ASSEMBLY COMMERCE, ECONOMIC DEVELOPMENT AND AGRICULTURE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4226

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 13, 2024

The Assembly Commerce, Economic Development and Agriculture Committee reports favorably and with committee amendments Assembly Bill No. 4226.

As amended, this bill modifies deadlines for certain existing projects under the Economic Redevelopment and Growth Grant program (program) and modifies the definition of the term "project cost" under that program.

Temporary Certificate of Occupancy Deadlines

The bill extends the deadline for a developer to submit a temporary certificate of occupancy for certain qualified residential projects or mixed use parking projects to June 30, 2028. Under current law, the deadline to submit this documentation is June 30, 2026. Specifically, this extension would apply for any residential project or mixed use parking project: (1) that was approved after May 1, 2017; (2) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties; and (3) for which the municipality in which the project is located submitted a letter of support to the chief executive officer of the Economic Development Authority identifying up to six projects prior to July 1, 2018.

This bill also extends the deadline for a municipal redeveloper to submit a temporary certificate of occupancy for certain proposed mixed use parking projects to June 30, 2028. Under current law, the deadline to submit this documentation is June 30, 2026. This extension would apply for any mixed use parking project: (1) that is undertaken by a municipal redeveloper after July 29, 2022; (2) for which a redevelopment incentive grant is awarded; and (3) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties.

Modified Projects

Additionally, the bill permits the developers of certain mixed use parking projects to exclude a visitor center, youth center, or both from the project application, or to assign the application to a municipal redeveloper, provided that the project otherwise qualifies as a mixed-use parking project. This permission to amend or assign an application applies to any mixed use parking project: (1) that is undertaken by a municipal redeveloper after July 29, 2022; (2) for which a redevelopment incentive grant is awarded; (3) that is located in a Garden State Growth Zone with a population over 125,000, except not including those projects located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties; and (4) that was initially intended to be utilized by a visitor center or youth center within or adjacent to a national historic park.

Under current law, the redevelopment incentive grant award for such a project is equal to 100 percent of the total project costs allocated to the parking component combined with 80 percent of the total project costs allocated to the non-parking component. Under the bill, the maximum amount of any redevelopment incentive grant for the modified project would be determined in the same manner as for an unmodified project.

Project Cost

This bill revises the definition of the term "project cost," for the purposes of the program, to include among other costs: capitalized interest paid to third parties, the funding of a debt service reserve fund, the cost of infrastructure improvements, including ancillary infrastructure projects, and an amount not to exceed 20 percent of the total project cost for costs not directly related to construction.

The bill also provides that, for purposes of the definition of "project cost," capitalized interest paid to third parties is deemed to be costs directly related to construction.

COMMITTEE AMENDMENTS:

The committee amended the bill to change an inaccurate reference to the correct term, municipal redeveloper.