shall be equal to 100 percent
39 of the total project costs allocated to the parking component of the
40 project and 40 percent of the total project costs allocated to the non-
41 parking component of a proposed mixed use parking project.

42 (2) A redevelopment incentive grant award shall be equal to 100
43 percent of the total project costs allocated to the parking component
44 of the project and 80 percent of the total project costs allocated to
45 the non-parking component of the mixed use parking project if the
46 mixed use parking project is:

47 (a) constructed upon all or a portion of a project site that was
48 previously the subject of an award of tax credits pursuant to the

1 "Urban Transit Hub Tax Credit Act," P.L.2007, c. 346 (C.34:1B-
2 207 et seq.) or the "New Jersey Economic Stimulus Act of 2009,"
3 P.L.2009, c. 90 (C.52:27D-489a et al.), but the tax credits were not
4 issued;

5 (b) an entertainment venue with seating capacity in excess of
6 5,000; or

7 (c) constructed to be utilized by a visitor center or youth center
8 within or adjacent to a national historic park.

9 c. The terms of any approval, granted by the authority, for a
10 proposed mixed use parking project undertaken by a municipal
11 redeveloper, which has not yet commenced construction activities
12 other than demolition or site work, may be modified to reflect the
13 terms established pursuant to P.L.2022, c.75 (C.52:27D-489i1 et
14 al.), upon application to the authority for review and approval;
15 provided, however, the developer shall not be required to pay any
16 fee that may be established under law or regulation related to the
17 application for modification. All dates of required action by a
18 municipal redeveloper contained in an approval, granted by the
19 authority, shall be automatically extended by the thirty-month
20 period corresponding to the temporary certificate of occupancy
21 submission date established by subsection a. of this section.

22 d. All proposed mixed use parking projects shall comply with
23 Leadership in Energy and Environmental Design (LEED) standards,
24 to the extent that the United States Green Building Council shall
25 have promulgated standards for the project type proposed.
26 (cf: P.L.2022, c.75, s.3)

27

28 4. This act shall take effect immediately.

29

30

31

STATEMENT

32

33 This bill modifies certain deadlines for certain existing projects
34 under the Economic Redevelopment and Growth Grant program
35 (program) and modifies the definition of "project cost" for purposes
36 of the program.

37

Temporary Certificate of Occupancy Deadlines

38 This bill extends the deadline for a developer to submit a
39 temporary certificate of occupancy for certain qualified residential
40 projects or mixed use parking projects to June 30, 2028. Under
41 current law, the deadline to submit this documentation is June 30,
42 2026. Specifically, this extension would apply for any residential
43 project or mixed use parking project: (1) that was approved after
44 May 1, 2017; (2) that is located in a Garden State Growth Zone with
45 a population over 125,000, except not including those projects
46 located in Atlantic, Burlington, Camden, Cape May, Cumberland,
47 Gloucester, Ocean, and Salem counties; and (3) for which the
48

1 municipality in which the project is located submitted a letter of
2 support to the chief executive officer of the Economic Development
3 Authority identifying up to six projects prior to July 1, 2018.

4 This bill also extends the deadline for a municipal redeveloper to
5 submit a temporary certificate of occupancy for certain proposed
6 mixed use parking projects to June 30, 2028. Under current law,
7 the deadline to submit this documentation is June 30, 2026. This
8 extension would apply for any mixed use parking project: (1) that is
9 undertaken by a municipal redeveloper after July 29, 2022; (2) for
10 which a redevelopment incentive grant is awarded; and (3) that is
11 located in a Garden State Growth Zone with a population over
12 125,000, except not including those projects located in Atlantic,
13 Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean,
14 and Salem counties.

15

16 *Modified Projects*

17 Additionally, the bill permits the developers of certain mixed use
18 parking projects to exclude a visitor center, youth center, or both
19 from the project application, or to assign the application to a
20 municipal redeveloper, provided that the project otherwise qualifies
21 as a mixed-use parking project. This permission to amend or assign
22 an application applies to any mixed use parking project: (1) that is
23 undertaken by a municipal redeveloper after July 29, 2022; (2) for
24 which a redevelopment incentive grant is awarded; (3) that is
25 located in a Garden State Growth Zone with a population over
26 125,000, except not including those projects located in Atlantic,
27 Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean,
28 and Salem counties; and (4) that was initially intended to be utilized
29 by a visitor center or youth center within or adjacent to a national
30 historic park.

31 Under current law, the redevelopment incentive grant award for
32 such a project is equal to 100 percent of the total project costs
33 allocated to the parking component combined with 80 percent of the
34 total project costs allocated to the non-parking component. Under
35 the bill, the maximum amount of any redevelopment incentive grant
36 for the modified project would be determined in the same manner as
37 for an unmodified project.

38

39 *Project Cost*

40 This bill revises the definition of the term “project cost,” for the
41 purposes of the program, to include among other costs: capitalized
42 interest paid to third parties, the funding of a debt service reserve
43 fund, the cost of infrastructure improvements, including ancillary
44 infrastructure projects, and an amount not to exceed 20 percent of
45 the total project cost for costs not directly related to construction.

46 The bill also provides that, for purposes of the definition of
47 “project cost,” capitalized interest paid to third parties is deemed to
48 be costs directly related to construction.

[First Reprint]

ASSEMBLY, No. 4226

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED MAY 2, 2024

Sponsored by:

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

SYNOPSIS

Modifies requirements for certain projects under Economic Redevelopment and Growth Grant program.

CURRENT VERSION OF TEXT

As reported by the Assembly Commerce, Economic Development and Agriculture Committee on May 13, 2024, with amendments.



(Sponsorship Updated As Of: 6/28/2024)

1 AN ACT concerning the Economic Redevelopment and Growth
2 Grant program and amending P.L.2009, c.90 and P.L.2022, c.75.

3

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

6

7 1. Section 3 of P.L.2009, c.90 (C.52:27D-489c) is amended to
8 read as follows:

9 3. As used in sections 3 through 18 of P.L.2009, c.90
10 (C.52:27D-489c et al.):

11 "Applicant" means a developer proposing to enter into a
12 redevelopment incentive grant agreement.

13 "Ancillary infrastructure project" means structures or
14 improvements that are located within the incentive area but outside
15 the project area of a redevelopment project, including, but not
16 limited to, docks, bulkheads, parking garages, public electric
17 vehicle charging stations, freight rail spurs, roadway overpasses,
18 and train station platforms, provided a developer or municipal
19 redeveloper has demonstrated that the redevelopment project would
20 not be economically viable or promote the use of public
21 transportation without such improvements, as approved by the State
22 Treasurer.

23 "Authority" means the New Jersey Economic Development
24 Authority established under section 4 of P.L.1974, c.80 (C.34:1B-
25 4).

26 "Aviation district" means all areas within the boundaries of the
27 "Atlantic City International Airport," established pursuant to section
28 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
29 Administration William J. Hughes Technical Center and the area
30 within a one-mile radius of the outermost boundary of the "Atlantic
31 City International Airport" and the Federal Aviation Administration
32 William J. Hughes Technical Center.

33 "Deep poverty pocket" means a population census tract having a
34 poverty level of 20 percent or more, and which is located within the
35 incentive area and has been determined by the authority to be an
36 area appropriate for development and in need of economic
37 development incentive assistance.

38 "Developer" means any person who enters or proposes to enter
39 into a redevelopment incentive grant agreement pursuant to the
40 provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its
41 successors or assignees, including but not limited to a lender that
42 completes a redevelopment project, operates a redevelopment
43 project, or completes and operates a redevelopment project. A
44 developer also may be a municipal redeveloper as defined herein or
45 Rutgers, the State University of New Jersey.

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ACE committee amendments adopted May 13, 2024.

1 "Director" means the Director of the Division of Taxation in the
2 Department of the Treasury.

3 "Disaster recovery project" means a redevelopment project
4 located on property that has been wholly or substantially damaged
5 or destroyed as a result of a federally-declared disaster, and which
6 is located within the incentive area and has been determined by the
7 authority to be in an area appropriate for development and in need
8 of economic development incentive assistance.

9 "Distressed municipality" means a municipality that is qualified
10 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
11 municipality under the supervision of the Local Finance Board
12 pursuant to the provisions of the "Local Government Supervision
13 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
14 identified by the Director of the Division of Local Government
15 Services in the Department of Community Affairs to be facing
16 serious fiscal distress, a SDA municipality, or a municipality in
17 which a major rail station is located.

18 "Electric vehicle charging station" means an electric component
19 assembly or cluster of component assemblies designed specifically
20 to charge batteries within electric vehicles by permitting the transfer
21 of electric energy to a battery or other storage device in an electric
22 vehicle.

23 "Eligibility period" means the period of time specified in a
24 redevelopment incentive grant agreement for the payment of
25 reimbursements to a developer, which period shall not exceed 20
26 years, with the term to be determined solely at the discretion of the
27 applicant.

28 "Eligible revenue" means the property tax increment and any
29 other incremental revenues set forth in section 11 of P.L.2009, c.90
30 (C.52:27D-489k), except in the case of a Garden State Growth
31 Zone, in which the property tax increment and any other
32 incremental revenues are calculated as those incremental revenues
33 that would have existed notwithstanding the provisions of the "New
34 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
35 (C.52:27D-489p et al.).

36 "Garden State Growth Zone" or "growth zone" means the four
37 New Jersey cities with the lowest median family income based on
38 the 2009 American Community Survey from the US Census, (Table
39 708. Household, Family, and Per Capita Income and Individuals,
40 and Families Below Poverty Level by City: 2009); a municipality
41 which contains a Tourism District as established pursuant to section
42 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
43 Reinvestment Development Authority; or an aviation district.

44 "Highlands development credit receiving area or redevelopment
45 area" means an area located within an incentive area and designated
46 by the Highlands Council for the receipt of Highlands Development
47 Credits under the Highlands Transfer Development Rights Program
48 authorized under section 13 of P.L.2004, c.120 (C.13:20-13).

1 "Incentive grant" means reimbursement of all or a portion of the
2 project financing gap of a redevelopment project through the State
3 or a local Economic Redevelopment and Growth Grant program
4 pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d
5 or C.52:27D-489e).

6 "Infrastructure improvements in the public right-of-way" mean
7 public structures or improvements, including public electric vehicle
8 charging stations, located in the public right-of-way that are located
9 within a project area or that constitute an ancillary infrastructure
10 project, either of which are dedicated to or owned by a
11 governmental body or agency upon completion, or any required
12 payment in lieu of the structures, improvements or projects, or any
13 costs of remediation associated with the structures, improvements
14 or projects, and that are determined by the authority, in consultation
15 with applicable State agencies, to be consistent with and in
16 furtherance of State public infrastructure objectives and initiatives.

17 "Low-income housing" means housing affordable according to
18 federal Department of Housing and Urban Development or other
19 recognized standards for home ownership and rental costs and
20 occupied or reserved for occupancy by households with a gross
21 household income equal to 50 percent or less of the median gross
22 household income for households of the same size within the
23 housing region in which the housing is located.

24 "Major rail station" means a railroad station located within a
25 qualified incentive area which provides access to the public to a
26 minimum of six rail passenger service lines operated by the New
27 Jersey Transit Corporation.

28 "Mixed use parking project" means a redevelopment project, the
29 parking component of which shall constitute 51 percent or more of
30 any of the following:

- 31 a. the total square footage of the entire mixed use parking
32 project;
- 33 b. the estimated revenues of the entire mixed use parking
34 project; or
- 35 c. the total construction cost of the entire mixed use parking
36 project.

37 "Moderate-income housing" means housing affordable,
38 according to United States Department of Housing and Urban
39 Development or other recognized standards for home ownership
40 and rental costs, and occupied or reserved for occupancy by
41 households with a gross household income equal to more than 50
42 percent but less than 80 percent of the median gross household
43 income for households of the same size within the housing region in
44 which the housing is located.

45 "Municipal redeveloper" means an applicant for a redevelopment
46 incentive grant agreement, which applicant is:

1 a. a municipal government, a municipal parking authority, or a
2 redevelopment agency acting on behalf of a municipal government
3 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or

4 b. a developer of a mixed use parking project, provided that the
5 parking component of the mixed use parking project is operated and
6 maintained by a municipal parking authority for the term of any
7 financial assistance granted pursuant to P.L.2015, c.69.

8 "Municipal Revitalization Index" means the 2007 index by the
9 Office of Planning Advocacy within the Department of State
10 measuring or ranking municipal distress.

11 "Non-parking component" means that portion of a mixed use
12 parking project not used for parking, together with the portion of
13 the costs of the mixed use parking project, including but not limited
14 to the footings, foundations, site work, infrastructure, and soft costs
15 that are allocable to the non-parking use.

16 "Parking component" means that portion of a mixed use parking
17 project used for parking, together with the portion of the costs of
18 the mixed use parking project, including but not limited to the
19 footings, foundations, site work, infrastructure, and soft costs that
20 are allocable to the parking use. The parking component, which
21 may include enclosed pedestrian walkways or a skybridge, may be
22 in the same structure as all the non-parking components or may be
23 in a structure with some non-parking components with the
24 remaining non-parking components in an adjacent or nearby
25 structure that is no more than one third of a mile from the parking
26 components.

27 "Project area" means land or lands located within the incentive
28 area under common ownership or control including through a
29 redevelopment agreement with a municipality, or as otherwise
30 established by a municipality or a redevelopment agreement
31 executed by a State entity to implement a redevelopment project.

32 "Project cost" means the costs incurred in connection with the
33 redevelopment project by the developer until the issuance of a
34 permanent certificate of occupancy, or until such other time
35 specified by the authority, for a specific investment or
36 improvement, including the costs relating to: receiving Highlands
37 Development Credits under the Highlands Transfer Development
38 Rights Program authorized pursuant to section 13 of P.L.2004,
39 c.120 (C.13:20-13), lands, buildings, improvements, real or
40 personal property, or any interest therein, including leases
41 discounted to present value, including lands under water, riparian
42 rights, space rights and air rights acquired, owned, developed or
43 redeveloped, constructed, reconstructed, rehabilitated or improved,
44 and any environmental remediation costs], plus costs not directly
45 related to construction, of an amount not to exceed 20 percent of the
46 total costs], capitalized interest paid to third parties, which for
47 purposes of this definition shall be deemed to be costs directly
48 related to construction, the funding of a debt service reserve fund,

1 **[and]** the cost of infrastructure improvements, including ancillary
2 infrastructure projects, and an amount not to exceed 20 percent of
3 the total project cost for costs not directly related to construction,
4 and, for projects located in a Garden State Growth Zone only, the
5 cost of infrastructure improvements, including any ancillary
6 infrastructure project and the amount by which total project cost
7 exceeds the cost of an alternative location for the redevelopment
8 project, but excluding any particular costs for which the project has
9 received federal, State, or local funding. In the case of a mixed use
10 parking project that is undertaken by a municipal redeveloper and
11 that did not commence construction before the declaration of the
12 COVID-19 public health emergency on March 9, 2020, project
13 costs may include, in the discretion of the chief executive officer of
14 the authority consistent with applicable law, the cost or value of
15 land, demolition, and equity contributions, as well as any particular
16 costs for which the project has received State or local funding.

17 "Project financing gap" means:

18 a. the part of the total project cost, including return on
19 investment, that remains to be financed after all other sources of
20 capital have been accounted for, including, but not limited to,
21 developer-contributed capital, which shall not be less than 20
22 percent of the total project cost, which may include the value of any
23 existing land and improvements in the project area owned or
24 controlled by the developer, and the cost of infrastructure
25 improvements in the public right-of-way, subject to review by the
26 State Treasurer, and investor or financial entity capital or loans for
27 which the developer, after making all good faith efforts to raise
28 additional capital, certifies that additional capital cannot be raised
29 from other sources on a non-recourse basis; and

30 b. the amount by which total project cost exceeds the cost of an
31 alternative location for the out-of-State redevelopment project.

32 "Project revenue" means all rents, fees, sales, and payments
33 generated by a project, less taxes or other government payments.

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

35 a. multiplying the general tax rate levied each year by the
36 taxable value of all the property assessed within a project area in
37 the same year, excluding any special assessments; and

38 b. multiplying that product by a fraction having a numerator
39 equal to the taxable value of all the property assessed within the
40 project area, minus the property tax increment base, and having a
41 denominator equal to the taxable value of all property assessed
42 within the project area.

43 For the purpose of this definition, "property tax increment base"
44 means the aggregate taxable value of all property assessed which is
45 located within the redevelopment project area as of October 1st of
46 the year preceding the year in which the redevelopment incentive
47 grant agreement is authorized.

1 "Public electric vehicle charging station" means an electric
2 vehicle charging station located at a publicly available parking
3 space.

4 "Public hydrogen fueling station" means publicly available
5 equipment to store and dispense hydrogen fuel to vehicles
6 according to industry codes and standards.

7 "Publicly available parking space" means a parking space that is
8 available to, and accessible by, the public and may include on-street
9 parking spaces and parking spaces in surface lots or parking
10 garages, but shall not include: a parking space that is part of, or
11 associated with, a private residence; or a parking space that is
12 reserved for the exclusive use of an individual driver or vehicle or
13 for a group of drivers or vehicles, such as employees, tenants,
14 visitors, residents of a common interest development, or residents
15 of an adjacent building.

16 "Qualified incubator facility" means a commercial building
17 located within an incentive area: which contains 100,000 or more
18 square feet of office, laboratory, or industrial space; which is
19 located near, and presents opportunities for collaboration with, a
20 research institution, teaching hospital, college, or university; and
21 within which, at least 75 percent of the gross leasable area is
22 restricted for use by one or more technology startup companies
23 during the commitment period.

24 "Qualified residential project" means a redevelopment project
25 that is predominantly residential and includes multi-family
26 residential units for purchase or lease, or dormitory units for
27 purchase or lease, having a total project cost of at least
28 \$17,500,000, if the project is located in any municipality with a
29 population greater than 200,000 according to the latest federal
30 decennial census, or having a total project cost of at least
31 \$10,000,000 if the project is located in any municipality with a
32 population less than 200,000 according to the latest federal
33 decennial census, or is a disaster recovery project, or having a total
34 project cost of \$5,000,000 if the project is in a Garden State Growth
35 Zone.

36 "Qualifying economic redevelopment and growth grant incentive
37 area" or "incentive area" means:

- 38 a. an aviation district;
- 39 b. a port district;
- 40 c. a distressed municipality; or
- 41 d. an area (1) designated pursuant to the "State Planning Act,"
42 P.L.1985, c.398 (C.52:18A-196 et seq.), as:
 - 43 (a) Planning Area 1 (Metropolitan);
 - 44 (b) Planning Area 2 (Suburban); or
 - 45 (c) Planning Area 3 (Fringe Planning Area);
- 46 (2) located within a smart growth area and planning area
47 designated in a master plan adopted by the New Jersey
48 Meadowlands Commission pursuant to subsection (i) of section 6 of

- 1 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
2 adopted by the New Jersey Meadowlands Commission pursuant to
3 section 20 of P.L.1968, c.404 (C.13:17-21);
- 4 (3) located within any land owned by the New Jersey Sports and
5 Exposition Authority, established pursuant to P.L.1971, c.137
6 (C.5:10-1 et seq.), within the boundaries of the Hackensack
7 Meadowlands District as delineated in section 4 of P.L.1968, c.404
8 (C.13:17-4);
- 9 (4) located within a regional growth area, rural development
10 area zoned for industrial use as of the effective date of P.L.2016,
11 c.75, town, village, or a military and federal installation area
12 designated in the comprehensive management plan prepared and
13 adopted by the Pinelands Commission pursuant to the "Pinelands
14 Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.);
- 15 (5) located within the planning area of the Highlands Region as
16 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a
17 highlands development credit receiving area or redevelopment area;
- 18 (6) located within a Garden State Growth Zone;
- 19 (7) located within land approved for closure under any federal
20 Base Closure and Realignment Commission action; or
- 21 (8) located only within the following portions of the areas
22 designated pursuant to the "State Planning Act," P.L.1985, c.398
23 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
24 Planning Area 4B (Rural/Environmentally Sensitive) or Planning
25 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
26 Planning Area), Planning Area 4B (Rural/Environmentally
27 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
28 located within:
- 29 (a) a designated center under the State Development and
30 Redevelopment Plan;
- 31 (b) a designated growth center in an endorsed plan until the
32 State Planning Commission revises and readopts New Jersey's State
33 Strategic Plan and adopts regulations to revise this definition as it
34 pertains to Statewide planning areas;
- 35 (c) any area determined to be in need of redevelopment pursuant
36 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and
37 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of
38 P.L.1992, c.79 (C.40A:12A-14);
- 39 (d) any area on which a structure exists or previously existed
40 including any desired expansion of the footprint of the existing or
41 previously existing structure provided the expansion otherwise
42 complies with all applicable federal, State, county, and local
43 permits and approvals;
- 44 (e) the planning area of the Highlands Region as defined in
45 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
46 development credit receiving area or redevelopment area; or
- 47 (f) any area on which an existing tourism destination project is
48 located.

1 "Qualifying economic redevelopment and growth grant incentive
2 area" or "incentive area" shall not include any property located
3 within the preservation area of the Highlands Region as defined in
4 the "Highlands Water Protection and Planning Act," P.L.2004,
5 c.120 (C.13:20-1 et al.).

6 "Redevelopment incentive grant agreement" means an agreement
7 between:

8 a. the State and the New Jersey Economic Development
9 Authority and a developer; or

10 b. a municipality and a developer, or a municipal ordinance
11 authorizing a project to be undertaken by a municipal redeveloper,
12 under which, in exchange for the proceeds of an incentive grant, the
13 developer agrees to perform any work or undertaking necessary for
14 a redevelopment project, including the clearance, development or
15 redevelopment, construction, or rehabilitation of any structure or
16 improvement of commercial, industrial, residential, or public
17 structures or improvements within a qualifying economic
18 redevelopment and growth grant incentive area or a transit village.

19 "Redevelopment project" means a specific construction project
20 or improvement, including lands, buildings, improvements, real and
21 personal property or any interest therein, including lands under
22 water, riparian rights, space rights and air rights, acquired, owned,
23 leased, developed or redeveloped, constructed, reconstructed,
24 rehabilitated or improved, undertaken by a developer, owner or
25 tenant, or both, within a project area and any ancillary infrastructure
26 project including infrastructure improvements in the public right-of-
27 way, as set forth in an application to be made to the authority. The
28 use of the term "redevelopment project" in sections 3 through 18 of
29 P.L.2009, c.90 (C.52:27D-489c et al.) shall not be limited to only
30 redevelopment projects located in areas determined to be in need of
31 redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79
32 (C.40A:12A-5 and C.40A:12A-6) but shall also include, but not be
33 limited to, any work or undertaking in accordance with the
34 "Redevelopment Area Bond Financing Law," sections 1 through 10
35 of P.L.2001, c.310 (C.40A:12A-64 et seq.) or other applicable law,
36 pursuant to a redevelopment plan adopted by a State entity, or as
37 described in the resolution adopted by a public entity created by
38 State law with the power to adopt a redevelopment plan or
39 otherwise determine the location, type and character of a
40 redevelopment project or part of a redevelopment project on land
41 owned or controlled by it or within its jurisdiction, including but
42 not limited to, the New Jersey Meadowlands Commission
43 established pursuant to P.L.1968, c.404 (C.13:17-1 et seq.), the
44 New Jersey Sports and Exposition Authority established pursuant to
45 P.L.1971 c.137 (C.5:10-1 et seq.) and the Fort Monmouth
46 Economic Revitalization Authority created pursuant to P.L.2010,
47 c.51 (C.52:27I-18 et seq.). A redevelopment project may include

1 the development of zero-emission vehicle fueling and charging
2 infrastructure.

3 "Redevelopment utility" means a self-liquidating fund created by
4 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-
5 4891) to account for revenues collected and incentive grants paid
6 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
7 revenues dedicated to a redevelopment project.

8 "Revenue increment base" means the amounts of all eligible
9 revenues from sources within the redevelopment project area in the
10 calendar year proceeding the year in which the redevelopment
11 incentive grant agreement is executed, as certified by the State
12 Treasurer for State revenues, and the chief financial officer of the
13 municipality for municipal revenues.

14 "SDA district" means an SDA district as defined in section 3 of
15 P.L.2000, c.72 (C.18A:7G-3).

16 "SDA municipality" means a municipality in which an SDA
17 district is situated.

18 "Technology startup company" means a for profit business that
19 has been in operation fewer than five years and is developing or
20 possesses a proprietary technology or business method of a high-
21 technology or life science-related product, process, or service which
22 the business intends to move to commercialization.

23 "Tourism destination project" means a redevelopment project
24 that will be among the most visited privately owned or operated
25 tourism or recreation sites in the State, and which is located within
26 the incentive area and has been determined by the authority to be in
27 an area appropriate for development and in need of economic
28 development incentive assistance.

29 "Transit project" means a redevelopment project located within a
30 1/2-mile radius, or one-mile radius for projects located in a Garden
31 State Growth Zone, surrounding the mid-point of a New Jersey
32 Transit Corporation, Port Authority Transit Corporation, or Port
33 Authority Trans-Hudson Corporation rail, bus, or ferry station
34 platform area, including all light rail stations.

35 "Transit village" means a community with a bus, train, light rail,
36 or ferry station that has developed a plan to achieve its economic
37 development and revitalization goals and has been designated by
38 the New Jersey Department of Transportation as a transit village.

39 "University infrastructure" means any of the following located
40 on the campus of Rutgers, the State University of New Jersey:

41 a. buildings and structures, such as academic buildings,
42 recreation centers, indoor athletic facilities, public works garages,
43 and water and sewer treatment and pumping facilities;

44 b. open space with improvements, such as athletic fields and
45 other outdoor athletic facilities, planned commons, and parks; and

46 c. transportation facilities, such as bus shelters and parking
47 facilities.

1 "Urban transit hub" means an urban transit hub, as defined in
2 section 2 of P.L.2007, c.346 (C.34:1B-208), that is located within
3 an eligible municipality, as defined in section 2 of P.L.2007, c.346
4 (C.34:1B-208), or all light rail stations and property located within
5 a one-mile radius of the mid-point of the platform area of such a
6 rail, bus, or ferry station if the property is in a qualified
7 municipality under the "Municipal Rehabilitation and Economic
8 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.).

9 "Vacant commercial building" means any commercial building
10 or complex of commercial buildings having over 400,000 square
11 feet of office, laboratory, or industrial space that is more than 70
12 percent unoccupied at the time of application to the authority or is
13 negatively impacted by the approval of a "qualified business
14 facility," as defined pursuant to section 2 of P.L.2007, c.346
15 (C.34:1B-208), or any vacant commercial building in a Garden
16 State Growth Zone having over 35,000 square feet of office,
17 laboratory, or industrial space, or over 200,000 square feet of
18 office, laboratory, or industrial space in Atlantic, Burlington,
19 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
20 counties available for occupancy for a period of over one year.

21 "Vacant health facility project" means a redevelopment project
22 where a health facility, as defined by section 2 of P.L.1971, c.136
23 (C.26:2H-2), currently exists and is considered vacant. A health
24 facility shall be considered vacant if at least 70 percent of that
25 facility has not been open to the public or utilized to serve any
26 patients at the time of application to the authority.

27 "Zero-emission vehicle" means a vehicle certified as a zero
28 emission vehicle pursuant to the California Air Resources Board
29 zero emission vehicle standards for the applicable model year,
30 including but not limited to, battery electric-powered vehicles and
31 hydrogen fuel cell vehicles.

32 "Zero-emission vehicle fueling and charging infrastructure"
33 means infrastructure to charge or fuel zero-emission vehicles,
34 including but not limited to, public electric vehicle charging
35 stations and public hydrogen fueling stations.

36 (cf: P.L.2022, c.75, s.1)

37

38 2. Section 6 of P.L.2009, c.90 (C.52:27D-489f) is amended to
39 read as follows:

40 6. a. Up to the limits established in subsection b. of this section
41 and in accordance with a redevelopment incentive grant agreement,
42 beginning upon the receipt of occupancy permits for any portion of
43 the redevelopment project, or upon any other event evidencing
44 project completion as set forth in the incentive grant agreement, the
45 State Treasurer shall pay to the developer incremental State
46 revenues directly realized from businesses operating at the site of
47 the redevelopment project from the following taxes: the Corporation
48 Business Tax Act (1945), P.L.1945, c.162 (C.54:10A-1 et seq.), the

1 tax imposed on marine insurance companies pursuant to R.S.54:16-
2 1 et seq., the tax imposed on insurers generally, pursuant to
3 P.L.1945, c.132 (C.54:18A-1 et seq.), the public utility franchise
4 tax, public utilities gross receipts tax and public utility excise tax
5 imposed on sewerage and water corporations pursuant to P.L.1940,
6 c.5 (C.54:30A-49 et seq.), those tariffs and charges imposed by
7 electric, natural gas, telecommunications, water and sewage
8 utilities, and cable television companies under the jurisdiction of
9 the New Jersey Board of Public Utilities, or comparable entity,
10 except for those tariffs, fees, or taxes related to societal benefits
11 charges assessed pursuant to section 12 of P.L.1999, c.23 (C.48:3-
12 60), any charges paid for compliance with the "Global Warming
13 Response Act," P.L.2007, c.112 (C.26:2C-37 et seq.), transitional
14 energy facility assessment unit taxes paid pursuant to section 67 of
15 P.L.1997, c.162 (C.48:2-21.34), and the sales and use taxes on
16 public utility and cable television services and commodities, the tax
17 derived from net profits from business, a distributive share of
18 partnership income, or a pro rata share of S corporation income
19 under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et
20 seq., the tax derived from a business at the site of a redevelopment
21 project that is required to collect the tax pursuant to the "Sales and
22 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), the tax imposed
23 pursuant to P.L.1966, c.30 (C.54:32B-1 et seq.) from the purchase
24 of furniture, fixtures and equipment, or materials for the
25 remediation, the construction of new structures at the site of a
26 redevelopment project, the hotel and motel occupancy fee imposed
27 pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1), or the
28 portion of the fee imposed pursuant to section 3 of P.L.1968, c.49
29 (C.46:15-7) derived from the sale of real property at the site of the
30 redevelopment project and paid to the State Treasurer for use by the
31 State, that is not credited to the "Shore Protection Fund" or the
32 "Neighborhood Preservation Nonlapsing Revolving Fund" ("New
33 Jersey Affordable Housing Trust Fund") pursuant to section 4 of
34 P.L.1968, c.49 (C.46:15-8). Any developer shall be allowed to
35 assign their ability to apply for the tax credit under this subsection
36 to a non-profit organization with a mission dedicated to attracting
37 investment and completing development and redevelopment
38 projects in a Garden State Growth Zone. The non-profit
39 organization may make an application on behalf of a developer
40 which meets the requirements for the tax credit, or a group of non-
41 qualifying developers, such that these will be considered a unified
42 project for the purposes of the incentives provided under this
43 section.

44 b. (1) (a) Up to an average of 75 percent of the projected
45 annual incremental revenues or 85 percent of the projected annual
46 incremental revenues in a Garden State Growth Zone may be
47 pledged towards the State portion of an incentive grant.

1 (b) State incentive grants not to exceed an aggregate total value
2 of \$75,000,000 shall be made available by the authority for
3 applications submitted after the effective date of P.L.2020, c.156,
4 but prior to December 31, 2021, for projects that are predominantly
5 commercial and contain 100,000 or more square feet of office and
6 retail space, or industrial space for purchase or lease, and may
7 include a parking component. The developer of a project seeking
8 an award of credits for a project restricted under this subparagraph
9 shall submit an incentive grant application prior to December 31,
10 2021, and if approved after the effective date of P.L.2020, c.156,
11 shall submit a temporary certificate of occupancy for the project no
12 later than December 31, 2024. In addition to the requirements for
13 an incentive award set forth in P.L.2009, c.90 (C.52:27D-489a et
14 al.), a developer shall be eligible to receive an award of credits for a
15 project restricted under this subparagraph only if the developer
16 demonstrates to the authority at that time of application that: (i) the
17 project shall comply with minimum environmental and
18 sustainability standards; (ii) the project shall comply with the
19 authority's affirmative action requirements, adopted pursuant to
20 section 4 of P.L.1979, c.303 (C.34:1B-5.4); (iii) each worker
21 employed by the developer, or subcontractor of a developer
22 working at the project, shall be paid not less than \$15 per hour or
23 120 percent of the minimum wage fixed under subsection a. of
24 section 5 of P.L.1966, c.113 (C.34:11-56a4), whichever is higher;
25 and (iv) during the eligibility period, each worker employed to
26 perform construction work or building services work at the project
27 shall be paid not less than the prevailing wage rate for the worker's
28 craft or trade, as determined by the Commissioner of Labor and
29 Workforce Development pursuant to P.L.1963, c.150 (C.34:11-
30 56.25 et seq.) and P.L.2005, c.379 (C.34:11-56.58 et seq.).

31 (2) In the case of a qualified residential project or a project
32 involving university infrastructure, if the authority determines that
33 the estimated amount of incremental revenues pledged towards the
34 State portion of an incentive grant is inadequate to fully fund the
35 amount of the State portion of the incentive grant, then in lieu of an
36 incentive grant based on the incremental revenues, the developer
37 shall be awarded tax credits equal to the full amount of the
38 incentive grant.

39 (3) In the case of a mixed use parking project, if the authority
40 determines that the estimated amount of incremental revenues
41 pledged towards the State portion of an incentive grant is
42 inadequate to fully fund the amount of the State portion of the
43 incentive grant, then, in lieu of an incentive grant based on the
44 incremental revenues, the developer shall be awarded tax credits
45 equal to the full amount of the incentive grant.

46 The value of all credits approved by the authority pursuant to
47 paragraphs (2) and (3) of this subsection shall not exceed
48 \$993,000,000, of which:

1 (a) \$250,000,000 shall be restricted to qualified residential
2 projects within Atlantic, Burlington, Camden, Cape May,
3 Cumberland, Gloucester, Ocean, and Salem counties, of which
4 \$175,000,000 of the credits shall be restricted to the following
5 categories of projects: (i) qualified residential projects located in a
6 Garden State Growth Zone located within the aforementioned
7 counties; and (ii) mixed use parking projects located in a Garden
8 State Growth Zone or urban transit hub located within the
9 aforementioned counties; (iii) and \$75,000,000 of the credits shall
10 be restricted to qualified residential projects in municipalities with a
11 2007 Municipal Revitalization Index of 400 or higher as of the date
12 of enactment of the "New Jersey Economic Opportunity Act of
13 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located within
14 the aforementioned counties;

15 (b) \$440,000,000 shall be restricted to the following categories
16 of projects: (i) qualified residential projects located in urban transit
17 hubs that are commuter rail in nature that otherwise do not qualify
18 under subparagraph (a) of this paragraph; (ii) qualified residential
19 projects located in Garden State Growth Zones that do not qualify
20 under subparagraph (a) of this paragraph; (iii) mixed use parking
21 projects located in urban transit hubs or Garden State Growth Zones
22 that do not qualify under subparagraph (a) of this paragraph,
23 provided however, an urban transit hub shall be allocated no more
24 than \$25,000,000 for mixed use parking projects; (iv) qualified
25 residential projects which are disaster recovery projects that
26 otherwise do not qualify under subparagraph (a) of this paragraph;
27 (v) qualified residential projects in SDA municipalities located in
28 Hudson County that were awarded State Aid in State Fiscal Year
29 2013 through the Transitional Aid to Localities program and
30 otherwise do not qualify under subparagraph (a) of this paragraph;
31 (vi) \$25,000,000 of credits shall be restricted to mixed use parking
32 projects in Garden State Growth Zones which have a population in
33 excess of 125,000 and do not qualify under subparagraph (a) of this
34 paragraph; (vii) \$40,000,000 of credits shall be restricted to
35 qualified residential projects that include a theater venue for the
36 performing arts and do not qualify under subparagraph (a) of this
37 paragraph, which projects are located in a municipality with a
38 population of less than 100,000 according to the latest federal
39 decennial census, and within which municipality is located an urban
40 transit hub and a campus of a public research university, as defined
41 in section 1 of P.L.2009, c.308 (C.18A:3B-46); and (viii)
42 \$150,000,000 of credits shall be restricted to qualified residential
43 projects and mixed use parking projects in Garden State Growth
44 Zones having a population in excess of 125,000 and do not qualify
45 under subparagraph (a) of this paragraph;

46 (c) \$87,000,000 shall be restricted to the following categories of
47 projects: (i) qualified residential projects located in distressed
48 municipalities, deep poverty pockets, highlands development credit

1 receiving areas or redevelopment areas, otherwise not qualifying
2 pursuant to subparagraph (a) or (b) of this paragraph; and (ii) mixed
3 use parking projects that do not qualify under subparagraph (a) or
4 (b) of this paragraph, and which are used by an independent
5 institution of higher education, a school of medicine, a nonprofit
6 hospital system, or any combination thereof; provided, however,
7 that \$20,000,000 of the \$87,000,000 shall be allocated to mixed use
8 parking projects that do not qualify under subparagraph (a) or (b) of
9 this paragraph;

10 (d) (i) \$16,000,000 shall be restricted to qualified residential
11 projects that are located within a qualifying economic
12 redevelopment and growth grant incentive area otherwise not
13 qualifying under subparagraph (a), (b), or (c) of this paragraph; and

14 (ii) an additional \$50,000,000 shall be restricted to qualified
15 residential projects which, as of the effective date of P.L.2016, c.51,
16 are located in a city of the first class with a population in excess of
17 270,000, are subject to a Renewal Contract for a Section 8 Mark-
18 Up-To-Market Project from the United States Department of
19 Housing and Urban Development, and for which an application for
20 the award of tax credits under this subsection was submitted prior to
21 January 1, 2016;

22 (e) \$25,000,000 shall be restricted to projects involving
23 university infrastructure; and

24 (f) (Deleted by amendment, P.L.2021, c.160)

25 (g) \$125,000,000 shall be restricted to applications submitted
26 after the effective date of P.L.2020, c.156 (C.34:1B-269 et al.) for
27 residential projects in any county of the State.

28 (h) For subparagraphs (a) through (d) of this paragraph, not
29 more than \$40,000,000 of credits shall be awarded to any qualified
30 residential project in a deep poverty pocket or distressed
31 municipality and not more than \$20,000,000 of credits shall be
32 awarded to any other qualified residential project. The developer of
33 a qualified residential project seeking an award of credits towards
34 the funding of its incentive grant shall submit an incentive grant
35 application prior to July 1, 2016 and if approved after September
36 18, 2013, the effective date of P.L.2013, c.161 (C.52:27D-489p et
37 al.) shall submit a temporary certificate of occupancy for the project
38 no later than December 31, 2023. The developer of a mixed use
39 parking project seeking an award of credits towards the funding of
40 its incentive grant pursuant to subparagraph (c) of this paragraph
41 and if approved after the effective date of P.L.2015, c.217, shall
42 submit a temporary certificate of occupancy for the project no later
43 than December 31, 2023. The developer of a qualified residential
44 project or a mixed use parking project seeking an award of credits
45 toward the funding of its incentive grant for a project restricted
46 under categories (vi) and (viii) of subparagraph (b) of this
47 paragraph shall submit an incentive grant application prior to July
48 1, 2019 or, in the case of a project restricted under category (viii) of

1 subparagraph (b) of this paragraph, December 31, 2021, and if
2 approved after the effective date of P.L.2017, c.59, shall submit a
3 temporary certificate of occupancy for the project no later than June
4 30, ~~2026~~ 2028 provided that the municipality in which the project
5 is located shall have submitted to the chief executive officer of the
6 authority a letter of support identifying up to six projects prior to
7 July 1, 2018. The letter of support is to contain a project scope for
8 each of the projects and may be supplemented or amended from
9 time to time until July 1, 2019 or, in the case of a project restricted
10 under categories (vi) and (viii) of subparagraph (b) of this
11 paragraph, December 31, 2022. A developer may amend the
12 application, or assign the application to a municipal ¹[developer]
13 redeveloper¹, for a project restricted under categories (vi) and (viii)
14 of subparagraph (b) of this paragraph that is described in
15 subparagraph (c) of paragraph (2) of subsection b. of section 3 of
16 P.L.2022, c.75 (C.52:27D-489i1) by excluding the visitor center,
17 youth center, or both from the application, provided that the project
18 otherwise qualifies as a mixed use parking project, and,
19 notwithstanding any provisions of section 3 of P.L.2022, c.75
20 (C.52:27D-489i1) or any law or rule to the contrary, the maximum
21 amount of any redevelopment incentive grant for the modified
22 project shall be as set forth for projects described in subparagraph
23 (c) of paragraph (2) of subsection b. of section 3 of P.L.2022, c.75
24 (C.52:27D-489i1). Applications for tax credits pursuant to this
25 subsection relating to an ancillary infrastructure project or
26 infrastructure improvement in the public right-of-way, or both, shall
27 be accompanied with a letter of support relating to the project or
28 improvement by the governing body or agency in which the project
29 is located. Credits awarded to a developer pursuant to this
30 subsection shall be subject to the same financial and related analysis
31 by the authority, the same term of the grant, and the same
32 mechanism for administering the credits, and shall be utilized or
33 transferred by the developer as if the credits had been awarded to
34 the developer pursuant to section 35 of P.L.2009, c.90 (C.34:1B-
35 209.3) for qualified residential projects thereunder. No portion of
36 the revenues pledged pursuant to the "New Jersey Economic
37 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.)
38 shall be subject to withholding or retainage for adjustment, in the
39 event the developer or taxpayer waives its rights to claim a refund
40 thereof.

41 (i) The developer of a project seeking an award of credits for a
42 project restricted under subparagraph (g) of this paragraph shall
43 submit an incentive grant application prior to December 31, 2021,
44 and if approved after the effective date of P.L.2020, c.156
45 (C.34:1B-269 et al.), shall submit a temporary certificate of
46 occupancy for the project no later than December 31, 2024. In
47 addition to the requirements for an award of credits set forth in
48 P.L.2009, c.90 (C.52:27D-489a et al.), a developer shall be eligible

1 to receive an award of credits for a project restricted under
2 subparagraph (g) of this paragraph only if the developer
3 demonstrates to the authority at that time of application that: (i) the
4 project shall comply with minimum environmental and
5 sustainability standards; (ii) the project shall comply with the
6 authority's affirmative action requirements, adopted pursuant to
7 section 4 of P.L.1979, c.303 (C.34:1B-5.4); (iii) each worker
8 employed by the developer or subcontractor of a developer working
9 at the project shall be paid not less than \$15 per hour or 120 percent
10 of the minimum wage fixed under subsection a. of section 5 of
11 P.L.1966, c.113 (C.34:11-56a4), whichever is higher; and (iv)
12 during the eligibility period, each worker employed to perform
13 construction work or building services work at the project shall be
14 paid not less than the prevailing wage rate for the worker's craft or
15 trade, as determined by the Commissioner of Labor and Workforce
16 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.)
17 and P.L.2005, c.379 (C.34:11-56.58 et seq.).

18 Prior to the board considering an application submitted by a
19 developer for a project restricted under subparagraph (g) of this
20 paragraph, the authority shall confirm with the Department of Labor
21 and Workforce Development, the Department of Environmental
22 Protection, and the Department of the Treasury whether the
23 developer is in substantial good standing with the respective
24 department, or has entered into an agreement with the respective
25 department that includes a practical corrective action plan for the
26 developer. The developer, or an authorized agent of the developer,
27 shall certify to the authority that all factual assertions made in the
28 developer's application are true under the penalty of perjury. If at
29 any time the authority determines that the developer made a
30 material misrepresentation on the developer's application, the
31 developer shall forfeit the award of credits and the authority shall
32 recapture any tax credits awarded to the developer.

33 (4) A developer may apply to the Director of the Division of
34 Taxation in the Department of the Treasury and the chief executive
35 officer of the authority for a tax credit transfer certificate, if the
36 developer is awarded a tax credit pursuant to paragraph (2) or
37 paragraph (3) of this subsection, covering one or more years, in lieu
38 of the developer being allowed any amount of the credit against the
39 tax liability of the developer. The tax credit transfer certificate,
40 upon receipt thereof by the developer from the director and the
41 chief executive officer of the authority, may be sold or assigned, in
42 full or in part, to any other person who may have a tax liability
43 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
44 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1
45 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The certificate
46 provided to the developer shall include a statement waiving the
47 developer's right to claim that amount of the credit against the taxes
48 that the developer has elected to sell or assign. The sale or

1 assignment of any amount of a tax credit transfer certificate allowed
2 under this paragraph shall not be exchanged for consideration
3 received by the developer of less than 75 percent of the transferred
4 credit amount before considering any further discounting to present
5 value that may be permitted. Any amount of a tax credit transfer
6 certificate used by a purchaser or assignee against a tax liability
7 shall be subject to the same limitations and conditions that apply to
8 the use of the credit by the developer who originally applied for and
9 was allowed the credit.

10 c. All administrative costs associated with the incentive grant
11 shall be assessed to the applicant and be retained by the State
12 Treasurer from the annual incentive grant payments.

13 d. The incremental revenue for the revenues listed in
14 subsection a. of this section shall be calculated as the difference
15 between the amount collected in any fiscal year from any eligible
16 revenue source included in the State redevelopment incentive grant
17 agreement, less the revenue increment base for that eligible
18 revenue.

19 e. The municipality is authorized to collect any information
20 necessary to facilitate grants under this program and remit that
21 information in order to assist in the calculation of incremental
22 revenue.

23 (cf: P.L.2022, c.75, s.2)

24

25 3. Section 3 of P.L.2022, c.75 (C.52:27D-489i1) is amended to
26 read as follows:

27 3. Notwithstanding any provision of the "New Jersey Economic
28 Stimulus Act of 2009," P.L.2009, c.90 (C.52:27D-489a et al.) to the
29 contrary, the following provisions shall apply to a mixed use
30 parking project that is restricted under categories (vi) or (viii) of
31 subparagraph (b) of paragraph (3) of subsection b. of section 6 of
32 P.L.2009, c.90 (C.52:27D-489f) and undertaken by a municipal
33 redeveloper after the effective date of P.L.2022, c.75 (C.52:27D-
34 489i1 et al.), for which a redevelopment incentive grant is awarded:

35 a. A municipal redeveloper shall submit a temporary certificate
36 of occupancy for such proposed mixed use parking project no later
37 than June 30, **[2026]** 2028.

38 b. (1) Except as provided in paragraph (2) of this subsection, a
39 redevelopment incentive grant award shall be equal to 100 percent
40 of the total project costs allocated to the parking component of the
41 project and 40 percent of the total project costs allocated to the non-
42 parking component of a proposed mixed use parking project.

43 (2) A redevelopment incentive grant award shall be equal to 100
44 percent of the total project costs allocated to the parking component
45 of the project and 80 percent of the total project costs allocated to
46 the non-parking component of the mixed use parking project if the
47 mixed use parking project is:

1 (a) constructed upon all or a portion of a project site that was
2 previously the subject of an award of tax credits pursuant to the
3 "Urban Transit Hub Tax Credit Act," P.L.2007, c. 346 (C.34:1B-
4 207 et seq.) or the "New Jersey Economic Stimulus Act of 2009,"
5 P.L.2009, c. 90 (C.52:27D-489a et al.), but the tax credits were not
6 issued;

7 (b) an entertainment venue with seating capacity in excess of
8 5,000; or

9 (c) constructed to be utilized by a visitor center or youth center
10 within or adjacent to a national historic park.

11 c. The terms of any approval, granted by the authority, for a
12 proposed mixed use parking project undertaken by a municipal
13 redeveloper, which has not yet commenced construction activities
14 other than demolition or site work, may be modified to reflect the
15 terms established pursuant to P.L.2022, c.75 (C.52:27D-489i1 et
16 al.), upon application to the authority for review and approval;
17 provided, however, the developer shall not be required to pay any
18 fee that may be established under law or regulation related to the
19 application for modification. All dates of required action by a
20 municipal redeveloper contained in an approval, granted by the
21 authority, shall be automatically extended by the thirty-month
22 period corresponding to the temporary certificate of occupancy
23 submission date established by subsection a. of this section.

24 d. All proposed mixed use parking projects shall comply with
25 Leadership in Energy and Environmental Design (LEED) standards,
26 to the extent that the United States Green Building Council shall
27 have promulgated standards for the project type proposed.

28 (cf: P.L.2022, c.75, s.3)

29

30 4. This act shall take effect immediately.

ASSEMBLY COMMERCE, ECONOMIC DEVELOPMENT AND
AGRICULTURE COMMITTEE

STATEMENT TO
ASSEMBLY, No. 4226

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 13, 2024

The Assembly Commerce, Economic Development and Agriculture Committee reports favorably and with committee amendments Assembly Bill No. 4226.

As amended, this bill modifies deadlines for certain existing projects under the Economic Redevelopment and Growth Grant program (program) and modifies the definition of the term “project cost” under that program.

Temporary Certificate of Occupancy Deadlines

The bill extends the deadline for a developer to submit a temporary certificate of occupancy for certain qualified residential projects or mixed use parking projects to June 30, 2028. Under current law, the deadline to submit this documentation is June 30, 2026. Specifically, this extension would apply for any residential project or mixed use parking project: (1) that was approved after May 1, 2017; (2) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties; and (3) for which the municipality in which the project is located submitted a letter of support to the chief executive officer of the Economic Development Authority identifying up to six projects prior to July 1, 2018.

This bill also extends the deadline for a municipal redeveloper to submit a temporary certificate of occupancy for certain proposed mixed use parking projects to June 30, 2028. Under current law, the deadline to submit this documentation is June 30, 2026. This extension would apply for any mixed use parking project: (1) that is undertaken by a municipal redeveloper after July 29, 2022; (2) for which a redevelopment incentive grant is awarded; and (3) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties.

Modified Projects

Additionally, the bill permits the developers of certain mixed use parking projects to exclude a visitor center, youth center, or both from the project application, or to assign the application to a municipal redeveloper, provided that the project otherwise qualifies as a mixed-use parking project. This permission to amend or assign an application applies to any mixed use parking project: (1) that is undertaken by a municipal redeveloper after July 29, 2022; (2) for which a redevelopment incentive grant is awarded; (3) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties; and (4) that was initially intended to be utilized by a visitor center or youth center within or adjacent to a national historic park.

Under current law, the redevelopment incentive grant award for such a project is equal to 100 percent of the total project costs allocated to the parking component combined with 80 percent of the total project costs allocated to the non-parking component. Under the bill, the maximum amount of any redevelopment incentive grant for the modified project would be determined in the same manner as for an unmodified project.

Project Cost

This bill revises the definition of the term “project cost,” for the purposes of the program, to include among other costs: capitalized interest paid to third parties, the funding of a debt service reserve fund, the cost of infrastructure improvements, including ancillary infrastructure projects, and an amount not to exceed 20 percent of the total project cost for costs not directly related to construction.

The bill also provides that, for purposes of the definition of “project cost,” capitalized interest paid to third parties is deemed to be costs directly related to construction.

COMMITTEE AMENDMENTS:

The committee amended the bill to change an inaccurate reference to the correct term, municipal redeveloper.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 4226

STATE OF NEW JERSEY

DATED: JUNE 24, 2024

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4226 (1R).

This bill modifies deadlines for certain existing projects under the Economic Redevelopment and Growth Grant program (program) and modifies the definition of the term “project cost” under that program.

Temporary Certificate of Occupancy Deadlines

The bill extends the deadline for a developer to submit a temporary certificate of occupancy for certain qualified residential projects or mixed use parking projects to June 30, 2028. Under current law, the deadline to submit this documentation is June 30, 2026. Specifically, this extension would apply for any residential project or mixed use parking project: (1) that was approved after May 1, 2017; (2) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties; and (3) for which the municipality in which the project is located submitted a letter of support to the chief executive officer of the Economic Development Authority identifying up to six projects prior to July 1, 2018.

This bill also extends the deadline for a municipal redeveloper to submit a temporary certificate of occupancy for certain proposed mixed use parking projects to June 30, 2028. Under current law, the deadline to submit this documentation is June 30, 2026. This extension would apply for any mixed use parking project: (1) that is undertaken by a municipal redeveloper after July 29, 2022; (2) for which a redevelopment incentive grant is awarded; and (3) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties.

Modified Projects

Additionally, the bill permits the developers of certain mixed use parking projects to exclude a visitor center, youth center, or both from the project application, or to assign the application to a municipal redeveloper, provided that the project otherwise qualifies as a mixed-use parking project. This permission to amend or assign an application applies to any mixed use parking project: (1) that is undertaken by a municipal redeveloper after July 29, 2022; (2) for which a redevelopment incentive grant is awarded; (3) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties; and (4) that was initially intended to be utilized by a visitor center or youth center within or adjacent to a national historic park.

Under current law, the redevelopment incentive grant award for such a project is equal to 100 percent of the total project costs allocated to the parking component combined with 80 percent of the total project costs allocated to the non-parking component. Under the bill, the maximum amount of any redevelopment incentive grant for the modified project would be determined in the same manner as for an unmodified project.

Project Cost

This bill revises the definition of the term “project cost,” for the purposes of the program, to include among other costs: capitalized interest paid to third parties, the funding of a debt service reserve fund, the cost of infrastructure improvements, including ancillary infrastructure projects, and an amount not to exceed 20 percent of the total project cost for costs not directly related to construction.

The bill also provides that, for purposes of the definition of “project cost,” capitalized interest paid to third parties is deemed to be costs directly related to construction.

FISCAL IMPACT:

The Office of Legislative Services (OLS) finds that the bill will result in an indeterminate net increase in State costs. The Economic Redevelopment and Growth Grant program is administered by the Economic Development Authority.

By expanding the definition of project cost to include costs associated with the funding of a debt services reserve fund in total projects costs, the bill may result in a State revenue loss because it allows a developer to receive an incentive grant or tax credit award in an amount greater than otherwise permitted under current law.

The OLS notes that provisions of the bill allowing the developers of certain mixed use parking projects to exclude a visitor center or youth center, or both, from the project application, or to assign the application to a municipal redeveloper, would have an indeterminate

impact on State finances. The impact of these provisions will vary, depending on whether a project is eliminated from a project application or reassigned to a municipal redeveloper. The elimination of a project from an application may result in a reduction in a developer's incentive grant or tax credit award, thereby reducing State expenditures and revenue losses. In contrast, the reassignment of project to a municipal redeveloper may result in a recalculation of total project costs resulting in a larger tax credit award to the extent the reassignment enables the completion of approved projects.

The bill may also result in a State revenue loss by extending the deadline for a developer to submit a temporary certificate of occupancy for certain qualified projects to June 30, 2028. Through the Economic Redevelopment and Growth Grant Program, the authority awards incentive grants or tax credits for a portion of project costs incurred in connection with the redevelopment project by a developer until the issuance of a permanent certificate of occupancy. Extending the deadline for the submission of a temporary certificate of occupancy may allow additional project costs to be counted in the calculation of the incentive grant or tax credit awards.

Additionally, a developer that has been awarded an incentive grant or tax credit does not receive their final incentive grant or tax credit award until they submit a certificate of occupancy to the authority. The deadline extension proposed by the bill may allow developers to receive larger incentive grants or tax credit awards over a longer period of time, resulting in additional State revenue losses.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 4226

STATE OF NEW JERSEY 221st LEGISLATURE

DATED: JULY 3, 2024

SUMMARY

- Synopsis:** Modifies requirements for certain projects under Economic Redevelopment and Growth Grant Program.
- Type of Impact:** Multi-year net decrease in State revenues.
- Agencies Affected:** New Jersey Economic Development Authority.

Office of Legislative Services Estimate

Fiscal Impact	<u>Multi-Year Lifespan of Incentive Awards</u>
State Revenue Decrease	Indeterminate

- The Office of Legislative Services (OLS) finds that the bill will result in an indeterminate multi-year net decrease in State revenues. The Economic Redevelopment and Growth Grant program is administered by the Economic Development Authority.
- By extending the definition of project cost to include costs associated with the funding of a debt services reserve fund in total projects costs, the bill may result in a State revenue loss because it allows a developer to receive an incentive grant or tax credit award in an amount greater than otherwise permitted under current law.
- The OLS notes that provisions of the bill allowing the developers of certain mixed use parking projects to exclude a visitor center or youth center, or both, from the project application, or to assign the application to a municipal redeveloper, would have an indeterminate impact on State finances. The impact of these provisions will vary, depending on whether a project is eliminated from a project application or reassigned to a municipal redeveloper.
- The bill may also result in a State revenue loss by extending the deadline for a developer to submit a temporary certificate of occupancy for certain qualified projects to June 30, 2028. The deadline extension proposed by the bill may allow developers to receive larger incentive grants or tax credit awards over a longer period of time, resulting in additional State revenue losses.

BILL DESCRIPTION

The bill modifies deadlines for certain existing projects under the Economic Redevelopment and Growth Grant program and modifies the definition of the term “project cost” under that program.

Temporary Certificate of Occupancy Deadlines. The bill extends the deadline for a developer to submit a temporary certificate of occupancy for certain qualified residential projects or mixed use parking projects to June 30, 2028. Under current law, the deadline to submit this documentation is June 30, 2026. This bill also extends the deadline for a municipal redeveloper to submit a temporary certificate of occupancy for certain proposed mixed use parking projects to June 30, 2028. Under current law, the deadline to submit this documentation is June 30, 2026.

Modified Projects. Additionally, the bill permits the developers of certain mixed use parking projects to exclude a visitor center, youth center, or both from the project application, or to assign the application to a municipal redeveloper, provided that the project otherwise qualifies as a mixed-use parking project. This permission to amend or assign an application applies to any mixed use parking project: (1) that is undertaken by a municipal redeveloper after July 29, 2022; (2) for which a redevelopment incentive grant is awarded; (3) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties; and (4) that was initially intended to be utilized by a visitor center or youth center within or adjacent to a national historic park.

Under current law, the redevelopment incentive grant award for such a project is equal to 100 percent of the total project costs allocated to the parking component combined with 80 percent of the total project costs allocated to the non-parking component. Under the bill, the maximum amount of any redevelopment incentive grant for the modified project would be determined in the same manner as for an unmodified project.

Project Cost. This bill revises the definition of the term “project cost,” for the purposes of the program, to include among other costs: capitalized interest paid to third parties, the funding of a debt service reserve fund, the cost of infrastructure improvements, including ancillary infrastructure projects, and an amount not to exceed 20 percent of the total project cost for costs not directly related to construction. The bill also provides that, for purposes of the definition of “project cost,” capitalized interest paid to third parties is deemed to be costs directly related to construction.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will result in an indeterminate multi-year net decrease in State revenues. The Economic Redevelopment and Growth Grant program is administered by the Economic Development Authority.

By extending the definition of project cost to include costs associated with the funding of a debt service reserve fund in total projects costs, the bill may result in a State revenue loss because

it allows a developer to receive an incentive grant or tax credit award in an amount greater than otherwise permitted under current law.

The OLS notes that provisions of the bill allowing the developers of certain mixed use parking projects to exclude a visitor center or youth center, or both, from the project application, or to assign the application to a municipal redeveloper, would have an indeterminate impact on State finances. The impact of these provisions will vary, depending on whether a project is eliminated from a project application or reassigned to a municipal redeveloper. The elimination of a project from an application may result in a reduction in a developer's incentive grant or tax credit award, thereby reducing State expenditures and revenue losses. In contrast, the reassignment of a project to a municipal redeveloper may result in a recalculation of total project costs resulting in a larger tax credit award to the extent the reassignment enables the completion of approved projects.

The bill may also result in a State revenue loss by extending the deadline for a developer to submit a temporary certificate of occupancy for certain qualified projects to June 30, 2028. Through the Economic Redevelopment and Growth Grant program, the authority awards incentive grants or tax credits for a portion of project costs incurred in connection with the redevelopment project by a developer until the issuance of a permanent certificate of occupancy. Extending the deadline for the submission of a temporary certificate of occupancy may allow additional project costs to be counted in the calculation of the incentive grant or tax credit award.

Additionally, a developer that has been awarded an incentive grant or tax credit does not receive the final incentive grant or tax credit award until they submit a certificate of occupancy to the authority. The deadline extension proposed by the bill may allow developers to receive larger incentive grants or tax credit awards over a longer period of time, resulting in additional State revenue losses.

The OLS notes that the statutory Economic Redevelopment and Growth Grant program application deadline was December 31, 2021. Accordingly, any changes to the program proposed in the bill would only impact projects that have already been approved for an incentive grant or tax credit. Current law caps aggregate tax credit awards for qualified residential and mixed use parking projects at \$993 million. The bill does not increase that statutory ceiling and any increases in tax credit awards resulting from changes to the Economic Redevelopment and Growth Grant program proposed by the bill are subject to the \$993 million limit.

Section: Revenue, Finance, and Appropriations
Analyst: Scott A. Brodsky
Staff Fiscal & Budget Analyst
Approved: Thomas Koenig
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Takes Action on Legislation

09/12/2024

TRENTON – Today, Governor Murphy signed the following bills into law:

S-721/A-2812 (Steinhardt, Sarlo/Greenwald, Swain, Egan) - Exempts sales of investment metal bullion and investment coins from sales and use tax

S-741/A-2608 (Diegnan/Karabinchak) - Authorizes State Treasurer to sell as surplus certain real property and improvements in City of Jersey City in Hudson County

SCS for S-2188/ACS for A-1970 (Ruiz, Greenstein/Speight, Karabinchak, Verrelli) – Requires DEP, DOH, owners or operators of certain public community water systems, and owners or operators of certain buildings or facilities to take certain actions to prevent and control cases of Legionnaires' disease

S-2311/A-1128 (Singleton, Singer/DiMaio, Matsikoudis) - Requires criminal history background check for individuals seeking licensure issued by boards regulating certain health care professions

S-2435/A-3537 (Greenstein, Mukherji/Stanley, McCoy, Murphy) - Revises certain requirements concerning eligibility for reimbursement from "Emergency Medical Technician Training Fund"

S-2607/A-3872 (Ruiz, McKnight/Pintor Marin, Calabrese, Speight) - Requires private bus operators to provide notice and hold public meetings for certain service changes

S-2810/A-3779 (Diegnan/DeAngelo, Karabinchak, Bagolie) - Changes membership of board of trustees of SPRS to remove requirement that two members be private citizens

S-3097/A-4226 (Pou, Sarlo/Wimberly, Sumter) - Modifies requirements for certain projects under Economic Redevelopment and Growth Grant program

S-3134/A-4192 (Diegnan, Moriarty/Calabrese, Carter) - Requires MVC to take certain action concerning commercial driver licenses and commercial learner's permits

S-3235/A-4461 (Ruiz, Moriarty/Conaway, Miller, Sampson) – Regulates production and sale of certain intoxicating hemp products

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S-3368/A-4623 (Ruiz, McKnight/Calabrese, Stanley, Reynolds-Jackson) - Concerns law protecting residential tenants from lead-based paint hazards

S-3407/A-4540 (Lagana/Verrelli) - Requires payment of prevailing wage for projects financed through commercial property assessed clean energy program

A-2610/S-3203 (Karabinchak, Calabrese, Sauickie/Gopal) - Extends annual horse racing purse subsidies through State fiscal year 2029

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A-2890/S-3231 (Verrelli, Reynolds-Jackson, Quijano/Cryan) - Permits temporary appointment of additional members to the Board of Review in the Division of Employment Security

A-4035/S-2809 (Dunn, Speight/Bucco, Pennacchio) - Requires State to sell as surplus property certain land and improvements in Morris County known as Central Park School

A-4533/S-3421 (Coughlin, Wimberly, Speight/Zwicker, Johnson) - Revises certain sections of law concerning financing mechanisms for school facilities projects of regular operating districts

A-4534/S-3439 (Coughlin, Wimberly, Schnall/Vitale, Mukherji) - Revises definition of qualified assistance fund expenses under UEZ program to include costs of transportation infrastructure projects and related debt service

Governor Murphy conditionally vetoed the following bills:

S-2864/A-4061 (Lagana/Verrelli, Swain, Venezia) – CONDITIONAL - Establishes working hours for certain minors employed as professional athletes

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S-3455/A-4597 (Sarlo, Burzichelli/Calabrese, Moen, Stanley) – CONDITIONAL - Provides for automatic renewal of off-track wagering licenses

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A-2180/S-3000 (Moen, Wimberly, Murphy/Beach, Polistina) – CONDITIONAL - Permits certain persons to operate Type S school buses

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A-2294/S-1443 (Lopez, Freiman, Tully/Singleton, Johnson) – CONDITIONAL - Establishes mortgage payment relief and foreclosure protection for certain homeowners impacted by the remnants of Hurricane Ida

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A-2607/S-360 (Karabinchak, Calabrese, Inganamort/Diegnan, Mukherji) – CONDITIONAL - Authorizes taxicabs, limousines, and transportation network companies to provide paratransit services for two-year period

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