

P.L.2015, CHAPTER 242, *approved January 19, 2016*
Senate, No. 2880 (*Second Reprint*)

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**[** 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,
11 c.90 (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

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.

²Assembly AAP committee amendments adopted January 7, 2016.

1 redevelopment agency as defined in section 3 of P.L.1992,
2 c.79 (C.40A:12A-3), or Rutgers, the State University of New
3 Jersey.

4 "Director" means the Director of the Division of Taxation in the
5 Department of the Treasury.

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

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

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

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

34 "Garden State Growth Zone" or "growth zone" means the four
35 New Jersey cities with the lowest median family income based on
36 the 2009 American Community Survey from the US Census, (Table
37 708. Household, Family, and Per Capita Income and Individuals,
38 and Families Below Poverty Level by City: 2009); or a municipality
39 which contains a Tourism District as established pursuant to section
40 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
41 Reinvestment Development Authority.

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

47 "Incentive grant" means reimbursement of all or a portion of the
48 project financing gap of a redevelopment project through the State

1 or a local Economic Redevelopment and Growth Grant program
2 pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d
3 or C.52:27D-489e).

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

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

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

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

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

38 "Municipal Revitalization Index" means the 2007 index by the
39 Office for Planning Advocacy within the Department of State
40 measuring or ranking municipal distress.

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

46 "Project cost" means the costs incurred in connection with the
47 redevelopment project by the developer until the issuance of a
48 permanent certificate of occupancy, or until such other time

1 specified by the authority, for a specific investment or
2 improvement, including the costs relating to receiving Highlands
3 Development Credits under the Highlands Transfer Development
4 Rights Program authorized pursuant to section 13 of P.L.2004,
5 c.120 (C.13:20-13), lands, buildings, improvements, real or
6 personal property, or any interest therein, including leases
7 discounted to present value, including lands under water, riparian
8 rights, space rights and air rights acquired, owned, developed or
9 redeveloped, constructed, reconstructed, rehabilitated or improved,
10 any environmental remediation costs, plus costs not directly related
11 to construction, of an amount not to exceed 20 percent of the total
12 costs, capitalized interest paid to third parties, and the cost of
13 infrastructure improvements, including ancillary infrastructure
14 projects, and, for projects located in a Garden State Growth Zone
15 only, the cost of infrastructure improvements including any
16 ancillary infrastructure project and the amount by which total
17 project cost exceeds the cost of an alternative location for the
18 redevelopment project, but excluding any particular costs for which
19 the project has received federal, State, or local funding.

20 "Project financing gap" means:

21 a. the part of the total project cost, including return on
22 investment, that remains to be financed after all other sources of
23 capital have been accounted for, including, but not limited to,
24 developer-contributed capital, which shall not be less than 20
25 percent of the total project cost, which may include the value of any
26 existing land and improvements in the project area owned or
27 controlled by the developer, and the cost of infrastructure
28 improvements in the public right-of-way, subject to review by the
29 State Treasurer, and investor or financial entity capital or loans for
30 which the developer, after making all good faith efforts to raise
31 additional capital, certifies that additional capital cannot be raised
32 from other sources on a non-recourse basis; and

33 b. the amount by which total project cost exceeds the cost of an
34 alternative location for the out-of-State redevelopment project.

35 "Project revenue" means all rents, fees, sales, and payments
36 generated by a project, less taxes or other government payments.

37 "Property tax increment" means the amount obtained by:

38 **[(1)]** a. multiplying the general tax rate levied each year by the
39 taxable value of all the property assessed within a project area in
40 the same year, excluding any special assessments; and

41 **[(2)]** b. multiplying that product by a fraction having a
42 numerator equal to the taxable value of all the property assessed
43 within the project area, minus the property tax increment base, and
44 having a denominator equal to the taxable value of all property
45 assessed within the project area.

46 For the purpose of this definition, "property tax increment base"
47 means the aggregate taxable value of all property assessed which is
48 located within the redevelopment project area as of October 1st of

1 the year preceding the year in which the redevelopment incentive
2 grant agreement is authorized.

3 "Qualified incubator facility" means a commercial building
4 located within an incentive area: which contains 100,000 or more
5 square feet of office, laboratory, or industrial space; which is
6 located near, and presents opportunities for collaboration with, a
7 research institution, teaching hospital, college, or university; and
8 within which, at least 75 percent of the gross leasable area is
9 restricted for use by one or more technology startup companies
10 during the commitment period.

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

23 "Qualifying economic redevelopment and growth grant incentive
24 area" or "incentive area" means:

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

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

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

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

44 (4) located within a regional growth area, a town, village, or a
45 military and federal installation area designated in the
46 comprehensive management plan prepared and adopted by the
47 Pinelands Commission pursuant to the "Pinelands Protection Act,"
48 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,
9 c.398 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning
10 Area), Planning Area 4B (Rural/Environmentally Sensitive) or
11 Planning Area 5 (Environmentally Sensitive) if Planning Area 4A
12 (Rural 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,
17 c.79 (C.40A:12A-5 and C.40A:12A-6) but shall also include any
18 work or undertaking in accordance with the "Redevelopment Area
19 Bond Financing Law," sections 1 through 10 of P.L.2001,
20 c.310 (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,
28 c.404 (C.13:17-1 et seq.), the New Jersey Sports and Exposition
29 Authority established pursuant to P.L.1971 c.137 (C.5:10-1 et seq.)
30 and the 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,
32 c.346 (C.34:1B-208), or all light rail stations and property located
33 within a one-mile radius of the mid-point of the platform area of
34 such a 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,
43 c.346 (C.34:1B-208), or any vacant commercial building in a
44 Garden 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,
3 c.136 (C.26:2H-2), currently exists and is considered vacant. A
4 health facility shall be considered vacant if at least 70 percent of
5 that 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)]¹

8
9 ²¶ 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,
23 c.132 (C.54:18A-1 et seq.), the public utility franchise tax, public
24 utilities gross receipts tax and public utility excise tax imposed on
25 sewerage and water corporations pursuant to P.L.1940,
26 c.5 (C.54:30A-49 et seq.), those tariffs and charges imposed by
27 electric, natural gas, telecommunications, water and sewage
28 utilities, and cable television companies under the jurisdiction of
29 the New Jersey Board of Utilities, or comparable entity, except for
30 those tariffs, fees, or taxes related to societal benefits charges
31 assessed pursuant to section 12 of P.L.1999, c.23 (C.48:3-60), any
32 charges paid for compliance with the "Global Warming Response
33 Act," P.L.2007, c.112 (C.26:2C-37 et seq.), transitional energy
34 facility assessment unit taxes paid pursuant to section 67 of
35 P.L.1997, c.162 (C.48:2-21.34), and the sales and use taxes on
36 public utility and cable television services and commodities, the tax
37 derived from net profits from business, a distributive share of
38 partnership income, or a pro rata share of S corporation income
39 under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et
40 seq., the tax derived from a business at the site of a redevelopment
41 project that is required to collect the tax pursuant to the "Sales and
42 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), the tax imposed
43 pursuant to P.L.1966, c.30 (C.54:32B-1 et seq.) from the purchase
44 of furniture, fixtures and equipment, or materials for the
45 remediation, the construction of new structures at the site of a
46 redevelopment project, the hotel and motel occupancy fee imposed
47 pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1), or the
48 portion of the fee imposed pursuant to section 3 of P.L.1968,

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

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

20 (2) In the case of a qualified residential project or a project
21 involving university infrastructure, if the authority determines that
22 the estimated amount of incremental revenues pledged towards the
23 State portion of an incentive grant is inadequate to fully fund the
24 amount of the State portion of the incentive grant, then in lieu of an
25 incentive grant based on such incremental revenue, the developer
26 shall be awarded tax credits equal to the full amount of the
27 incentive grant. The value of all credits approved by the authority
28 pursuant to this paragraph shall not exceed ~~'[\$600,000,000]~~
29 \$625,000,000¹, of which:

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

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

1 Aid in State Fiscal Year 2013 through the Transitional Aid to
2 Localities program and otherwise do not qualify under
3 subparagraph (a) of this paragraph;

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

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

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

15 For subparagraphs (a) through (d) of this paragraph, not more
16 than \$40,000,000 of credits shall be awarded to any qualified
17 residential project in a deep poverty pocket or distressed
18 municipality, and not more than \$20,000,000 of credits shall be
19 awarded to any other qualified residential project. The developer of
20 a qualified residential project seeking an award of credits towards
21 the funding of its incentive grant shall submit an incentive grant
22 application prior to July 1, 2016 and if approved after the effective
23 date of P.L.2013, c.161 shall submit a temporary certificate of
24 occupancy for **such** the project no later than July 28, 2018.
25 Applications for tax credits pursuant to this subsection relating to
26 an ancillary infrastructure project or infrastructure improvement in
27 the public right of way, or both, shall be accompanied with a letter
28 of support relating to the project or improvement by the governing
29 body or agency in which the project is located. Credits awarded to
30 a developer pursuant to this subsection shall be subject to the same
31 financial and related analysis by the authority, the same term of the
32 grant, and the same mechanism for administering the credits, and
33 shall be utilized or transferred by the developer as if **such** the
34 credits had been awarded to the developer pursuant to section 35 of
35 P.L.2009, c.90 (C.34:1B-209.3) for qualified residential projects
36 thereunder. No portion of the revenues pledged pursuant to the
37 "New Jersey Economic Opportunity Act of 2013," P.L.2013,
38 c.161 (C.52:27D-489p et al.) shall be subject to withholding or
39 retainage for adjustment, in the event the developer or taxpayer
40 waives its rights to claim a refund thereof.

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

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

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

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

27 e. The municipality is authorized to collect any ¹~~and all~~¹
28 information necessary to facilitate grants under this program and
29 remit that information ¹~~, as may be required from time to time,~~¹
30 in order to assist in the calculation of incremental revenue. ²
31 (cf: P.L.2014, c.63, s.8)

32

33 ²~~13~~. Section 8 of P.L.2009, c.90 (C.52:27D-489h) is amended to
34 read as follows:

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

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

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

1 to reduce environmental degradation and encourage long-term cost
2 reduction.

3 b. Within each incentive grant application, a developer shall
4 certify information concerning:

5 (1) the status of control of the entire redevelopment project site;

6 (2) all required State and federal government permits that have
7 been issued for the redevelopment project, or will be issued pending
8 resolution of financing issues;

9 (3) local planning and zoning board approvals, as required, for
10 the redevelopment project;

11 (4) estimates of the revenue increment base, the eligible
12 revenues for the project, and the assumptions upon which those
13 estimates are made.

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

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

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

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

47 (5) A developer who has already applied for an incentive grant
48 award prior to the effective date of the "New Jersey Economic

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

14
15 ²**【** ¹4. Section 9 of P.L.2009, c.90 (C.52:27D-489i) is amended to
16 read as follows:

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

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

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

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

46 (2) The authority shall be permitted to increase the amount of
47 the reimbursement under the redevelopment incentive grant

1 agreement with the State by up to 10 percent of the total project
2 cost if the project is:

3 (a) located in a distressed municipality which lacks adequate
4 access to nutritious food in the judgment of the Chief Executive
5 Officer of the authority and will include either a supermarket or
6 grocery store with a minimum of 15,000 square feet of selling space
7 devoted to the sale of consumable products or a prepared food
8 establishment selling only nutritious ready to serve meals;

9 (b) located in a distressed municipality which lacks adequate
10 access to health care and health services in the judgment of the
11 Chief Executive Officer of the authority and will include a health
12 care and health services center with a minimum of 10,000 square
13 feet of space devoted to the provision of health care and health
14 services;

15 (c) located in a distressed municipality which has a business
16 located therein that is required to respond to a request for proposal
17 to fulfill a contract with the federal government as set forth in
18 subsection d. of section 3 of P.L.2011, c.149 (C.34:1B-244);

19 (d) a transit project;

20 (e) a qualified residential project in which at least 10 percent of
21 the residential units are constructed as and reserved for moderate
22 income housing;

23 (f) located in a highlands development credit receiving area or
24 redevelopment area;

25 (g) located in a Garden State Growth Zone;

26 (h) a disaster recovery project;

27 (i) an aviation project;

28 (j) a tourism destination project; or

29 (k) substantial rehabilitation or renovation of an existing
30 structure or structures.

31 (3) The maximum amount of any redevelopment incentive grant
32 shall be equal to up to 30 percent of the total project costs, except
33 for projects located in a Garden State Growth Zone, in which case
34 the maximum amount of any redevelopment incentive grant shall be
35 equal to up to 40 percent of the total project costs.

36 e. Except in the case of a qualified residential project or a
37 project involving university infrastructure, the authority and the
38 State Treasurer may enter into a redevelopment incentive grant
39 agreement only if they make a finding that the State revenues to be
40 realized from the redevelopment project will be in excess of the
41 amount necessary to reimburse the developer for its project
42 financing gap. This finding may be made by an estimation based
43 upon the professional judgment of the Chief Executive Officer of
44 the authority and the State Treasurer.

45 f. In deciding whether **[or not]** to recommend entering into a
46 redevelopment incentive grant agreement and in negotiating a
47 redevelopment agreement with a developer, the Chief Executive
48 Officer of the authority shall consider the following factors:

- 1 (1) the economic feasibility of the redevelopment project;
 - 2 (2) the extent of economic and related social distress in the
3 municipality and the area to be affected by the redevelopment
4 project or the level of site specific distress to include dilapidated
5 conditions, brownfields designation, environmental contamination,
6 pattern of vacancy, abandonment, or under utilization of the
7 property, rate of foreclosures, or other site conditions as determined
8 by the authority;
 - 9 (3) the degree to which the redevelopment project will advance
10 State, regional, and local development and planning strategies;
 - 11 (4) the likelihood that the redevelopment project shall, upon
12 completion, be capable of generating new tax revenue in an amount
13 in excess of the amount necessary to reimburse the developer for
14 project costs incurred as provided in the redevelopment incentive
15 grant agreement, provided, however, that any tax revenue generated
16 by a redevelopment project that is a disaster recovery project shall
17 be considered new tax revenue even if the same or more tax revenue
18 was generated at or on the site prior to the disaster;
 - 19 (5) the relationship of the redevelopment project to a
20 comprehensive local development strategy, including other major
21 projects undertaken within the municipality;
 - 22 (6) the need of the redevelopment incentive grant agreement to
23 the viability of the redevelopment project or the promotion of the
24 use of public transportation; and
 - 25 (7) the degree to which the redevelopment project enhances and
26 promotes job creation and economic development or the promotion
27 of the use of public transportation.
- 28 g. (1) A developer **[that]** who has entered into a redevelopment
29 incentive grant agreement with the authority and the State Treasurer
30 pursuant to this section may, upon notice to and consent of the
31 authority and the State Treasurer, pledge, assign, transfer, or sell
32 any or all of its right, title, and interest in and to **[such]** the
33 agreements and in the incentive grants payable thereunder, and the
34 right to receive same, along with the rights and remedies provided
35 to the developer under **[such]** the agreement. Any such assignment
36 shall be an absolute assignment for all purposes, including the
37 federal bankruptcy code.
- 38 (2) Any pledge of incentive grants made by the developer shall
39 be valid and binding from the time **[when]** the pledge is made and
40 filed in the records of the authority. The incentive grants **[so]**
41 pledged and thereafter received by the developer shall immediately
42 be subject to the lien of the pledge without any physical delivery
43 thereof or further act, and the lien of any pledge shall be valid and
44 binding **[as]** against all parties having claims of any kind in tort,
45 contract, or otherwise against the developer irrespective of whether
46 the parties have notice thereof. Neither the redevelopment
47 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.¹²
3 (cf: P.L.2013, c.161, s.19)¹

4
5 ²1. Section 3 of P.L.2009, c.90 (C.52:27D-489c) is amended to
6 read as follows:

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

9 "Applicant" means a developer proposing to enter into a
10 redevelopment incentive grant agreement.

11 "Ancillary infrastructure project" means structures or
12 improvements that are located within the incentive area but outside
13 the project area of a redevelopment project, including, but not
14 limited to, docks, bulkheads, parking garages, freight rail spurs,
15 roadway overpasses, and train station platforms, provided a
16 developer or municipal redeveloper has demonstrated that the
17 redevelopment project would not be economically viable or
18 promote the use of public transportation without such
19 improvements, as approved by the State Treasurer.

20 "Authority" means the New Jersey Economic Development
21 Authority established under section 4 of P.L.1974, c.80 (C.34:1B-
22 4).

23 "Aviation district" means the area within a one-mile radius of the
24 outermost boundary of the "Atlantic City International Airport,"
25 established pursuant to section 24 of P.L.1991, c.252 (C.27:25A-
26 24).

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

32 "Developer" means any person who enters or proposes to enter
33 into a redevelopment incentive grant agreement pursuant to the
34 provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its
35 successors or assigns, including but not limited to a lender that
36 completes a redevelopment project, operates a redevelopment
37 project, or completes and operates a redevelopment project. A
38 developer also may be a municipal redeveloper as defined herein or
39 Rutgers, the State University of New Jersey.

40 "Director" means the Director of the Division of Taxation in the
41 Department of the Treasury.

42 "Disaster recovery project" means a redevelopment project
43 located on property that has been wholly or substantially damaged
44 or destroyed as a result of a federally-declared disaster, and which
45 is located within the incentive area and has been determined by the
46 authority to be in an area appropriate for development and in need
47 of economic development incentive assistance.

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

10 "Eligibility period" means the period of time specified in a
11 redevelopment incentive grant agreement for the payment of
12 reimbursements to a developer, which period shall not exceed 20
13 years, with the term to be determined solely at the discretion of the
14 applicant.

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

23 "Garden State Growth Zone" or "growth zone" means the four
24 New Jersey cities with the lowest median family income based on
25 the 2009 American Community Survey from the US Census, (Table
26 708. Household, Family, and Per Capita Income and Individuals,
27 and Families Below Poverty Level by City: 2009); or a municipality
28 which contains a Tourism District as established pursuant to section
29 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
30 Reinvestment Development Authority.

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

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

41 "Infrastructure improvements in the public right-of-way" mean
42 public structures or improvements located in the public right of way
43 that are located within a project area or that constitute an ancillary
44 infrastructure project, either of which are dedicated to or owned by
45 a governmental body or agency upon completion, or any required
46 payment in lieu of **【such】** the structures, improvements or projects,
47 or any costs of remediation associated with **【such】** the structures,
48 improvements or projects, and that are determined by the authority,

1 in consultation with applicable State agencies, to be consistent with
2 and in furtherance of State public infrastructure objectives and
3 initiatives.

4 "Low-income housing" means housing affordable according to
5 federal Department of Housing and Urban Development or other
6 recognized standards for home ownership and rental costs and
7 occupied or reserved for occupancy by households with a gross
8 household income equal to 50 percent or less of the median gross
9 household income for households of the same size within the
10 housing region in which the housing is located.

11 "Major rail station" means a railroad station located within a
12 qualified incentive area which provides access to the public to a
13 minimum of six rail passenger service lines operated by the New
14 Jersey Transit Corporation.

15 "Mixed use parking project" means a redevelopment project
16 undertaken by a municipal redeveloper, the parking component of
17 which shall constitute 51 percent or more of any of the following:

- 18 a. the total square footage of the entire mixed use parking
19 project;
- 20 b. the estimated revenues of the entire mixed use parking
21 project; or
- 22 c. the total construction cost of the entire mixed use parking
23 project.

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

32 "Municipal redeveloper" means an applicant for a redevelopment
33 incentive grant agreement, which applicant is:

- 34 a. a municipal government, a municipal parking authority, or a
35 redevelopment agency acting on behalf of a municipal government
36 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or
- 37 b. a developer of a mixed use parking project, provided that the
38 parking component of the mixed use parking project is operated and
39 maintained by a municipal parking authority for the term of any
40 financial assistance granted pursuant to P.L.2015, c.69.

41 "Municipal Revitalization Index" means the 2007 index by the
42 Office for Planning Advocacy within the Department of State
43 measuring or ranking municipal distress.

44 "Non-parking component" means that portion of a mixed use
45 parking project not used for parking, together with the portion of
46 the costs of the mixed use parking project, including but not limited
47 to the footings, foundations, site work, infrastructure, and soft costs
48 that are allocable to the non-parking use.

1 "Parking component" means that portion of a mixed use parking
2 project used for parking, together with the portion of the costs of
3 the mixed use parking project, including but not limited to the
4 footings, foundations, site work, infrastructure, and soft costs that
5 are allocable to the parking use.

6 "Project area" means land or lands located within the incentive
7 area under common ownership or control including through a
8 redevelopment agreement with a municipality, or as otherwise
9 established by a municipality or a redevelopment agreement
10 executed by a State entity to implement a redevelopment project.

11 "Project cost" means the costs incurred in connection with the
12 redevelopment project by the developer until the issuance of a
13 permanent certificate of occupancy, or until such other time
14 specified by the authority, for a specific investment or
15 improvement, including the costs relating to receiving Highlands
16 Development Credits under the Highlands Transfer Development
17 Rights Program authorized pursuant to section 13 of P.L.2004,
18 c.120 (C.13:20-13), lands, buildings, improvements, real or
19 personal property, or any interest therein, including leases
20 discounted to present value, including lands under water, riparian
21 rights, space rights and air rights acquired, owned, developed or
22 redeveloped, constructed, reconstructed, rehabilitated or improved,
23 any environmental remediation costs, plus costs not directly related
24 to construction, of an amount not to exceed 20 percent of the total
25 costs, capitalized interest paid to third parties, and the cost of
26 infrastructure improvements, including ancillary infrastructure
27 projects, and, for projects located in a Garden State Growth Zone
28 only, the cost of infrastructure improvements including any
29 ancillary infrastructure project and the amount by which total
30 project cost exceeds the cost of an alternative location for the
31 redevelopment project, but excluding any particular costs for which
32 the project has received federal, State, or local funding.

33 "Project financing gap" means:

34 a. the part of the total project cost, including return on
35 investment, that remains to be financed after all other sources of
36 capital have been accounted for, including, but not limited to,
37 developer-contributed capital, which shall not be less than 20
38 percent of the total project cost, which may include the value of any
39 existing land and improvements in the project area owned or
40 controlled by the developer, and the cost of infrastructure
41 improvements in the public right-of-way, subject to review by the
42 State Treasurer, and investor or financial entity capital or loans for
43 which the developer, after making all good faith efforts to raise
44 additional capital, certifies that additional capital cannot be raised
45 from other sources on a non-recourse basis; and

46 b. the amount by which total project cost exceeds the cost of an
47 alternative location for the out-of-State redevelopment project.

1 "Project revenue" means all rents, fees, sales, and payments
2 generated by a project, less taxes or other government payments.

3 "Property tax increment" means the amount obtained by:

4 a. multiplying the general tax rate levied each year by the
5 taxable value of all the property assessed within a project area in
6 the same year, excluding any special assessments; and

7 b. multiplying that product by a fraction having a numerator
8 equal to the taxable value of all the property assessed within the
9 project area, minus the property tax increment base, and having a
10 denominator equal to the taxable value of all property assessed
11 within the project area.

12 For the purpose of this definition, "property tax increment base"
13 means the aggregate taxable value of all property assessed which is
14 located within the redevelopment project area as of October 1st of
15 the year preceding the year in which the redevelopment incentive
16 grant agreement is authorized.

17 "Qualified incubator facility" means a commercial building
18 located within an incentive area: which contains 100,000 or more
19 square feet of office, laboratory, or industrial space; which is
20 located near, and presents opportunities for collaboration with, a
21 research institution, teaching hospital, college, or university; and
22 within which, at least 75 percent of the gross leasable area is
23 restricted for use by one or more technology startup companies
24 during the commitment period.

25 "Qualified residential project" means a redevelopment project
26 that is predominantly residential and includes multi-family
27 residential units for purchase or lease, or dormitory units for
28 purchase or lease, having a total project cost of at least
29 \$17,500,000, if the project is located in any municipality with a
30 population greater than 200,000 according to the latest federal
31 decennial census, or having a total project cost of at least
32 \$10,000,000 if the project is located in any municipality with a
33 population less than 200,000 according to the latest federal
34 decennial census, or is a disaster recovery project, or having a total
35 project cost of \$5,000,000 if the project is in a Garden State Growth
36 Zone.

37 "Qualifying economic redevelopment and growth grant incentive
38 area" or "incentive area" means:

- 39 a. an aviation district;
40 b. a port district;
41 c. a distressed municipality; or
42 d. an area (1) designated pursuant to the "State Planning Act,"
43 P.L.1985, c.398 (C.52:18A-196 et seq.), as:
44 (a) Planning Area 1 (Metropolitan);
45 (b) Planning Area 2 (Suburban); or
46 (c) Planning Area 3 (Fringe Planning Area);
47 (2) located within a smart growth area and planning area
48 designated in a master plan adopted by the New Jersey

- 1 Meadowlands Commission pursuant to subsection (i) of section 6 of
2 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
3 adopted by the New Jersey Meadowlands Commission pursuant to
4 section 20 of P.L.1968, c.404 (C.13:17-21);
- 5 (3) located within any land owned by the New Jersey Sports and
6 Exposition Authority, established pursuant to P.L.1971,
7 c.137 (C.5:10-1 et seq.), within the boundaries of the Hackensack
8 Meadowlands District as delineated in section 4 of P.L.1968,
9 c.404 (C.13:17-4);
- 10 (4) located within a regional growth area, a town, village, or a
11 military and federal installation area designated in the
12 comprehensive management plan prepared and adopted by the
13 Pinelands Commission pursuant to the "Pinelands Protection Act,"
14 P.L.1979, c.111 (C.13:18A-1 et seq.);
- 15 (5) located within the planning area of the Highlands Region as
16 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a
17 highlands development credit receiving area or redevelopment area;
- 18 (6) located within a Garden State Growth Zone;
- 19 (7) located within land approved for closure under any federal
20 Base Closure and Realignment Commission action; or
- 21 (8) located only within the following portions of the areas
22 designated pursuant to the "State Planning Act," P.L.1985,
23 c.398 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning
24 Area), Planning Area 4B (Rural/Environmentally Sensitive) or
25 Planning Area 5 (Environmentally Sensitive) if Planning Area 4A
26 (Rural Planning Area), Planning Area 4B (Rural/Environmentally
27 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
28 located within:
- 29 (a) a designated center under the State Development and
30 Redevelopment Plan;
- 31 (b) a designated growth center in an endorsed plan until the
32 State Planning Commission revises and readopts New Jersey's State
33 Strategic Plan and adopts regulations to revise this definition as it
34 pertains to Statewide planning areas;
- 35 (c) any area determined to be in need of redevelopment pursuant
36 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and
37 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of
38 P.L.1992, c.79 (C.40A:12A-14);
- 39 (d) any area on which a structure exists or previously existed
40 including any desired expansion of the footprint of the existing or
41 previously existing structure provided such expansion otherwise
42 complies with all applicable federal, State, county, and local
43 permits and approvals;
- 44 (e) the planning area of the Highlands Region as defined in
45 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
46 development credit receiving area or redevelopment area; or
- 47 (f) any area on which an existing tourism destination project is
48 located.

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

6 "Redevelopment incentive grant agreement" means an agreement
7 between:

8 a. the State and the New Jersey Economic Development
9 Authority and a developer; or

10 b. a municipality and a developer, or a municipal ordinance
11 authorizing a project to be undertaken by a municipal redeveloper,
12 under which, in exchange for the proceeds of an incentive grant, the
13 developer agrees to perform any work or undertaking necessary for
14 a redevelopment project, including the clearance, development or
15 redevelopment, construction, or rehabilitation of any structure or
16 improvement of commercial, industrial, residential, or public
17 structures or improvements within a qualifying economic
18 redevelopment and growth grant incentive area or a transit village.

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

1 "Redevelopment utility" means a self-liquidating fund created by
2 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-
3 489l) to account for revenues collected and incentive grants paid
4 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
5 revenues dedicated to a redevelopment project.

6 "Revenue increment base" means the amounts of all eligible
7 revenues from sources within the redevelopment project area in the
8 calendar year preceding the year in which the redevelopment
9 incentive grant agreement is executed, as certified by the State
10 Treasurer for State revenues, and the chief financial officer of the
11 municipality for municipal revenues.

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

14 "SDA municipality" means a municipality in which an SDA
15 district is ~~【situate】~~ situated.

16 "Technology startup company" means a for profit business that
17 has been in operation fewer than five years and is developing or
18 possesses a proprietary technology or business method of a high-
19 technology or life science-related product, process, or service which
20 the business intends to move to commercialization.

21 "Tourism destination project" means a redevelopment project
22 that will be among the most visited privately owned or operated
23 tourism or recreation sites in the State, and which is located within
24 the incentive area and has been determined by the authority to be in
25 an area appropriate for development and in need of economic
26 development incentive assistance.

27 "Transit project" means a redevelopment project located within a
28 1/2-mile radius, or one-mile radius for projects located in a Garden
29 State Growth Zone, surrounding the mid-point of a New Jersey
30 Transit Corporation, Port Authority Transit Corporation, or Port
31 Authority Trans-Hudson Corporation rail, bus, or ferry station
32 platform area, including all light rail stations.

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

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

39 a. buildings and structures, such as academic buildings,
40 recreation centers, indoor athletic facilities, public works garages,
41 and water and sewer treatment and pumping facilities;

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

44 c. transportation facilities, such as bus shelters and parking
45 facilities.

46 "Urban transit hub" means an urban transit hub, as defined in
47 section 10 of P.L.2007, c.346 (C.34:1B-208), that is located within
48 an eligible municipality, as defined in section 10 of P.L.2007,

1 c.346 (C.34:1B-208), or all light rail stations and property located
2 within a one-mile radius of the mid-point of the platform area of
3 such a rail, bus, or ferry station if the property is in a qualified
4 municipality under the "Municipal Rehabilitation and Economic
5 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.).

6 "Vacant commercial building" means any commercial building
7 or complex of commercial buildings having over 400,000 square
8 feet of office, laboratory, or industrial space that is more than 70
9 percent unoccupied at the time of application to the authority or is
10 negatively impacted by the approval of a "qualified business
11 facility," as defined pursuant to section 2 of P.L.2007,
12 c.346 (C.34:1B-208), or any vacant commercial building in a
13 Garden State Growth Zone having over 35,000 square feet of office,
14 laboratory, or industrial space, or over 200,000 square feet of
15 office, laboratory, or industrial space in Atlantic, Burlington,
16 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
17 counties available for occupancy for a period of over one year.

18 "Vacant health facility project" means a redevelopment project
19 where a health facility, as defined by section 2 of P.L.1971,
20 c.136 (C.26:2H-2), currently exists and is considered vacant. A
21 health facility shall be considered vacant if at least 70 percent of
22 that facility has not been open to the public or utilized to serve any
23 patients at the time of application to the authority.²

24 (cf: P.L.2015, c.69, s.1)

25
26 ²2. Section 6 of P.L.2009, c.90 (C.52:27D-489f) is amended to
27 read as follows:

28 6. a. Up to the limits established in subsection b. of this
29 section and in accordance with a redevelopment incentive grant
30 agreement, beginning upon the receipt of occupancy permits for any
31 portion of the redevelopment project, or upon such other event
32 evidencing project completion as set forth in the incentive grant
33 agreement, the State Treasurer shall pay to the developer
34 incremental State revenues directly realized from businesses
35 operating on or at the site of the redevelopment project from the
36 following taxes: the Corporation Business Tax Act (1945),
37 P.L.1945, c.162 (C.54:10A-1 et seq.), the tax imposed on marine
38 insurance companies pursuant to R.S.54:16-1 et seq., the tax
39 imposed on insurers generally, pursuant to P.L.1945,
40 c.132 (C.54:18A-1 et seq.), the public utility franchise tax, public
41 utilities gross receipts tax and public utility excise tax imposed on
42 sewerage and water corporations pursuant to P.L.1940,
43 c.5 (C.54:30A-49 et seq.), those tariffs and charges imposed by
44 electric, natural gas, telecommunications, water and sewage
45 utilities, and cable television companies under the jurisdiction of
46 the New Jersey Board of Utilities, or comparable entity, except for
47 those tariffs, fees, or taxes related to societal benefits charges
48 assessed pursuant to section 12 of P.L.1999, c.23 (C.48:3-60), any

1 charges paid for compliance with the "Global Warming Response
2 Act," P.L.2007, c.112 (C.26:2C-37 et seq.), transitional energy
3 facility assessment unit taxes paid pursuant to section 67 of
4 P.L.1997, c.162 (C.48:2-21.34), and the sales and use taxes on
5 public utility and cable television services and commodities, the tax
6 derived from net profits from business, a distributive share of
7 partnership income, or a pro rata share of S corporation income
8 under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et
9 seq., the tax derived from a business at the site of a redevelopment
10 project that is required to collect the tax pursuant to the "Sales and
11 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), the tax imposed
12 pursuant to P.L.1966, c.30 (C.54:32B-1 et seq.) from the purchase
13 of furniture, fixtures and equipment, or materials for the
14 remediation, the construction of new structures at the site of a
15 redevelopment project, the hotel and motel occupancy fee imposed
16 pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1), or the
17 portion of the fee imposed pursuant to section 3 of P.L.1968,
18 c.49 (C.46:15-7) derived from the sale of real property at the site of
19 the redevelopment project and paid to the State Treasurer for use by
20 the State, that is not credited to the "Shore Protection Fund" or the
21 "Neighborhood Preservation Nonlapsing Revolving Fund" ("New
22 Jersey Affordable Housing Trust Fund") pursuant to section 4 of
23 P.L.1968, c.49 (C.46:15-8). Any developer shall be allowed to
24 assign their ability to apply for the tax credit under this subsection
25 to a non-profit organization with a mission dedicated to attracting
26 investment and completing development and redevelopment
27 projects in a Garden State Growth Zone. The non-profit
28 organization may make an application on behalf of a developer
29 which meets the requirements for the tax credit, or a group of non-
30 qualifying developers, such that these will be considered a unified
31 project for the purposes of the incentives provided under this
32 section.

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

37 (2) In the case of a qualified residential project or a project
38 involving university infrastructure, if the authority determines that
39 the estimated amount of incremental revenues pledged towards the
40 State portion of an incentive grant is inadequate to fully fund the
41 amount of the State portion of the incentive grant, then in lieu of an
42 incentive grant based on **[such]** the incremental **[revenue]**
43 revenues, the developer shall be awarded tax credits equal to the
44 full amount of the incentive grant.

45 (3) In the case of a mixed use parking project, if the authority
46 determines that the estimated amount of **[the]** incremental revenues
47 pledged towards the State portion of an incentive grant is
48 inadequate to fully fund the amount of the State portion of the

1 incentive grant, then, in lieu of an incentive grant based on **[such]**
2 the incremental **[revenue]** revenues, **[a]** the municipal redeveloper
3 shall be awarded tax credits equal to the full amount of the
4 incentive grant.

5 The value of all credits approved by the authority pursuant to
6 **[paragraph]** paragraphs (2) **[or]** and (3) of this **[paragraph]**
7 subsection shall not exceed **[\$600,000,000]** \$625,000,000, of
8 which:

9 (a) \$250,000,000 shall be restricted to qualified residential
10 projects within Atlantic, Burlington, Camden, Cape May,
11 Cumberland, Gloucester, Ocean, and Salem counties, of which
12 \$175,000,000 of the credits shall be restricted to the following
13 categories of projects: (i) qualified residential projects located in a
14 Garden State Growth Zone located within the aforementioned
15 counties **[.];** (ii) mixed use parking projects located in a Garden
16 State Growth Zone or urban transit hub located within the
17 aforementioned counties **[.];** and (iii) \$75,000,000 of the credits
18 shall be restricted to qualified residential projects in municipalities
19 with a 2007 Municipal Revitalization Index of 400 or higher as of
20 the date of enactment of the "New Jersey Economic Opportunity
21 Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located
22 within the aforementioned counties;

23 (b) \$250,000,000 shall be restricted to the following categories
24 of projects: (i) qualified residential projects located in urban transit
25 hubs that are commuter rail in nature that otherwise do not qualify
26 under subparagraph (a) of this paragraph **[.];** (ii) qualified
27 residential projects located in Garden State Growth Zones that do
28 not qualify under subparagraph (a) of this paragraph **[.];** (iii) mixed
29 use parking projects located in urban transit hubs or Garden State
30 Growth Zones that do not qualify under subparagraph (a) of this
31 paragraph, provided however, an urban transit hub shall be
32 allocated no more than \$25,000,000 for mixed use parking projects
33 **[.];** (iv) qualified residential projects which are disaster recovery
34 projects that otherwise do not qualify under subparagraph (a) of this
35 paragraph **[.];** and (v) qualified residential projects in SDA
36 municipalities located in Hudson County that were awarded State
37 Aid in State Fiscal Year 2013 through the Transitional Aid to
38 Localities program and otherwise do not qualify under
39 subparagraph (a) of this paragraph, and \$25,000,000 of credits shall
40 be restricted to mixed use parking projects in Garden State Growth
41 Zones which have a population in excess of 125,000 and do not
42 qualify under subparagraph (a) of this paragraph;

43 (c) \$75,000,000 shall be restricted to the following categories of
44 projects: (i) qualified residential projects located in distressed
45 municipalities, deep poverty pockets, highlands development credit
46 receiving areas or redevelopment areas, otherwise not qualifying
47 pursuant to subparagraph (a) or (b) of this paragraph **[.];** and (ii)

1 mixed use parking projects that do not qualify under subparagraph
2 (a) or (b) of this paragraph, which include a vacant commercial
3 building located wholly or partially within a distressed
4 municipality, and which are used by an independent institution of
5 higher education, a school of medicine, a nonprofit hospital system,
6 or any combination thereof; **[and]**

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

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

14 (f) For subparagraphs (a) through (d) of this paragraph, not
15 more 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,
37 c.161 (C.52:27D-489p et al.) shall be subject to withholding or
38 retainage for adjustment, in the event the developer or taxpayer
39 waives its rights to claim a refund thereof.

40 (4) 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) or
44 paragraph (3) of this subsection, covering one or more years, in lieu
45 of the developer being allowed any amount of the credit against the
46 tax liability of the developer. The tax credit transfer certificate,
47 upon receipt thereof by the developer from the director and the

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

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

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

27 e. The municipality is authorized to collect any **[and all]**
28 information necessary to facilitate grants under this program and
29 remit that information **[, as may be required from time to time,]** in
30 order to assist in the calculation of incremental revenue.²

31 (cf: P.L.2015, c.69, s.2)

32

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

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

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

43 (b) Through regulation, the authority shall establish standards
44 for redevelopment projects seeking State or local incentive grants
45 based on the green building manual prepared by the Commissioner
46 of Community Affairs pursuant to section 1 of P.L.2007,
47 c.132 (C.52:27D-130.6), regarding the use of renewable energy,

1 energy-efficient technology, and non-renewable resources in order
2 to reduce environmental degradation and encourage long-term cost
3 reduction.

4 b. Within each incentive grant application, a developer shall
5 certify information concerning:

6 (1) the status of control of the entire redevelopment project site;

7 (2) all required State and federal government permits that have
8 been issued for the redevelopment project, or will be issued pending
9 resolution of financing issues;

10 (3) local planning and zoning board approvals, as required, for
11 the redevelopment project;

12 (4) estimates of the revenue increment base, the eligible
13 revenues for the project, and the assumptions upon which those
14 estimates are made.

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

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

43 (3) The authority, State Treasurer, and Local Finance Board
44 may act cooperatively to administer and review applications, and
45 shall consult with the Office of State Planning on matters
46 concerning State, regional, and local development and planning
47 strategies.

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

3 (5) A developer who has already applied for an incentive grant
4 award prior to the effective date of the "New Jersey Economic
5 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
6 but who has not yet been approved for **【such】** the grant, or has not
7 executed an agreement with the authority, may proceed under that
8 application or seek to amend **【such】** the application or reapply for
9 an incentive grant award for the same project or any part thereof for
10 the purpose of availing **【itself】** himself or herself of any more
11 favorable provisions of the Economic Redevelopment and Growth
12 Grant program established pursuant to the "New Jersey Economic
13 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
14 except that projects with costs exceeding \$200,000,000 shall not be
15 eligible for revised percentage caps under subsection d. of section
16 19 of P.L.2013, c.161 (C.52:27D-489i).²
17 (cf: P.L.2015, c.69, s.3)

18
19 ²4. Section 9 of P.L.2009, c.90 (C.52:27D-489i) is amended to
20 read as follows:

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

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

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

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

1 total project cost, except in a Garden State Growth Zone, which
2 shall not exceed 30 percent.

3 (2) The authority shall be permitted to increase the amount of
4 the reimbursement under the redevelopment incentive grant
5 agreement with the State by up to 10 percent of the total project
6 cost if the project is:

7 (a) located in a distressed municipality which lacks adequate
8 access to nutritious food in the judgment of the Chief Executive
9 Officer of the authority and will include either a supermarket or
10 grocery store with a minimum of 15,000 square feet of selling space
11 devoted to the sale of consumable products or a prepared food
12 establishment selling only nutritious ready to serve meals;

13 (b) located in a distressed municipality which lacks adequate
14 access to health care and health services in the judgment of the
15 Chief Executive Officer of the authority and will include a health
16 care and health services center with a minimum of 10,000 square
17 feet of space devoted to the provision of health care and health
18 services;

19 (c) located in a distressed municipality which has a business
20 located therein that is required to respond to a request for proposal
21 to fulfill a contract with the federal government as set forth in
22 subsection d. of section 3 of P.L.2011, c.149 (C.34:1B-244);

23 (d) a transit project;

24 (e) a qualified residential project in which at least 10 percent of
25 the residential units are constructed as and reserved for moderate
26 income housing;

27 (f) located in a highlands development credit receiving area or
28 redevelopment area;

29 (g) located in a Garden State Growth Zone;

30 (h) a disaster recovery project;

31 (i) an aviation project;

32 (j) a tourism destination project; or

33 (k) substantial rehabilitation or renovation of an existing
34 structure or structures.

35 (3) The maximum amount of any redevelopment incentive grant
36 shall be equal to up to 30 percent of the total project costs, except
37 for projects located in a Garden State Growth Zone, in which case
38 the maximum amount of any redevelopment incentive grant shall be
39 equal to up to 40 percent of the total project costs. Notwithstanding
40 anything to the contrary contained within this section, the maximum
41 amount of any redevelopment incentive grant with respect to a
42 mixed use parking project shall be up to 100 percent of the total
43 project costs allocable to the parking component of the project, and
44 shall be up to 40 percent of the total project costs allocable to the
45 non-parking component of the project.

46 e. Except in the case of a qualified residential project **[or]**, a
47 mixed use parking project, or a project involving university
48 infrastructure, the authority and the State Treasurer may enter into a

1 redevelopment incentive grant agreement only if they make a
2 finding that the State revenues to be realized from the
3 redevelopment project will be in excess of the amount necessary to
4 reimburse the developer for its project financing gap. This finding
5 may be made by an estimation based upon the professional
6 judgment of the Chief Executive Officer of the authority and the
7 State Treasurer.

8 f. In deciding whether **【or not】** to recommend entering into a
9 redevelopment incentive grant agreement and in negotiating a
10 redevelopment agreement with a developer, the Chief Executive
11 Officer of the authority shall consider the following factors:

12 (1) the economic feasibility of the redevelopment project;

13 (2) the extent of economic and related social distress in the
14 municipality and the area to be affected by the redevelopment
15 project or the level of site specific distress to include dilapidated
16 conditions, brownfields designation, environmental contamination,
17 pattern of vacancy, abandonment, or under utilization of the
18 property, rate of foreclosures, or other site conditions as determined
19 by the authority;

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

22 (4) the likelihood that the redevelopment project shall, upon
23 completion, be capable of generating new tax revenue in an amount
24 in excess of the amount necessary to reimburse the developer for
25 project costs incurred as provided in the redevelopment incentive
26 grant agreement, provided, however, that any tax revenue generated
27 by a redevelopment project that is a disaster recovery project shall
28 be considered new tax revenue even if the same or more tax revenue
29 was generated at or on the site prior to the disaster;

30 (5) the relationship of the redevelopment project to a
31 comprehensive local development strategy, including other major
32 projects undertaken within the municipality;

33 (6) the need of the redevelopment incentive grant agreement to
34 the viability of the redevelopment project or the promotion of the
35 use of public transportation; and

36 (7) the degree to which the redevelopment project enhances and
37 promotes job creation and economic development or the promotion
38 of the use of public transportation.

39 g. (1) A developer **【that】** who has entered into a redevelopment
40 incentive grant agreement with the authority and the State Treasurer
41 pursuant to this section may, upon notice to and consent of the
42 authority and the State Treasurer, pledge, assign, transfer, or sell
43 any or all of its right, title and interest in and to **【such】** the
44 agreements and in the incentive grants payable thereunder, and the
45 right to receive same, along with the rights and remedies provided
46 to the developer under **【such】** the agreement. Any such assignment
47 shall be an absolute assignment for all purposes, including the
48 federal bankruptcy code.

1 (2) Any pledge of incentive grants made by the developer shall
2 be valid and binding from the time **【when】** the pledge is made and
3 filed in the records of the authority. The incentive grants **【so】**
4 pledged and thereafter received by the developer shall immediately
5 be subject to the lien of the pledge without any physical delivery
6 thereof or further act, and the lien of any pledge shall be valid and
7 binding **【as】** against all parties having claims of any kind in tort,
8 contract, or otherwise against the developer irrespective of whether
9 the parties have notice thereof. Neither the redevelopment
10 incentive grant agreement nor any other instrument by which a
11 pledge under this section is created need be filed or recorded except
12 with the authority.²

13 (cf: P.L.2015, c.69, s.4)

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15 ¹**【3.】** 5.¹ This act shall take effect immediately.

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