

[First Reprint]

SENATE, No. 2880

STATE OF NEW JERSEY
216th LEGISLATURE

INTRODUCED MAY 14, 2015

Sponsored by:

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District 20 (Union)

Senator THOMAS H. KEAN, JR.

District 21 (Morris, Somerset and Union)

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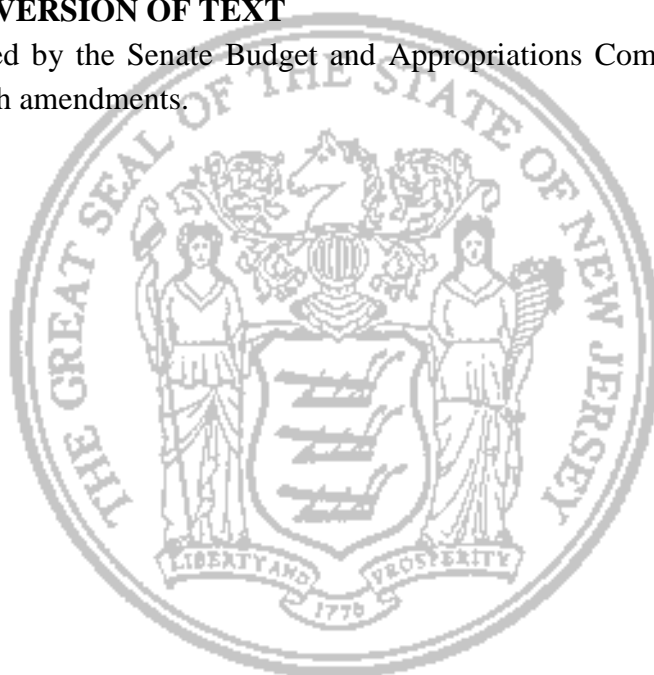
Senators Bateman and Stack

SYNOPSIS

Provides up to \$25 million in tax credits under Economic Redevelopment and Growth Grant Program for certain infrastructure at Rutgers, the State University of New Jersey.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 22, 2015, with amendments.



(Sponsorship Updated As Of: 6/26/2015)

1 AN ACT concerning tax credits for certain purposes under the
 2 Economic Redevelopment and Growth Grant Program and
 3 amending P.L.2009, c.90.

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

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

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

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

14 "Ancillary infrastructure project" means structures or
 15 improvements that are located within the incentive area but outside
 16 the project area of a redevelopment project, including, but not
 17 limited to, docks, bulkheads, parking garages, freight rail spurs,
 18 roadway overpasses, and train station platforms, provided a
 19 developer or municipal redeveloper has demonstrated that the
 20 redevelopment project would not be economically viable or
 21 promote the use of public transportation without such
 22 improvements, as approved by the State 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 the area within a one-mile radius of the
 27 outermost boundary of the "Atlantic City International Airport,"
 28 established pursuant to section 24 of P.L.1991, c.252 (C.27:25A-
 29 24).

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

35 "Developer" means any person who enters or proposes to enter
 36 into a redevelopment incentive grant agreement pursuant to the
 37 provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its
 38 successors or assigns, including but not limited to a lender that
 39 completes a redevelopment project, operates a redevelopment
 40 project, or completes and operates a redevelopment project. A
 41 developer also may be a municipal government **[or]**, a
 42 redevelopment agency as defined in section 3 of P.L.1992, c.79
 43 (C.40A:12A-3), or Rutgers, the State University of New Jersey.

44 "Director" means the Director of the Division of Taxation in the

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:

¹Senate SBA committee amendments adopted June 22, 2015.

1 Department of the Treasury.

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

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

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

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

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

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

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

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

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

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

23 "Moderate-income housing" means housing affordable,
24 according to United States Department of Housing and Urban
25 Development or other recognized standards for home ownership
26 and rental costs, and occupied or reserved for occupancy by
27 households with a gross household income equal to more than 50
28 percent but less than 80 percent of the median gross household
29 income for households of the same size within the housing region in
30 which the housing is located.

31 "Municipal redeveloper" means a municipal government or a
32 redevelopment agency acting on behalf of a municipal government
33 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3) that is an
34 applicant for a redevelopment incentive grant agreement.

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

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

43 "Project cost" means the costs incurred in connection with the
44 redevelopment project by the developer until the issuance of a
45 permanent certificate of occupancy, or until such other time
46 specified by the authority, for a specific investment or
47 improvement, including the costs relating to receiving Highlands
48 Development Credits under the Highlands Transfer Development

1 Rights Program authorized pursuant to section 13 of P.L.2004,
2 c.120 (C.13:20-13), lands, buildings, improvements, real or
3 personal property, or any interest therein, including leases
4 discounted to present value, including lands under water, riparian
5 rights, space rights and air rights acquired, owned, developed or
6 redeveloped, constructed, reconstructed, rehabilitated or improved,
7 any environmental remediation costs, plus costs not directly related
8 to construction, of an amount not to exceed 20 percent of the total
9 costs, capitalized interest paid to third parties, and the cost of
10 infrastructure improvements, including ancillary infrastructure
11 projects, and, for projects located in a Garden State Growth Zone
12 only, the cost of infrastructure improvements including any
13 ancillary infrastructure project and the amount by which total
14 project cost exceeds the cost of an alternative location for the
15 redevelopment project, but excluding any particular costs for which
16 the project has received federal, 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 **[(1)]** 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 **[(2)]** b. multiplying that product by a fraction having a
39 numerator equal to the taxable value of all the property assessed
40 within the project area, minus the property tax increment base, and
41 having a denominator equal to the taxable value of all property
42 assessed 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 "Qualified incubator facility" means a commercial building
2 located within an incentive area: which contains 100,000 or more
3 square feet of office, laboratory, or industrial space; which is
4 located near, and presents opportunities for collaboration with, a
5 research institution, teaching hospital, college, or university; and
6 within which, at least 75 percent of the gross leasable area is
7 restricted for use by one or more technology startup companies
8 during the commitment period.

9 "Qualified residential project" means a redevelopment project
10 that is predominantly residential and includes multi-family
11 residential units for purchase or lease, or dormitory units for
12 purchase or lease, having a total project cost of at least
13 \$17,500,000, if the project is located in any municipality with a
14 population greater than 200,000 according to the latest federal
15 decennial census, or having a total project cost of at least
16 \$10,000,000 if the project is located in any municipality with a
17 population less than 200,000 according to the latest federal
18 decennial census, or is a disaster recovery project, or having a total
19 project cost of \$5,000,000 if the project is in a Garden State Growth
20 Zone.

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

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

28 (a) Planning Area 1 (Metropolitan);
29 (b) Planning Area 2 (Suburban); or
30 (c) Planning Area 3 (Fringe Planning Area);

31 (2) located within a smart growth area and planning area
32 designated in a master plan adopted by the New Jersey
33 Meadowlands Commission pursuant to subsection (i) of section 6 of
34 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
35 adopted by the New Jersey Meadowlands Commission pursuant to
36 section 20 of P.L.1968, c.404 (C.13:17-21);

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

42 (4) located within a regional growth area, a town, village, or a
43 military and federal installation area designated in the
44 comprehensive management plan prepared and adopted by the
45 Pinelands Commission pursuant to the "Pinelands Protection Act,"
46 P.L.1979, c.111 (C.13:18A-1 et seq.);

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

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

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

7 (8) located only within the following portions of the areas
8 designated pursuant to the "State Planning Act," P.L.1985, c.398
9 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
10 Planning Area 4B (Rural/Environmentally Sensitive) or Planning
11 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
12 Planning Area), Planning Area 4B (Rural/Environmentally
13 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
14 located within:

15 (a) a designated center under the State Development and
16 Redevelopment Plan;

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

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

25 (d) any area on which a structure exists or previously existed
26 including any desired expansion of the footprint of the existing or
27 previously existing structure provided such expansion otherwise
28 complies with all applicable federal, State, county, and local
29 permits and approvals;

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

33 (f) any area on which an existing tourism destination project is
34 located.

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

40 "Redevelopment incentive grant agreement" means an agreement
41 between, (1) the State and the New Jersey Economic Development
42 Authority and a developer, or (2) a municipality and a developer, or
43 a municipal ordinance authorizing a project to be undertaken by a
44 municipal redeveloper, under which, in exchange for the proceeds
45 of an incentive grant, the developer agrees to perform any work or
46 undertaking necessary for a redevelopment project, including the
47 clearance, development or redevelopment, construction, or
48 rehabilitation of any structure or improvement of commercial,

1 industrial, residential, or public structures or improvements within a
2 qualifying economic redevelopment and growth grant incentive area
3 or a transit village.

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

32 "Redevelopment utility" means a self-liquidating fund created by
33 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-
34 489l) to account for revenues collected and incentive grants paid
35 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
36 revenues dedicated to a redevelopment project.

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

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

45 "SDA municipality" means a municipality in which an SDA
46 district is **【situate】** situated.

47 "Technology startup company" means a for profit business that
48 has been in operation fewer than five years and is developing or

1 possesses a proprietary technology or business method of a high-
2 technology or life science-related product, process, or service which
3 the business intends to move to commercialization.

4 "Tourism destination project" means a redevelopment project
5 that will be among the most visited privately owned or operated
6 tourism or recreation sites in the State, and which is located within
7 the incentive area and has been determined by the authority to be in
8 an area appropriate for development and in need of economic
9 development incentive assistance.

10 "Transit project" means a redevelopment project located within a
11 1/2-mile radius, or one-mile radius for projects located in a Garden
12 State Growth Zone, surrounding the mid-point of a New Jersey
13 Transit Corporation, Port Authority Transit Corporation, or Port
14 Authority Trans-Hudson Corporation rail, bus, or ferry station
15 platform area, including all light rail stations.

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

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

22 a. buildings and structures, such as academic buildings,
23 recreation centers, indoor athletic facilities, public works garages,
24 and water and sewer treatment and pumping facilities;

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

27 c. transportation facilities, such as bus shelters and parking
28 facilities.

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

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

1 "Vacant health facility project" means a redevelopment project
2 where a health facility, as defined by section 2 of P.L.1971, c.136
3 (C.26:2H-2), currently exists and is considered vacant. A health
4 facility shall be considered vacant if at least 70 percent of that
5 facility has not been open to the public or utilized to serve any
6 patients at the time of application to the authority.
7 (cf: P.L.2014, c.63, s.7)

8
9 2. Section 6 of P.L.2009, c.90 (C.52:27D-489f) is amended to
10 read as follows:

11 6. a. Up to the limits established in subsection b. of this
12 section and in accordance with a redevelopment incentive grant
13 agreement, beginning upon the receipt of occupancy permits for any
14 portion of the redevelopment project, or upon such other event
15 evidencing project completion as set forth in the incentive grant
16 agreement, the State Treasurer shall pay to the developer
17 incremental State revenues directly realized from businesses
18 operating on or at the site of the redevelopment project from the
19 following taxes: the Corporation Business Tax Act (1945),
20 P.L.1945, c.162 (C.54:10A-1 et seq.), the tax imposed on marine
21 insurance companies pursuant to R.S.54:16-1 et seq., the tax
22 imposed on insurers generally, pursuant to P.L.1945, c.132
23 (C.54:18A-1 et seq.), the public utility franchise tax, public utilities
24 gross receipts tax and public utility excise tax imposed on sewerage
25 and water corporations pursuant to P.L.1940, c.5 (C.54:30A-49 et
26 seq.), those tariffs and charges imposed by electric, natural gas,
27 telecommunications, water and sewage utilities, and cable television
28 companies under the jurisdiction of the New Jersey Board of
29 Utilities, or comparable entity, except for those tariffs, fees, or taxes
30 related to societal benefits charges assessed pursuant to section 12
31 of P.L.1999, c.23 (C.48:3-60), any charges paid for compliance
32 with the "Global Warming Response Act," P.L.2007, c.112
33 (C.26:2C-37 et seq.), transitional energy facility assessment unit
34 taxes paid pursuant to section 67 of P.L.1997, c.162 (C.48:2-21.34),
35 and the sales and use taxes on public utility and cable television
36 services and commodities, the tax derived from net profits from
37 business, a distributive share of partnership income, or a pro rata
38 share of S corporation income under the "New Jersey Gross Income
39 Tax Act," N.J.S.54A:1-1 et seq., the tax derived from a business at
40 the site of a redevelopment project that is required to collect the tax
41 pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-
42 1 et seq.), the tax imposed pursuant to P.L.1966, c.30 (C.54:32B-1
43 et seq.) from the purchase of furniture, fixtures and equipment, or
44 materials for the remediation, the construction of new structures at
45 the site of a redevelopment project, the hotel and motel occupancy
46 fee imposed pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1),
47 or the portion of the fee imposed pursuant to section 3 of P.L.1968,
48 c.49 (C.46:15-7) derived from the sale of real property at the site of

1 the redevelopment project and paid to the State Treasurer for use by
2 the State, that is not credited to the "Shore Protection Fund" or the
3 "Neighborhood Preservation Nonlapsing Revolving Fund" ("New
4 Jersey Affordable Housing Trust Fund") pursuant to section 4 of
5 P.L.1968, c.49 (C.46:15-8). Any developer shall be allowed to
6 assign their ability to apply for the tax credit under this subsection
7 to a non-profit organization with a mission dedicated to attracting
8 investment and completing development and redevelopment
9 projects in a Garden State Growth Zone. The non-profit
10 organization may make an application on behalf of a developer
11 which meets the requirements for the tax credit, or a group of non-
12 qualifying developers, such that these will be considered a unified
13 project for the purposes of the incentives provided under this
14 section.

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

19 (2) In the case of a qualified residential project or a project
20 involving university infrastructure, if the authority determines that
21 the estimated amount of incremental revenues pledged towards the
22 State portion of an incentive grant is inadequate to fully fund the
23 amount of the State portion of the incentive grant, then in lieu of an
24 incentive grant based on such incremental revenue, the developer
25 shall be awarded tax credits equal to the full amount of the
26 incentive grant. The value of all credits approved by the authority
27 pursuant to this paragraph shall not exceed **'\$600,000,000'**
28 \$625,000,000¹, of which:

29 (a) \$250,000,000 shall be restricted to qualified residential
30 projects within Atlantic, Burlington, Camden, Cape May,
31 Cumberland, Gloucester, Ocean, and Salem counties, of which
32 \$175,000,000 of the credits shall be restricted to qualified
33 residential projects in a Garden State Growth Zone located within
34 the aforementioned counties, and \$75,000,000 of the credits shall be
35 restricted to qualified residential projects in municipalities with a
36 2007 Municipal Revitalization Index of 400 or higher as of the date
37 of enactment of the "New Jersey Economic Opportunity Act of
38 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located within
39 the aforementioned counties;

40 (b) **['\$250,000,000']** '\$225,000,000' \$250,000,000¹ shall be
41 restricted to qualified residential projects located in: (i) urban
42 transit hubs that are commuter rail in nature that otherwise do not
43 qualify under subparagraph (a) of this paragraph, (ii) a Garden State
44 Growth Zone not located in a county mentioned in subparagraph (a)
45 of this paragraph, (iii) disaster recovery projects that otherwise do
46 not qualify under subparagraph (a) of this paragraph, or (iv) SDA
47 municipalities located in Hudson County that were awarded State
48 Aid in State Fiscal Year 2013 through the Transitional Aid to

1 Localities program and otherwise do not qualify under
2 subparagraph (a) of this paragraph;

3 (c) \$75,000,000 shall be restricted to qualified residential
4 projects in distressed municipalities, deep poverty pockets,
5 highlands development credit receiving areas or redevelopment
6 areas, otherwise not qualifying pursuant to subparagraph (a) or (b)
7 of this paragraph; **[and]**

8 (d) \$25,000,000 shall be restricted to qualified residential
9 projects that are located within a qualifying economic
10 redevelopment and growth grant incentive area otherwise not
11 qualifying under subparagraph (a), (b), or (c) of this paragraph; and

12 (e) \$25,000,000 shall be restricted to projects involving
13 university infrastructure.

14 For subparagraphs (a) through (d) of this paragraph, not more
15 than \$40,000,000 of credits shall be awarded to any qualified
16 residential project in a deep poverty pocket or distressed
17 municipality, and not more than \$20,000,000 of credits shall be
18 awarded to any other qualified residential project. The developer of
19 a qualified residential project seeking an award of credits towards
20 the funding of its incentive grant shall submit an incentive grant
21 application prior to July 1, 2016 and if approved after the effective
22 date of P.L.2013, c.161 shall submit a temporary certificate of
23 occupancy for **[such]** the project no later than July 28, 2018.
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 **[such]** the
33 credits had been awarded to the developer pursuant to section 35 of
34 P.L.2009, c.90 (C.34:1B-209.3) for qualified residential projects
35 thereunder. No portion of the revenues pledged pursuant to the
36 "New Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
37 (C.52:27D-489p et al.) shall be subject to withholding or retainage
38 for adjustment, in the event the developer or taxpayer waives its
39 rights to claim a refund thereof.

40 (3) A developer may apply to the Director of the Division of
41 Taxation in the Department of the Treasury and the chief executive
42 officer of the authority for a tax credit transfer certificate, if the
43 developer is awarded a tax credit pursuant to paragraph (2) of this
44 subsection, covering one or more years, in lieu of the developer
45 being allowed any amount of the credit against the tax liability of
46 the developer. The tax credit transfer certificate, upon receipt
47 thereof by the developer from the director and the chief executive
48 officer of the authority, may be sold or assigned, in full or in part,

1 to any other person ¹~~that~~ who¹ may have a tax liability pursuant
2 to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of
3 P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1 of
4 P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The certificate
5 provided to the developer shall include a statement waiving the
6 developer's right to claim that amount of the credit against the taxes
7 that the developer has elected to sell or assign. The sale or
8 assignment of any amount of a tax credit transfer certificate allowed
9 under this paragraph shall not be exchanged for consideration
10 received by the developer of less than 75 percent of the transferred
11 credit amount before considering any further discounting to present
12 value that may be permitted. Any amount of a tax credit transfer
13 certificate used by a purchaser or assignee against a tax liability
14 shall be subject to the same limitations and conditions that apply to
15 the use of the credit by the developer who originally applied for and
16 was allowed the credit.

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

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

26 e. The municipality is authorized to collect any ¹~~and all~~¹
27 information necessary to facilitate grants under this program and
28 remit that information ¹~~as may be required from time to time,~~¹
29 in order to assist in the calculation of incremental revenue.
30 (cf: P.L.2014, c.63, s.8)

31

32 ¹3. Section 8 of P.L.2009, c.90 (C.52:27D-489h) is amended to
33 read as follows:

34 8. a. (1) The authority, in consultation with the State Treasurer,
35 shall promulgate an incentive grant application form and procedure
36 for the Economic Redevelopment and Growth Grant program.

37 (2) (a) The Local Finance Board, in consultation with the
38 authority, shall develop a minimum standard incentive grant
39 application form for municipal Economic Redevelopment and
40 Growth Grant programs.

41 (b) Through regulation, the authority shall establish standards
42 for redevelopment projects seeking State or local incentive grants
43 based on the green building manual prepared by the Commissioner
44 of Community Affairs pursuant to section 1 of P.L.2007, c.132
45 (C.52:27D-130.6), regarding the use of renewable energy, energy-
46 efficient technology, and non-renewable resources in order to
47 reduce environmental degradation and encourage long-term cost
48 reduction.

1 b. Within each incentive grant application, a developer shall
2 certify information concerning:

- 3 (1) the status of control of the entire redevelopment project site;
4 (2) all required State and federal government permits that have
5 been issued for the redevelopment project, or will be issued pending
6 resolution of financing issues;
7 (3) local planning and zoning board approvals, as required, for
8 the redevelopment project;
9 (4) estimates of the revenue increment base, the eligible
10 revenues for the project, and the assumptions upon which those
11 estimates are made.

12 c. (1) With regard to State tax revenues proposed to be pledged
13 for an incentive grant the authority and the State Treasurer shall
14 review the project costs, evaluate and validate the project financing
15 gap estimated by the developer, and conduct a State fiscal impact
16 analysis to ensure that the overall public assistance provided to the
17 project, except with regards to a qualified residential project or a
18 project involving university infrastructure, will result in net benefits
19 to the State including, without limitation, both direct and indirect
20 economic benefits and non-financial community revitalization
21 objectives, including but not limited to, the promotion of the use of
22 public transportation in the case of the ancillary infrastructure
23 project portion of any transit project.

24 (2) With regard to local incremental revenues proposed to be
25 pledged for an incentive grant the authority and the Local Finance
26 Board shall review the project costs, and except with respect to an
27 application by a municipal redeveloper, evaluate and validate the
28 project financing gap projected by the developer, and conduct a
29 local fiscal impact analysis to ensure that the overall public
30 assistance provided to the project, except with regards to a qualified
31 residential project or a project involving university infrastructure,
32 will result in net benefits to the municipality wherein the
33 redevelopment project is located including, without limitation, both
34 direct and indirect economic benefits and non-financial community
35 revitalization objectives, including but not limited to, the promotion
36 of the use of public transportation in the case of the ancillary
37 infrastructure project portion of any transit project.

38 (3) The authority, State Treasurer, and Local Finance Board
39 may act cooperatively to administer and review applications, and
40 shall consult with the Office of State Planning on matters
41 concerning State, regional, and local development and planning
42 strategies.

43 (4) The costs of the aforementioned reviews shall be assessed to
44 the applicant as an application fee.

45 (5) A developer who has already applied for an incentive grant
46 award prior to the effective date of the "New Jersey Economic
47 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
48 but who has not yet been approved for **【such】** the grant, or has not

1 executed an agreement with the authority, may proceed under that
2 application or seek to amend **【such】** the application or reapply for
3 an incentive grant award for the same project or any part thereof for
4 the purpose of availing **【itself】** himself or herself of any more
5 favorable provisions of the Economic Redevelopment and Growth
6 Grant program established pursuant to the "New Jersey Economic
7 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
8 except that projects with costs exceeding \$200,000,000 shall not be
9 eligible for revised percentage caps under subsection d. of section
10 19 of P.L.2013, c.161 (C.52:27D-489i).¹
11 (cf: P.L.2013, c.161, s.18)
12

13 ^{14.} Section 9 of P.L.2009, c.90 (C.52:27D-489i) is amended to
14 read as follows:

15 9. a. The authority is authorized to enter into a redevelopment
16 incentive grant agreement with a developer for any redevelopment
17 project located within a qualifying economic redevelopment and
18 growth grant incentive area that does not qualify as such an area
19 solely by virtue of being a transit village.

20 b. The decision of whether **【or not】** to enter into a
21 redevelopment incentive grant agreement is solely within the
22 discretion of the authority and the State Treasurer, provided that
23 they both agree to enter into an agreement.

24 c. The Chief Executive Officer of the authority, in consultation
25 with the State Treasurer shall negotiate the terms and conditions of
26 any redevelopment incentive grant agreement on behalf of the State.

27 d. (1) The redevelopment incentive grant agreement shall specify
28 the maximum amount of project costs, the amount of the incentive
29 grant to be awarded the developer, the frequency of payments, and
30 the eligibility period, which shall not exceed 20 years, during which
31 reimbursement will be granted, and for a project receiving an
32 incentive grant in excess of \$50 million, the amount of the
33 negotiated repayment amount to the State, which may include, but
34 not be limited to, cash, equity, and warrants. Except for
35 redevelopment incentive grant agreements with a municipal
36 redeveloper or with the developer of a redevelopment project solely
37 with respect to the cost of infrastructure improvements in the public
38 right-of-way including any ancillary infrastructure project in the
39 public right-of-way, in no event shall the base amount of the
40 combined reimbursements under redevelopment incentive grant
41 agreements with the State or municipality exceed 20 percent of the
42 total project cost, except in a Garden State Growth Zone, which
43 shall not exceed 30 percent.

44 (2) The authority shall be permitted to increase the amount of
45 the reimbursement under the redevelopment incentive grant
46 agreement with the State by up to 10 percent of the total project
47 cost if the project is:

- 1 (a) located in a distressed municipality which lacks adequate
2 access to nutritious food in the judgment of the Chief Executive
3 Officer of the authority and will include either a supermarket or
4 grocery store with a minimum of 15,000 square feet of selling space
5 devoted to the sale of consumable products or a prepared food
6 establishment selling only nutritious ready to serve meals;
- 7 (b) located in a distressed municipality which lacks adequate
8 access to health care and health services in the judgment of the
9 Chief Executive Officer of the authority and will include a health
10 care and health services center with a minimum of 10,000 square
11 feet of space devoted to the provision of health care and health
12 services;
- 13 (c) located in a distressed municipality which has a business
14 located therein that is required to respond to a request for proposal
15 to fulfill a contract with the federal government as set forth in
16 subsection d. of section 3 of P.L.2011, c.149 (C.34:1B-244);
- 17 (d) a transit project;
- 18 (e) a qualified residential project in which at least 10 percent of
19 the residential units are constructed as and reserved for moderate
20 income housing;
- 21 (f) located in a highlands development credit receiving area or
22 redevelopment area;
- 23 (g) located in a Garden State Growth Zone;
- 24 (h) a disaster recovery project;
- 25 (i) an aviation project;
- 26 (j) a tourism destination project; or
- 27 (k) substantial rehabilitation or renovation of an existing
28 structure or structures.
- 29 (3) The maximum amount of any redevelopment incentive grant
30 shall be equal to up to 30 percent of the total project costs, except
31 for projects located in a Garden State Growth Zone, in which case
32 the maximum amount of any redevelopment incentive grant shall be
33 equal to up to 40 percent of the total project costs.
- 34 e. Except in the case of a qualified residential project or a
35 project involving university infrastructure, the authority and the
36 State Treasurer may enter into a redevelopment incentive grant
37 agreement only if they make a finding that the State revenues to be
38 realized from the redevelopment project will be in excess of the
39 amount necessary to reimburse the developer for its project
40 financing gap. This finding may be made by an estimation based
41 upon the professional judgment of the Chief Executive Officer of
42 the authority and the State Treasurer.
- 43 f. In deciding whether **【or not】** to recommend entering into a
44 redevelopment incentive grant agreement and in negotiating a
45 redevelopment agreement with a developer, the Chief Executive
46 Officer of the authority shall consider the following factors:
- 47 (1) the economic feasibility of the redevelopment project;

1 (2) the extent of economic and related social distress in the
2 municipality and the area to be affected by the redevelopment
3 project or the level of site specific distress to include dilapidated
4 conditions, brownfields designation, environmental contamination,
5 pattern of vacancy, abandonment, or under utilization of the
6 property, rate of foreclosures, or other site conditions as determined
7 by the authority;

8 (3) the degree to which the redevelopment project will advance
9 State, regional, and local development and planning strategies;

10 (4) the likelihood that the redevelopment project shall, upon
11 completion, be capable of generating new tax revenue in an amount
12 in excess of the amount necessary to reimburse the developer for
13 project costs incurred as provided in the redevelopment incentive
14 grant agreement, provided, however, that any tax revenue generated
15 by a redevelopment project that is a disaster recovery project shall
16 be considered new tax revenue even if the same or more tax revenue
17 was generated at or on the site prior to the disaster;

18 (5) the relationship of the redevelopment project to a
19 comprehensive local development strategy, including other major
20 projects undertaken within the municipality;

21 (6) the need of the redevelopment incentive grant agreement to
22 the viability of the redevelopment project or the promotion of the
23 use of public transportation; and

24 (7) the degree to which the redevelopment project enhances and
25 promotes job creation and economic development or the promotion
26 of the use of public transportation.

27 g. (1) A developer **that** who has entered into a redevelopment
28 incentive grant agreement with the authority and the State Treasurer
29 pursuant to this section may, upon notice to and consent of the
30 authority and the State Treasurer, pledge, assign, transfer, or sell
31 any or all of its right, title, and interest in and to **such** the
32 agreements and in the incentive grants payable thereunder, and the
33 right to receive same, along with the rights and remedies provided
34 to the developer under **such** the agreement. Any such assignment
35 shall be an absolute assignment for all purposes, including the
36 federal bankruptcy code.

37 (2) Any pledge of incentive grants made by the developer shall
38 be valid and binding from the time **when** the pledge is made and
39 filed in the records of the authority. The incentive grants **so**
40 pledged and thereafter received by the developer shall immediately
41 be subject to the lien of the pledge without any physical delivery
42 thereof or further act, and the lien of any pledge shall be valid and
43 binding **as** against all parties having claims of any kind in tort,
44 contract, or otherwise against the developer irrespective of whether
45 the parties have notice thereof. Neither the redevelopment
46 incentive grant agreement nor any other instrument by which a

1 pledge under this section is created need be filed or recorded except
2 with the authority.¹
3 (cf: P.L.2013, c.161, s.19)

4

5 ¹**[3.]** 5.¹ This act shall take effect immediately.