

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## SENATE, No. 788

with committee amendments

# STATE OF NEW JERSEY

DATED: FEBRUARY 26, 2001

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 788 (1R).

This bill would codify the "Main Street New Jersey" program, a program that promotes the redevelopment of historic "downtown" business districts through the provision of business assistance services. The "Main Street New Jersey" program has effectively been in existence since 1989, but has not been codified into statutory law.

The program would be administered by the Division of Housing and Community Resources in the Department of Community Affairs. The Commissioner of Community Affairs would select municipalities to participate in the program from eligible applicant municipalities. In order to be eligible for selection, a municipality would be required to have:

- C historic architectural resources in a defined downtown commercial district,
- C a commitment to employ a full-time executive director for its "Main Street New Jersey" program (municipalities with a population of no more than 20,000 would be exempt from this requirement),
- C a volunteer board of directors,
- C development of public-private partnerships, and
- C a program operating budget deemed adequate by the commissioner for not less than three years.

Services the Department would provide to program participant municipalities would include:

- C in-depth volunteer and executive director training,
- C advanced training on specific downtown issues, including but not limited to marketing, business recruitment, volunteer management and historic preservation,
- C visits by professional consultants to help each municipality develop its strengths and plan for the success of its downtown area,
- C small business development consulting services for local business owners,
- C marketing and public relations consulting for local businesses and

"Main Street New Jersey" organizations,  
 C architectural design consulting for business and property owners;  
 C educational materials, including manuals and slide programs, and  
 C links to local, State and federal "Main Street" community  
 networks.

The bill would authorize the Commissioner of Community Affairs to provide limited assistance through the "Main Street New Jersey" program to any municipality concerning the revitalization of a central business district, regardless of whether the municipality is selected to participate in the program.

The bill would establish a 19-member advisory board to the "Main Street New Jersey" program representing all geographic regions of the State. Fifteen volunteer members would be appointed to three-year terms, after an initial staggered appointment, through a process to be determined by the Commissioner. In addition to those 15 volunteer members, a representative of the Historic Preservation Program in the Department of Environmental Protection, a representative of the Neighborhood Preservation Program in the Department of Community Affairs, a representative of the Housing and Mortgage Finance Agency, and a representative of the Commerce and Economic Development Commission would serve as *ex officio* members of the advisory board. The various commissioners, executive director and chief operating officer having authority over the State programs, agency and commission from which the *ex officio* members are drawn would be responsible for the appointment of those *ex officio* members.

The bill would establish a nonlapsing fund designated as the "Main Street New Jersey Program Fund" in the Department of Community Affairs. The fund would receive federal, State and private monies solely to be used for the purposes of the program. The bill appropriates \$800,000 to the Department of Community Affairs for the "Main Street New Jersey" program and requires additional annual appropriations to the program as needed.

The provisions of this bill are identical to those of Assembly Bill No. 862 (2R) Sca, which the committee also reports this day.

#### COMMITTEE AMENDMENTS

Committee amendments to this bill revise the requirements for eligibility to participate in the Main Street New Jersey program by incorporating the exemption for municipalities with population of no more than 20,000 from having to hire a full-time executive director.

#### FISCAL IMPACT

This bill appropriates \$800,000 to fund the initial costs of the "Main Street New Jersey" program. The national and New Jersey programs emphasize the use of nongovernmental funds in public/private partnerships to lead to revitalization of existing discrete downtown business districts.

Major new costs to the State will depend on staff required to service any substantial number of new municipalities participating, consultants hired, and the provision of first year and ongoing technical staff services to participating communities. The program currently employs a State coordinator, an assistant coordinator and an architect. The New Jersey program was appropriated \$200,000 in each of State fiscal years 1999 and 2000; the \$800,000 appropriation thus represents a substantial increase.

Costs to participating municipalities cannot be determined at this time, because the principal local costs depend on the salary paid to each municipality's program staff and other local rehabilitation and service decisions.

The Commissioner of Community Affairs is authorized to provide limited assistance through the "Main Street New Jersey" program to any municipality concerning the revitalization of a central business district, regardless of whether the municipality is selected to participate in the program.