

SENATE, No. 850

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 26, 1996

By Senator LaROSSA

1 AN ACT concerning the appointment of the board of the Capital City
2 Redevelopment Corporation, the scope and funding of corporation
3 projects, and amending and supplementing P.L.1987, c.58.

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.1987, c.58 (C.52:9Q-11) is amended to read as
9 follows:

10 3. As used in this act, except where otherwise indicated:

11 a. "Board of Directors" or "board" means the board of directors of
12 the Capital City Redevelopment Corporation;

13 b. "City" means the city of Trenton;

14 c. "Corporation" means the Capital City Redevelopment
15 Corporation established pursuant to section 4 of this act;

16 d. "Director" means a director of the corporation;

17 e. "District" means the Capital City District delineated in section
18 6 of this act;

19 f. "Fund" means the Capital City Redevelopment [Loan and Grant]
20 Fund established pursuant to section 11 of this act;

21 g. "Person" means any natural person or persons or any firms,
22 partnerships, associations, societies, trusts, corporations, or other legal
23 entities;

24 h. "Plan" means the Capital City Renaissance Plan adopted
25 pursuant to this act;

26 i. "Project" means (1) the acquisition, construction, reconstruction,
27 redevelopment, historic restoration, repair, alteration, improvement or
28 extension of any building, structure or facility, or public area or (2) the
29 acquisition and improvement of real estate and the extension or
30 provision of utilities, access roads and other appurtenant facilities in
31 connection therewith, or (3) programs and strategies which will
32 enhance the vitality of the district as a place to live, visit, work and
33 conduct business including tourism initiatives; such programs may be
34 conducted outside the district so long as they are considered by 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.

1 corporation to be integral to the effectuation of the plan, and provided
2 that the work undertaken is consistent with the Capital City
3 Renaissance Plan adopted pursuant to section 9 of this act; a project
4 may also include planning, designing, acquiring, constructing,
5 reconstructing or otherwise improving a building, structure or facility
6 and extension or provision of utilities, access roads and other
7 appurtenant facilities in connection therewith, or any redevelopment
8 undertaken by any person pursuant to section 12 of this act; and

9 j. "Redevelopment" means a program of renewal through planning,
10 conservation, rehabilitation, clearance, development and
11 redevelopment, and historic restoration; and the construction and
12 rehabilitation of commercial, industrial, public or other structures; and
13 the grant, dedication or rededication of land as may be appropriate or
14 necessary in the interest of the general welfare for streets, parks,
15 playgrounds or other public purposes including recreational and other
16 facilities appurtenant thereto.

17 (cf: P.L.1987, c.58, s.3)

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19 2. Section 4 of P.L.1987, c.58 (C.52:9Q-12) is amended to read as
20 follows:

21 4. a. There is established in the Executive Branch of the State
22 Government a public body corporate and politic, with corporate
23 succession, to be known as the Capital City Redevelopment
24 Corporation. For the purpose of complying with the provisions of
25 Article V, Section IV, paragraph 1 of the New Jersey Constitution, the
26 corporation is allocated within the Department of the Treasury, but,
27 notwithstanding that allocation the corporation shall be independent
28 of any supervision or control by the department or by the State
29 Treasurer or any officer or employee thereof. The corporation is
30 constituted as an instrumentality of the State exercising public and
31 essential governmental functions, and the exercise by the corporation
32 of the powers conferred by this or any other act shall be deemed to be
33 an essential governmental function of the State.

34 b. The board of directors of the corporation shall consist of the
35 following: a member of the Executive Branch to be appointed by the
36 Governor, ~~[and] the State Treasurer, and one other high-ranking State~~
37 officer designated by the Governor who shall [both] serve ex officio
38 and may each designate, by written notification to the board, an
39 alternate who shall act in their place with the authority to attend, vote
40 and perform any duty or function assigned to them in their absence;
41 ~~[one other high-ranking State officer designated by the Governor;]~~ the
42 mayor of the city of Trenton, ex officio , who may designate by
43 written notification to the board, an alternate from among the cabinet
44 officers appointed by the mayor who shall act on behalf of the mayor

1 in the absence of the mayor with the authority to attend, vote and
2 perform any duty or function assigned to the mayor; and five public
3 members appointed by the Governor with the advice and consent of
4 the Senate, one of whom shall be a public employee of the State or
5 city, one of whom shall have the city of Trenton as his principal place
6 of business, and at least one of whom shall have the county of Mercer
7 as his principal place of business. The five directors appointed by the
8 Governor shall be residents of the State and shall have knowledge and
9 expertise in the areas of economic development, urban planning,
10 community affairs or finance;

11 c. Each public member shall serve for a term of four years and until
12 the appointment and qualification of a successor, except that of the
13 directors who are first appointed, three shall be designated to serve for
14 terms of two years, and two shall be designated to serve for terms of
15 four years, from the date of appointment. All vacancies shall be filled
16 in the same manner as the original appointment but for the unexpired
17 term only. The directors shall receive no compensation for their
18 services, but may be reimbursed for their expenses in performing their
19 official duties;

20 d. Each director, before entering upon the duties of office, shall
21 take and subscribe an oath to perform the duties of the office
22 faithfully, impartially and justly to the best of their ability. A record
23 of these oaths shall be filed in the Office of the Secretary of State.
24 Each director appointed by the Governor may be removed from office
25 by the Governor, for cause, after a public hearing, and may be
26 suspended by the Governor pending the completion of the hearing;

27 e. The Governor shall appoint a chairman from among the members
28 of the board. The vice chairman shall be one of the five public
29 members and shall be elected by majority vote of all the directors. The
30 directors shall elect a secretary and a treasurer from among their
31 number, and the same person may be elected to serve both as secretary
32 and treasurer. Five directors shall constitute a quorum at any meeting
33 of the board. Action may be taken and motions and resolutions
34 adopted by the board at any meeting thereof by the affirmative vote of
35 at least five directors. No vacancy in a directorship shall impair the
36 right of a quorum to exercise all the powers and perform all the duties
37 of the board;

38 f. Each director shall execute a bond to be conditioned upon the
39 faithful performance of their respective duties in such form and amount
40 as may be prescribed by the Director of the Division of Budget and
41 Accounting in the Department of the Treasury. The bonds shall be
42 filed in the office of the Secretary of State. At all times thereafter the
43 directors shall maintain these bonds in full force. All costs of the bonds
44 shall be borne by the corporation; and

45 g. The corporation may be dissolved by act of the Legislature if it

1 has no debts or obligations outstanding or if adequate provision has
2 been made for the payment or retirement of any outstanding debts or
3 obligations. Upon dissolution of the corporation all property, funds
4 and assets thereof shall be vested in the State, the city or the county,
5 subject to the terms of the act of dissolution.

6 (cf: P.L.1987, c.58, s.4)

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8 3. Section 11 of P.L.1987, c.58 (C.52:9Q-19) is amended to read
9 as follows:

10 11. a. There is established in the State Treasury a nonlapsing,
11 revolving fund to be known as the Capital City Redevelopment [Loan
12 and Grant] Fund, and which shall be at the disposal of the executive
13 director for carrying out the provisions of this act, and for no other
14 purpose.

15 b. The State Treasurer may from time to time invest and reinvest
16 those portions of the fund in investments in which other State funds
17 may be invested.

18 c. There shall be included in the fund (1) all moneys appropriated
19 and made available by the Legislature for inclusion therein, (2) any
20 other moneys made available to the corporation from any source or
21 sources, for its purposes, (3) any moneys repaid by persons pursuant
22 to loan agreements under the terms of this act, which payments shall
23 be transmitted to the State Treasurer for inclusion in the fund, and (4)
24 any income, increment or interest derived from investment or
25 reinvestment.

26 (cf: P.L.1987, c.58, s.11)

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28 4. Section 12 of P.L.1987, c.58 (C.52:9Q-20) is amended to read
29 as follows:

30 12. The fund created by this act shall be used by the corporation to
31 undertake projects in accordance with the goals, objectives and
32 priorities outlined in the plan and to make loans or grants for the
33 purpose of financing projects which are consistent with the plan and
34 promote the economic development of the district, or to purchase
35 services, in a manner consistent with the implementation of the plan.
36 Financing of projects pursuant to this act shall be in such form, amount
37 and on such terms as the corporation shall believe necessary in order
38 to assure the economic feasibility of a project and to assure, to the
39 greatest degree compatible with that purpose, the full recovery of
40 costs incurred by the [authority] corporation in the undertaking of the
41 project. The [interest rate shall be sufficiently below the prevailing rate
42 of interest] terms of the loan financing should be structured to attract
43 private participation in the loan program. [The corporation shall
44 assure by the terms of the financing of projects that at least 65% of the
45 moneys appropriated to the fund shall be recovered and shall continue

1 to be available for financing under this act.]

2 (cf: P.L.1987, c.58, s.12)

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4 5. Section 15 of P.L.1987, c.58 (C.52:9Q-23) is amended to read
5 as follows:

6 15. a. For the purpose of assuring regular and effective liaison
7 between the corporation, other public agencies and officers having
8 responsibilities in areas related to the operations of the corporation,
9 and the public, the Governor shall establish a Capital District
10 Oversight Committee to consist of the following: the Commissioner of
11 the Department of Community Affairs, the Commissioner of the
12 Department of Environmental Protection, the Commissioner of the
13 Department of Transportation, the Attorney General, and the
14 Superintendent of the Division of State Police in the Department of
15 Law and Public Safety, or their designees, who shall all serve ex
16 officio; the President of the City Council of the city of Trenton or his
17 designee, ex officio; and nine public members, of whom five shall be
18 citizen representatives and residents of the city of Trenton and four
19 shall be representatives of the business sector of the city of Trenton
20 who may live within or outside the city of Trenton, but shall be
21 residents of the State, to be appointed as follows: two shall be
22 appointed by the Governor, of whom one shall be a citizen
23 representative and one shall represent the business sector; two shall be
24 appointed by the Mayor of the city of Trenton, of whom one shall be
25 a citizen representative and one shall represent the business sector; and
26 five shall be appointed by the board, of whom three shall be citizen
27 representatives and two shall represent the business sector.

28 b. Each public member shall serve for a term of three years and
29 until the appointment and qualification of a successor, except that of
30 the five members first appointed by the corporation, one citizen
31 representative and one business representative shall each serve for a
32 term of one year, one citizen representative and one business
33 representative shall each serve for a term of two years, and one citizen
34 representative shall serve for a term of three years; of the two
35 members first appointed each by the Governor and the Mayor of the
36 city of Trenton, one shall serve for a term of two years and one shall
37 serve for a term of three years. In the event of a vacancy occurring
38 during the unexpired term of office, a public member shall be
39 appointed to serve for the unexpired term by the government entity
40 which made the original appointment.

41 c. The Mayor shall designate the chairman of the committee, who
42 shall serve in that position for the duration of his term. A chairman
43 may be redesignated. Seven members of the committee shall
44 constitute a quorum at any meeting thereof. Action may be taken and
45 motions and resolutions adopted by the committee at any meeting

1 thereof by the affirmative vote of at least seven members. No vacancy
2 in the membership of the committee shall impair the right of a quorum
3 to exercise all the powers and perform all the duties of the committee.

4 d. The committee shall study, and issue periodic reports assessing,
5 first, the impact of the district on the provision of police and fire
6 service within the city of Trenton and, thereafter, on any other areas
7 of municipal activity which, in the committee's estimation, may be
8 affected by the establishment of the district. The committee shall also
9 study and report on the ways in which such municipal activity may be
10 improved to enhance the attractiveness of the district. Based on these
11 reports, the committee shall make recommendations to improve the
12 efficiency or effectiveness of public agencies in enhancing the district.

13 e. [Upon appointment, the committee shall prepare a budget which
14 shall contain an itemization of those expenses in order that the
15 committee may fulfill its officially prescribed duties. The chairman
16 shall submit a budget to the executive director on an annual basis, and
17 the board shall provide funds within the limits of any funds
18 appropriated or otherwise made available for the committee's
19 purposes.] The members of the committee shall receive no
20 compensation for their services, but may be reimbursed for their
21 expenses in performing their official duties. [The committee is
22 authorized to engage such employees, advisors or consultants as are
23 necessary in order to fulfill its prescribed duties. These employees,
24 advisors or consultants, as the case may be, shall be appointed without
25 regard to the provisions of Title 11A of the New Jersey Statutes and
26 shall receive such compensation as shall from time to time be fixed by
27 the corporation within the limits of available appropriations therefor.]

28 f. All officers, departments, boards, agencies, divisions and
29 commissions of the State are hereby authorized and empowered to
30 render any services to the corporation as may be within the area of
31 their respective governmental functions as fixed or established by law,
32 and as may be requested by the corporation.

33 g. [The corporation shall refer each application for financial
34 assistance made to the Capital City Redevelopment Loan and Grant
35 Fund to the committee prior to taking formal action to approve or
36 reject the application. The committee shall have 30 days from the date
37 of referral to provide written comments on the application, and any
38 comments provided within that time shall be a part of the record of the
39 corporation's official action on the application.] (Deleted by
40 amendment, P.L. , c.) (pending before the Legislature as this bill)
41 (cf: P.L.1987, c.58, s.15)

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43 6. Section 17 of P.L.1987, c.58 (C.52:9Q-25) is amended to read
44 as follows:

45 17. a. On or before February 1 of each year, the board shall submit

1 a budget for the corporation to the State Treasurer for the State
2 Treasurer's approval. The budget shall include those sums made
3 available to the committee pursuant to section 15 of this act. The
4 board shall file a copy of the budget with the governing body of the
5 city of Trenton within 30 days of its approval. The board shall cause
6 an audit of its books and accounts to be made at least once in each
7 year by certified public accountants, and the cost thereof shall be
8 considered an expense of the corporation and a copy thereof shall be
9 filed with the State Treasurer.

10 b. The executive director shall submit with the corporation's annual
11 budget request a plan for expenditures from the Capital City
12 Redevelopment [Loan and Grant] Fund for the upcoming fiscal year.
13 This plan shall include, but not be limited to: performance evaluation
14 of the expenditures made from the fund to date; a description of the
15 various projects to be funded for the upcoming fiscal year; relocation
16 assistance for the upcoming fiscal year; a copy of procedures
17 developed by the corporation governing the operation of the loan and
18 grant fund; a complete financial statement on the status of the State
19 fund to date; and an estimate of expenditures from the State fund for
20 the upcoming fiscal year. This information shall be used to assist the
21 Legislature in determining the amount to appropriate to the State fund.
22 (cf: P.L.1987, c.58, s.17)

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24 7. (New section) The corporation may enter into agreements with
25 any individual, partnership, trust, association or corporation or any
26 public agency under which the corporation and other entity or entities
27 shall undertake a project as a joint venture, with the corporation
28 providing such financial assistance, through loans, grants or the
29 acquisition of an ownership interest in the project, and such technical
30 or managerial assistance or advice, as the agreement may provide.

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32 8. This bill shall take effect immediately.

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STATEMENT

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37 This bill makes various changes to the "Capital City Redevelopment
38 Corporation Act," P.L.1987, c.58 (C.52:9Q-9 et seq.).

39 Specifically, the bill expands the definition of a "project" which the
40 Capital City Redevelopment Corporation may undertake to include
41 programs and strategies which will enhance the vitality of the district
42 as a place to live, visit, work and conduct business, including tourism
43 initiatives. Moreover, these programs may be undertaken outside the
44 district, so long as they are considered by the corporation board as
45 necessary to effectuate the Capital City Renaissance Plan.

1 Additionally, the bill allows the Trenton mayor and the high-ranking
2 State officer designated by the Governor to designate an alternate to
3 the board to serve in their absence.

4 The bill changes the name of the revolving fund to the "Capital City
5 Redevelopment Fund." Under current law, the fund is referred to as
6 the "Capital City Redevelopment Loan and Grant Fund."

7 The bill expands the corporation's mandate with respect to the fund
8 to include the making of loans or grants to promote the economic
9 development of the district or to purchase services, in a manner
10 consistent with plan implementation. The bill removes the requirement
11 that the interest rate be sufficiently below the prevailing rate of interest
12 to attract private participation in the loan program and instead merely
13 requires that the terms of the loan financing be structured to attract
14 such participation. The bill also removes the requirement that the
15 corporation assure by the terms of financing that at least 65 percent of
16 the moneys appropriated to the fund be recoverable.

17 The bill allows the corporation to enter into joint venture
18 agreements with any individual, partnership, trust, association,
19 corporation or public agency in undertaking any project and to provide
20 any financial or technical assistance it deems necessary in connection
21 with the joint venture.

22 Finally, the bill removes the requirement that the Capital District
23 Oversight Committee submit a budget to the executive director on an
24 annual basis and removes the authorization of the committee to engage
25 employees, advisors and consultants. The bill also removes the
26 requirement that the corporation refer each application for financial
27 assistance to the committee before taking formal action on it.

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32 Makes various changes to "Capital City Redevelopment Corporation
33 Act."