

SENATE, No. 689

STATE OF NEW JERSEY

218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

Senator TROY SINGLETON

District 7 (Burlington)

SYNOPSIS

Allows school districts to enter into school construction public-private partnership agreements with private entities.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 1/17/2018)

1 AN ACT concerning public school construction public-private
2 partnership agreements, supplementing Title 18A of the New
3 Jersey Statutes, and amending P.L.1974, c.80.

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

7
8 1. (New section) As used in P.L. , c. (C.) (pending
9 before the Legislature as this bill):

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

13 "Public-private partnership agreement" means an agreement
14 entered into by a school district and a private entity pursuant to
15 section 2 of P.L. , c. (C.) (pending before the Legislature
16 as this bill) for the purpose of permitting a private entity to assume
17 full financial and administrative responsibility for the construction,
18 reconstruction, repair, alteration, improvement, or extension of a
19 school facilities project of, or for the benefit of, the school district.

20 "School district" means and includes a local school district,
21 regional school district, or county special services school district or
22 county vocational school established and operating under the
23 provisions of Title 18A of the New Jersey Statutes. The term
24 "school district" shall not include a charter school established under
25 P.L.1995, c.426 (C.18A:36A-1 et seq.).

26 "School facilities project" or "project" shall have the same
27 meaning as provided in section 3 of P.L.2000, c.72 (C.18A:7G-3).

28
29 2. (New section) a. A school district may enter into a public-
30 private partnership agreement with a private entity, subject to the
31 approval of the authority pursuant to subsection f. of this section,
32 that permits the private entity to assume full financial and
33 administrative responsibility for the construction, reconstruction,
34 repair, alteration, improvement, or extension of a school facilities
35 project of, or for the benefit of, the school district, provided that the
36 project is financed in whole by the private entity, the board of
37 education retains full ownership of the land upon which the project
38 is completed, and that the project has been approved by the
39 Commissioner of Education as part of the district's long-range
40 facilities plan.

41 b. (1) A private entity constructing a school facilities project
42 pursuant to subsection a. of this section shall not be subject to the
43 procurement and contracting requirements of any statute applicable
44 to the school district, including, but not limited to, the "Public
45 School Contracts Law," N.J.S.18A:18A-1 et seq. For the purposes

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 of facilitating the financing of a project pursuant to subsection a. of
2 this section, a school district may become the owner or lessee of the
3 project, may issue indebtedness pursuant to law and,
4 notwithstanding the provisions of any law, rule, or regulation to the
5 contrary, shall be empowered to enter into contracts with a private
6 entity and its affiliates without being subject to the procurement and
7 contracting requirements of the "Public School Contracts Law,"
8 N.J.S.18A:18A-1 et seq. provided that the private entity has been
9 selected by the school district pursuant to a solicitation of proposals
10 or qualifications.

11 (2) A school facilities project undertaken pursuant to this
12 section that is owned by or leased to a school district, shall at all
13 times be exempt from property taxation and special assessments of
14 the State, or any municipality, or other political subdivision of the
15 State and, notwithstanding the provisions of section 15 of P.L.1974,
16 c.80 (C.34:1B-15), section 2 of P.L.1977, c.272 (C.54:4-2.2b), or
17 any other section of law to the contrary, shall not be required to
18 make payments in lieu of taxes. The land upon which the project is
19 located shall also at all times be exempt from property taxation.
20 The project and land upon which the project is located shall not be
21 subject to the provisions of section 1 of P.L.1984, c.176 (C.54:4-
22 1.10) regarding the tax liability of a private party conducting a for
23 profit activity on tax exempt land, or section 1 of P.L.1949, c.177
24 (C.54:4-2.3) regarding the taxation of a leasehold interest in exempt
25 property that is held by a nonexempt party.

26 c. A worker employed in the construction, rehabilitation, or
27 building maintenance services of a school facilities project by a
28 private entity that has entered into a public-private partnership
29 agreement with a school district pursuant to subsection a. of this
30 section shall be paid not less than the prevailing wage rate for the
31 worker's craft or trade as determined by the Commissioner of Labor
32 and Workforce Development pursuant to P.L.1963, c.150 (C.34:11-
33 56.25 et seq.) and P.L.2005, c.379 (C.34:11-56.58 et seq.).

34 d. (1) A school facilities project under a public-private
35 partnership agreement entered into pursuant to this section shall
36 contain a project labor agreement. The project labor agreement
37 shall be subject to the provisions of P.L.2002, c.44 (C.52:38-1 et
38 seq.), and shall, to the greatest extent possible, enhance
39 employment opportunities for individuals residing in the county of
40 the school facilities project's location. The general contractor,
41 construction manager, or subcontractor for a school facilities
42 project proposed pursuant to this paragraph shall be prequalified to
43 bid on a school facilities project pursuant to P.L.2000, c.72
44 (C.18A:7G-1 et al.), and shall be classified by the New Jersey
45 Schools Development Authority to perform work on a project.

46 (2) The school district shall require the private entity financing a
47 school facilities project to post, or cause to be posted, a bond
48 guaranteeing prompt payment of moneys due to the private entity's

1 contractor, the contractor's subcontractors, and to all persons
2 furnishing labor or materials to the contractor or the contractor's
3 subcontractors in the performance of the work on the project.

4 e. (1) On or before August 1, 2017, a school facilities project
5 proposed pursuant to this section shall be submitted to the authority
6 for the authority's review and approval. A school facilities project
7 shall meet the facilities efficiency standards developed by the
8 Commissioner of Education pursuant to subsection h. of section 4
9 of P.L.2000, c.72 (C.18A:7G-4) and any school facility regulations
10 promulgated by the State Board of Education or the Department of
11 Community Affairs. A school facilities project application that is
12 deemed to be incomplete by the authority on August 2, 2017 shall
13 not be eligible for consideration.

14 (2) (a) In order for an application to be complete and
15 considered by the authority pursuant to this subsection, the
16 application shall include, but not be limited to: (i) a public-private
17 partnership agreement between the school district and the private
18 entity; (ii) a full description of the school facilities project; (iii) the
19 estimated costs and financial documentation for the project; (iv) a
20 timetable for completion of the project extending no more than five
21 years after consideration and approval; and (v) any other
22 requirements that the authority deems appropriate or necessary.

23 (b) As part of the estimated costs and financial documentation
24 for the school facilities project, an application shall contain a long-
25 range maintenance plan and shall specify the expenditures that
26 qualify as an appropriate investment in maintenance. The long-
27 range maintenance plan shall be approved by the authority if the
28 plan includes building maintenance standards established by the
29 State Board of Education. All contracts to implement a long-range
30 maintenance plan pursuant to this paragraph shall contain a project
31 labor agreement. The project labor agreement shall be subject to
32 the provisions of P.L.2002, c.44 (C.52:38-1 et seq.), and shall, to
33 the greatest extent possible, enhance employment opportunities for
34 individuals residing in the county of the project's location.

35 (3) The authority shall review all completed applications, and
36 request additional information as is needed to make a complete
37 assessment of the school facilities project. A project shall not be
38 undertaken until final approval has been granted by the authority.
39 The authority shall retain the right to revoke approval at any time if
40 it determines that the project has deviated from the plan submitted
41 pursuant to paragraph (2) of this subsection.

42 (4) The authority shall promulgate any rules and regulations
43 necessary to implement this subsection, including provisions for
44 fees to cover administrative costs.

45
46 3. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read
47 as follows:

48 5. The authority shall have the following powers:

- 1 a. To adopt bylaws for the regulation of its affairs and the
2 conduct of its business;
- 3 b. To adopt and have a seal and to alter the same at pleasure;
- 4 c. To sue and be sued;
- 5 d. To acquire in the name of the authority by purchase or
6 otherwise, on such terms and conditions and such manner as it may
7 deem proper, or by the exercise of the power of eminent domain in
8 the manner provided by the "Eminent Domain Act of 1971,"
9 P.L.1971, c.361 (C.20:3-1 et seq.), any lands or interests therein or
10 other property which it may determine is reasonably necessary for
11 any project; provided, however, that the authority in connection
12 with any project shall not take by exercise of the power of eminent
13 domain any real property except upon consent thereto given by
14 resolution of the governing body of the municipality in which such
15 real property is located; and provided further that the authority shall
16 be limited in its exercise of the power of eminent domain in
17 connection with any project in qualifying municipalities as defined
18 under the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.), or to
19 municipalities which had a population, according to the latest
20 federal decennial census, in excess of 10,000;
- 21 e. To enter into contracts with a person upon such terms and
22 conditions as the authority shall determine to be reasonable,
23 including, but not limited to, reimbursement for the planning,
24 designing, financing, construction, reconstruction, improvement,
25 equipping, furnishing, operation, and maintenance of the project
26 and to pay or compromise any claims arising therefrom;
- 27 f. To establish and maintain reserve and insurance funds with
28 respect to the financing of the project or the school facilities project
29 and any project financed pursuant to the "Municipal Rehabilitation
30 and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et
31 al.);
- 32 g. To sell, convey, or lease to any person all or any portion of a
33 project for such consideration and upon such terms as the authority
34 may determine to be reasonable;
- 35 h. To mortgage, pledge, or assign or otherwise encumber all or
36 any portion of a project, or revenues, whenever it shall find such
37 action to be in furtherance of the purposes of this act, P.L.2000,
38 c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and
39 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.),
40 P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of
41 P.L.2009, c.90 (C.52:27D-489c et al.);
- 42 i. To grant options to purchase or renew a lease for any of its
43 projects on such terms as the authority may determine to be
44 reasonable;
- 45 j. To contract for and to accept any gifts or grants or loans of
46 funds or property or financial or other aid in any form from the
47 United States of America or any agency or instrumentality thereof,
48 or from the State or any agency, instrumentality, or political

1 subdivision thereof, or from any other source and to comply,
2 subject to the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.),
3 section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72
4 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic
5 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and
6 P.L.2007, c.137 (C.52:18A-235 et al.), with the terms and
7 conditions thereof;

8 k. In connection with any action undertaken by the authority in
9 the performance of its duties and any application for assistance or
10 commitments therefor and modifications thereof, to require and
11 collect such fees and charges as the authority shall determine to be
12 reasonable, including but not limited to fees and charges for the
13 authority's administrative, organizational, insurance, operating,
14 legal, and other expenses;

15 l. To adopt, amend, and repeal regulations to carry out the
16 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of
17 P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.),
18 the "Municipal Rehabilitation and Economic Recovery Act,"
19 P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137
20 (C.52:18A-235 et al.);

21 m. To acquire, purchase, manage and operate, hold and dispose
22 of real and personal property or interests therein, take assignments
23 of rentals and leases, and make and enter into all contracts, leases,
24 agreements, and arrangements necessary or incidental to the
25 performance of its duties;

26 n. To purchase, acquire, and take assignments of notes,
27 mortgages, and other forms of security and evidences of
28 indebtedness;

29 o. To purchase, acquire, attach, seize, accept, or take title to
30 any project or school facilities project by conveyance or by
31 foreclosure, and sell, lease, manage, or operate any project or
32 school facilities project for a use specified in this act, P.L.2000,
33 c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and
34 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.),
35 P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of
36 P.L.2009, c.90 (C.52:27D-489c et al.);

37 p. To borrow money and to issue bonds of the authority and to
38 provide for the rights of the holders thereof, as provided in
39 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401
40 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal
41 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
42 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and
43 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

44 q. To extend credit or make loans to any person for the
45 planning, designing, acquiring, constructing, reconstructing,
46 improving, equipping, and furnishing of a project or school
47 facilities project, which credits or loans may be secured by loan and
48 security agreements, mortgages, leases, and any other instruments,

1 upon such terms and conditions as the authority shall deem
2 reasonable, including provision for the establishment and
3 maintenance of reserve and insurance funds, and to require the
4 inclusion in any mortgage, lease, contract, loan, and security
5 agreement or other instrument, of such provisions for the
6 construction, use, operation, and maintenance and financing of a
7 project or school facilities project as the authority may deem
8 necessary or desirable;

9 r. To guarantee up to **【90%】** 90 percent of the amount of a
10 loan to a person, if the proceeds of the loan are to be applied to the
11 purchase and installation, in a building devoted to industrial or
12 commercial purposes, or in an office building, of an energy
13 improvement system;

14 s. To employ consulting engineers, architects, attorneys, real
15 estate counselors, appraisers, and such other consultants and
16 employees as may be required in the judgment of the redevelopment
17 utility to carry out the purposes of P.L.1974, c.80 (C.34:1B-1 et
18 seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72
19 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic
20 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007,
21 c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009,
22 c.90 (C.52:27D-489c et al.), and to fix and pay their compensation
23 from funds available to the redevelopment utility therefor, all
24 without regard to the provisions of Title 11A of the New Jersey
25 Statutes;

26 t. To do and perform any acts and things authorized by
27 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401
28 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal
29 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
30 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and
31 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.),
32 under, through or by means of its own officers, agents, and
33 employees, or by contract with any person;

34 u. To procure insurance against any losses in connection with
35 its property, operations, or assets in such amounts and from such
36 insurers as it deems desirable;

37 v. To do any and all things necessary or convenient to carry out
38 its purposes and exercise the powers given and granted in P.L.1974,
39 c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-
40 4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal
41 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
42 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and
43 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

44 w. To construct, reconstruct, rehabilitate, improve, alter, equip,
45 maintain, or repair or provide for the construction, reconstruction,
46 improvement, alteration, equipping, or maintenance or repair of any
47 development property and lot, award and enter into construction
48 contracts, purchase orders and other contracts with respect thereto,

- 1 upon such terms and conditions as the authority shall determine to
2 be reasonable, including, but not limited to, reimbursement for the
3 planning, designing, financing, construction, reconstruction,
4 improvement, equipping, furnishing, operation, and maintenance of
5 any such development property and the settlement of any claims
6 arising therefrom and the establishment and maintenance of reserve
7 funds with respect to the financing of such development property;
- 8 x. When authorized by the governing body of a municipality
9 exercising jurisdiction over an urban growth zone, to construct,
10 cause to be constructed, or to provide financial assistance to
11 projects in an urban growth zone which shall be exempt from the
12 terms and requirements of the land use ordinances and regulations,
13 including, but not limited to, the master plan and zoning ordinances,
14 of such municipality;
- 15 y. To enter into business employment incentive agreements as
16 provided in the "Business Employment Incentive Program Act,"
17 P.L.1996, c.26 (C.34:1B-124 et al.);
- 18 z. To enter into agreements or contracts, execute instruments,
19 and do and perform all acts or things necessary, convenient, or
20 desirable for the purposes of the redevelopment utility to carry out
21 any power expressly provided pursuant to P.L.1974, c.80 (C.34:1B-
22 1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137
23 (C.52:18A-235 et al.), including, but not limited to, entering into
24 contracts with the State Treasurer, the Commissioner of Education,
25 districts, the New Jersey Schools Development Authority, and any
26 other entity which may be required in order to carry out the
27 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), P.L.2007, c.137
28 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90
29 (C.52:27D-489c et al.);
- 30 aa. (Deleted by amendment, P.L.2007, c.137);
- 31 bb. To make and contract to make loans to local units to finance
32 the cost of school facilities projects and to acquire and contract to
33 acquire bonds, notes, or other obligations issued or to be issued by
34 local units to evidence the loans, all in accordance with the
35 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007,
36 c.137 (C.52:18A-235 et al.);
- 37 cc. Subject to any agreement with holders of its bonds issued to
38 finance a project or school facilities project, obtain as security or to
39 provide liquidity for payment of all or any part of the principal of
40 and interest and premium on the bonds of the authority or for the
41 purchase upon tender or otherwise of the bonds, lines of credit,
42 letters of credit, reimbursement agreements, interest rate exchange
43 agreements, currency exchange agreements, interest rate floors or
44 caps, options, puts or calls to hedge payment, currency, rate, spread
45 or similar exposure or similar agreements, float agreements,
46 forward agreements, insurance contract, surety bond, commitment
47 to purchase or sell bonds, purchase or sale agreement, or
48 commitments or other contracts or agreements, and other security

1 agreements or instruments in any amounts and upon any terms as
2 the authority may determine and pay any fees and expenses required
3 in connection therewith;

4 dd. To charge to and collect from local units, the State, and any
5 other person, any fees and charges in connection with the
6 authority's actions undertaken with respect to school facilities
7 projects, including, but not limited to, fees and charges for the
8 authority's administrative, organization, insurance, operating, and
9 other expenses incident to the financing of school facilities projects;

10 ee. To make loans to refinance solid waste facility bonds
11 through the issuance of bonds or other obligations and the execution
12 of any agreements with counties or public authorities to effect the
13 refunding or rescheduling of solid waste facility bonds, or otherwise
14 provide for the payment of all or a portion of any series of solid
15 waste facility bonds. Any county or public authority refunding or
16 rescheduling its solid waste facility bonds pursuant to this
17 subsection shall provide for the payment of not less than fifty
18 percent of the aggregate debt service for the refunded or
19 rescheduled debt of the particular county or public authority for the
20 duration of the loan; except that, whenever the solid waste facility
21 bonds to be refinanced were issued by a public authority and the
22 county solid waste facility was utilized as a regional county solid
23 waste facility, as designated in the respective adopted district solid
24 waste management plans of the participating counties as approved
25 by the department prior to November 10, 1997, and the utilization
26 of the facility was established pursuant to tonnage obligations set
27 forth in their respective interdistrict agreements, the public
28 authority refunding or rescheduling its solid waste facility bonds
29 pursuant to this subsection shall provide for the payment of a
30 percentage of the aggregate debt service for the refunded or
31 rescheduled debt of the public authority not to exceed the
32 percentage of the specified tonnage obligation of the host county for
33 the duration of the loan. Whenever the solid waste facility bonds
34 are the obligation of a public authority, the relevant county shall
35 execute a deficiency agreement with the authority, which shall
36 provide that the county pledges to cover any shortfall and to pay
37 deficiencies in scheduled repayment obligations of the public
38 authority. All costs associated with the issuance of bonds pursuant
39 to this subsection may be paid by the authority from the proceeds of
40 these bonds. Any county or public authority is hereby authorized to
41 enter into any agreement with the authority necessary, desirable or
42 convenient to effectuate the provisions of this subsection.

43 The authority shall not issue bonds or other obligations to effect
44 the refunding or rescheduling of solid waste facility bonds after
45 December 31, 2002. The authority may refund its own bonds issued
46 for the purposes herein at any time;

47 ff. To pool loans for any local government units that are
48 refunding bonds and do and perform any and all acts or things

1 necessary, convenient, or desirable for the purpose of the authority
2 to achieve more favorable interest rates and terms for those local
3 governmental units;

4 gg. To finance projects approved by the board, provide staff
5 support to the board, oversee and monitor progress on the part of
6 the board in carrying out the revitalization, economic development,
7 and restoration projects authorized pursuant to the "Municipal
8 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
9 (C.52:27BBB-1 et al.), and otherwise fulfilling its responsibilities
10 pursuant thereto;

11 hh. To offer financial assistance to qualified film production
12 companies as provided in the "New Jersey Film Production
13 Assistance Act," P.L.2003, c.182 (C.34:1B-178 et al.); **[and]**

14 ii. To finance or develop private or public parking facilities or
15 structures, which may include the use of solar photovoltaic
16 equipment, in municipalities qualified to receive State aid pursuant
17 to the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.) and
18 municipalities that contain areas designated pursuant to P.L.1985,
19 c.398 (C.52:18A-196 et al.) as Planning Area 1 (Metropolitan),
20 Planning Area 2 (Suburban), or a town center, and to provide
21 appropriate assistance, including but not limited to, extensions of
22 credit, loans, and guarantees, to municipalities qualified to receive
23 State aid pursuant to the provisions of P.L.1978, c.14 (C.52:27D-
24 178 et seq.) and municipalities that contain areas designated
25 pursuant to P.L.1985, c.398 (C.52:18A-196 et seq.) as Planning
26 Area 1 (Metropolitan), Planning Area 2 (Suburban), or a town
27 center, and their agencies and instrumentalities or to private entities
28 whose projects are located in those municipalities, in order to
29 facilitate the financing and development of parking facilities or
30 structures in such municipalities. The authority may serve as the
31 issuing agent of bonds to finance the undertaking of a project for
32 the purposes of this subsection; and

33 jj. To consider, review, amend, and approve public school
34 facilities construction public-private partnership agreements that
35 comply with the criteria established pursuant to section 2 of
36 P.L. , c. (C.) (pending before the Legislature as this bill)
37 for the purposes set forth therein and provide, to a private entity that
38 is a party to the agreement, any tax-exempt private activity bond
39 financing under terms and conditions established by the authority
40 and as otherwise authorized under State or federal law.

41 (cf: P.L.2010, c.28, s.3)

42
43 4. This act shall take effect immediately.

STATEMENT

This bill allows a public school district to enter into a contract with a private entity, under a public-private partnership (P3) agreement, that permits the private entity to assume full financial and administrative responsibility for the construction, reconstruction, repair, alteration, improvement, or extension of a school facilities project (project) of, or for the benefit of, the school district, provided that the project is financed in whole by the private entity, the school district retains full ownership of the land upon which the project is to be completed, and that the school facilities project has been approved by the Commissioner of Education as part of the district's long-range facilities plan. For the purposes of facilitating the financing of a project, a school district may become the owner or lessee of the project, may issue indebtedness pursuant to law, and is empowered to enter into contracts with a private entity and its affiliates without being subject to the procurement and contracting requirements of any statute applicable to the school district, including the "Public School Contracts Law," provided that the private entity has been selected by the school district pursuant to a solicitation of proposals or qualifications.

The bill requires that workers employed in the construction, rehabilitation, or building maintenance services of a project by a private entity that has entered into a P3 agreement with a school district be subject to the applicable provisions of the "New Jersey Prevailing Wage Act," that projects undertaken pursuant to a P3 agreement shall contain a project labor agreement, and that the general contractor, construction manager, or subcontractor for a project is to be prequalified to bid on a project pursuant to P.L.2000, c.72 (C.18A:7G-1 et al.) and be classified by the New Jersey Schools Development Authority to perform work on a project. All applications for P3 agreements authorized under the bill are to be submitted to the New Jersey Economic Development Authority (EDA) for the EDA's review and approval by August 1, 2017. Where practicable, all projects are encouraged to adhere to the green building manual prepared by the Commissioner of Community Affairs.

In order for an application to be complete and considered by the EDA, the bill requires the application to include, but not be limited to: 1) a P3 agreement between the school district and the private entity; 2) a full description of the project; 3) the estimated costs and financial documentation for the project; 4) a timetable for completion of the project extending no more than five years after consideration and approval; and 5) any other requirements that the EDA deems appropriate or necessary. As part of the estimated costs and financial documentation for the project, an application shall contain a long-range maintenance plan and shall specify the expenditures that qualify as an appropriate investment in

1 maintenance. This long-range maintenance plan is to be approved
2 by the EDA if it includes building maintenance standards
3 established by the State Board of Education.

4 In order to encourage private entities to enter into P3 agreements
5 with school districts to develop projects, the bill authorizes the
6 EDA to provide private entities tax-exempt private activity bond
7 financing under terms and conditions established by the EDA and as
8 otherwise authorized under State or federal law.