

ASSEMBLY, No. 1700

STATE OF NEW JERSEY

218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Co-Sponsored by:

Assemblywoman Murphy

SYNOPSIS

Specifies vacant shopping malls and office parks as eligible for designation as areas in need of redevelopment.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 9/14/2018)

1 **AN ACT** concerning the designation of certain areas as in need of
2 redevelopment and amending P.L.1992, c.79.

3

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

6

7 1. Section 5 of P.L.1992, c.79 (C.40A:12A-5) is amended to
8 read as follows:

9 5. A delineated area may be determined to be in need of
10 redevelopment if, after investigation, notice and hearing as provided
11 in section 6 of P.L.1992, c.79 (C.40A:12A-6), the governing body
12 of the municipality by resolution concludes that within the
13 delineated area any of the following conditions is found:

14 a. The generality of buildings are substandard, unsafe,
15 unsanitary, dilapidated, or obsolescent, or possess any of such
16 characteristics, or are so lacking in light, air, or space, as to be
17 conducive to unwholesome living or working conditions.

18 b. The discontinuance of the use of buildings previously used
19 for commercial, manufacturing, or industrial purposes; the
20 abandonment of such buildings; or the same being allowed to fall
21 into so great a state of disrepair as to be untenable.

22 c. Land that is owned by the municipality, the county, a local
23 housing authority, redevelopment agency or redevelopment entity,
24 or unimproved vacant land that has remained so for a period of ten
25 years prior to adoption of the resolution, and that by reason of its
26 location, remoteness, lack of means of access to developed sections
27 or portions of the municipality, or topography, or nature of the soil,
28 is not likely to be developed through the instrumentality of private
29 capital.

30 d. Areas with buildings or improvements which, by reason of
31 dilapidation, obsolescence, overcrowding, faulty arrangement or
32 design, lack of ventilation, light and sanitary facilities, excessive
33 land coverage, deleterious land use or obsolete layout, or any
34 combination of these or other factors, are detrimental to the safety,
35 health, morals, or welfare of the community.

36 e. A growing lack or total lack of proper utilization of areas
37 caused by the condition of the title, diverse ownership of the real
38 properties therein or other similar conditions which impede land
39 assemblage or discourage the undertaking of improvements,
40 resulting in a stagnant and unproductive condition of land
41 potentially useful and valuable for contributing to and serving the
42 public health, safety and welfare, which condition is presumed to be
43 having a negative social or economic impact or otherwise being
44 detrimental to the safety, health, morals, or welfare of the
45 surrounding area or the community in general.

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 f. Areas, in excess of five contiguous acres, whereon buildings
2 or improvements have been destroyed, consumed by fire,
3 demolished or altered by the action of storm, fire, cyclone, tornado,
4 earthquake or other casualty in such a way that the aggregate
5 assessed value of the area has been materially depreciated.

6 g. In any municipality in which an enterprise zone has been
7 designated pursuant to the "New Jersey Urban Enterprise Zones
8 Act," P.L.1983, c.303 (C.52:27H-60 et seq.) the execution of the
9 actions prescribed in that act for the adoption by the municipality
10 and approval by the New Jersey Urban Enterprise Zone Authority
11 of the zone development plan for the area of the enterprise zone
12 shall be considered sufficient for the determination that the area is
13 in need of redevelopment pursuant to sections 5 and 6 of P.L.1992,
14 c.79 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax
15 exemptions within the enterprise zone district pursuant to the
16 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or the adoption
17 of a tax abatement and exemption ordinance pursuant to the
18 provisions of P.L.1991, c.441 (C.40A:21-1 et seq.). The
19 municipality shall not utilize any other redevelopment powers
20 within the urban enterprise zone unless the municipal governing
21 body and planning board have also taken the actions and fulfilled
22 the requirements prescribed in P.L.1992, c.79 (C.40A:12A-1 et al.)
23 for determining that the area is in need of redevelopment or an area
24 in need of rehabilitation and the municipal governing body has
25 adopted a redevelopment plan ordinance including the area of the
26 enterprise zone.

27 h. The designation of the delineated area is consistent with
28 smart growth planning principles adopted pursuant to law or
29 regulation.

30 i. Areas with buildings used, or previously used, as a shopping
31 mall, shopping plaza, or professional office park, which buildings
32 have been vacant or partially vacant with less than 50% occupancy,
33 for a period of at least one year.

34 (cf: P.L.2013, c.159, s.1)

35
36 2. This act shall take effect immediately.
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39 STATEMENT

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41 This bill would amend the "Local Redevelopment and Housing
42 Law," P.L.1992, c.79 (C.40A:12A-1 et seq.), to specify that a
43 municipality may determine an area to be in need of redevelopment
44 if the area contains buildings that are used as, or were previously
45 used as, a shopping mall, a shopping plaza, or a professional office
46 park, and the buildings have been vacant, or partially vacant with
47 less than 50% occupancy, for a period of at least one year. In many
48 cases throughout New Jersey, these once prestigious land use types,

1 now vacant or significantly underutilized, are imposing such a
2 significant strain on their surrounding communities, that it is
3 appropriate and necessary to allow municipalities to use the powers
4 authorized under Article VIII, Section III, paragraph 1 of the State
5 Constitution for the redevelopment of blighted areas.

6 The post-World War II development of New Jersey's suburban
7 landscape was heavily influenced by automobile-dependent types of
8 land uses. Prominent among these land use prototypes was the
9 development of regional and local shopping malls and suburban
10 office campuses. For decades, many municipalities, particularly
11 suburban municipalities, relied on the existence of large office
12 campuses and shopping malls to supply jobs and contribute revenue
13 through the payment of property taxes.

14 Throughout New Jersey, these once vibrant, envied land use
15 types have fallen into disuse. Corporations across New Jersey have
16 vacated office parks because they understand that today's job
17 seekers prefer to work near where they live, or where they can
18 commute by mass transit. Similarly, recognizing that community
19 shopping centers have been underperforming for decades, retail
20 merchants have vacated space in shopping malls in favor of making
21 a more aggressive presence in vibrant downtown neighborhoods
22 and on the web.

23 Because large corporate office parks and large shopping malls
24 have become obsolete, vacant, and difficult to market, today they
25 are characterized in development circles as "stranded assets." In
26 order to encourage private entities to work together with municipal
27 governments to redevelop stranded assets, it may be necessary to
28 resort to more potent development tools than traditional land use
29 planning and zoning. By specifying that a vacant shopping mall or
30 office park is an area in need of redevelopment, a municipality can
31 offer potential private sector partners redevelopment tools such as
32 tax exemptions and abatements to encourage them to repurpose
33 stranded assets.