

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## **ASSEMBLY, No. 5377**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 16, 2021

The Assembly Appropriations Committee reports favorably Assembly Bill No. 5377 (1R), with committee amendments.

As amended, this bill would establish a three-year “Food Innovation District Pilot Program” within the Division of Marketing and Development in the Department of Agriculture. The purpose of the program is to encourage the development of food innovation districts within New Jersey. A food innovation district is a geographic concentration of food-oriented businesses, services, and community activities that are supported through planning and economic development initiatives in order to promote a positive business environment, spur regional food system development, increase access to local food, and support the transition to healthy and environmentally-friendly alternatives to single-use plastic packaging.

The division, in consultation with the Department of Labor and Workforce Development, the Department of Community Affairs, and the New Jersey Economic Development Authority, would identify criteria for the designation of food innovation districts. The bill specifies the criteria for a food innovation district designation to include, but not be limited to:

- accessibility to mass transportation facilities and services;
- zoning or a redevelopment plan that permits mixed-use development; and
- a cluster of interconnected food businesses, suppliers, and associated institutions.

The bill directs the division to establish an application form and procedure for municipalities to apply for designation of an area as a food innovation district. The bill would require an application to include, but would not be limited to:

- (1) the boundaries of the proposed food innovation district;
- (2) an inventory of existing and proposed food-oriented businesses; regional food hubs; community kitchens and ghost kitchens; farmers markets; warehousing, processing, distribution, and related facilities; and other food system infrastructure; and

(3) a plan for the development or redevelopment of the proposed food innovation district, which would be limited to plans for community kitchens and ghost kitchens; warehousing, processing, distribution, and related facilities; and supporting the food industry in its transition to the use of healthy and environmentally-friendly alternatives to single-use plastic packaging.

The bill directs the division to publicize the Food Innovation District Program, and provide links to the application form and procedure on its Internet website.

Under the bill, a municipality may apply to the division for designation of all or part of the municipality as a food innovation district. Two or more municipalities may jointly apply for designation of an area as a food innovation district. Within 60 calendar days of its receipt of a complete application for designation of an area as a food innovation district, the bill directs the division to approve, conditionally approve, or deny the application.

The bill directs the division, in consultation with the Department of Community Affairs and the New Jersey Economic Development Authority, to adopt guidance and standards for municipalities to promote food innovation districts as places for businesses to locate. A municipality may advertise or otherwise use the food innovation district designation in accordance with the adopted guidance or standards.

The division, in conjunction with the Rutgers Agricultural Research and Extension Center, would provide resources and technical assistance to at least one food innovation district in the central region of the State and to at least one food innovation district in the southern region of the State to enhance the efficacy of the program. When measuring the efficacy of the program, the report would include, but is not limited to, the following metrics for each food innovation district:

- (1) the rate of change in the number of businesses;
- (2) the rate of change in the number of businesses developing new products or services;
- (3) the rate of change in the number of new partnerships with industry specific businesses, companies, or institutions;
- (4) the rate of change in entrepreneurship;
- (5) the amount of venture capital or generalized funding received from private investors;
- (6) the amount of access to qualified personnel and the number of job candidates with relevant skills, education, and training; and
- (7) the amount of local sourcing of personnel.

Within six months prior to the expiration of the three-year pilot program, the division would be required to submit a report to the Governor, and to the Legislature on the effectiveness of the program, including an assessment concerning the continuation of the program.

COMMITTEE AMENDMENTS:

The committee amendments would:

- alter the program from a permanent program to a three-year pilot program;
- modify the focus of the program to center on the development and redevelopment of food innovation districts that exclusively cater to community kitchens and ghost kitchens, warehousing, processing, distribution, and related facilities; and supporting the transition to healthy and environmentally-friendly alternatives to single-use plastic packaging;
- require the division, in conjunction with the Rutgers Agricultural Research and Extension Center, to provide resources and technical assistance to a food innovation district in the central and southern regions of the State, respectively; and
- require the division to submit a report, measuring specific metrics, on the pilot program to the Governor and the Legislature.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.