

[First Reprint]

**ASSEMBLY, No. 1294**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

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**Sponsored by:**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Burlington and Camden)**

**Assemblyman CLINTON CALABRESE**

**District 36 (Bergen and Passaic)**

**SYNOPSIS**

Authorizes conversion of certain office parks and retail centers to mixed-use developments.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Community Development and Affairs Committee on March 7, 2022, with amendments.



1 AN ACT concerning the conversion of certain office parks and retail  
2 centers to mixed-use developments and supplementing chapter  
3 55D of Title 40 of the Revised Statutes.

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

7  
8 1. The Legislature finds and declares:

9 a. New Jersey is one of the most suburban states in the country.

10 b. The rapid, post-World War II development of New Jersey  
11 was based upon an automobile-dependent economy and lifestyle,  
12 and led to the proliferation of large regional shopping malls and  
13 suburban office parks.

14 c. While, for decades, large regional shopping malls and  
15 suburban office parks prospered, and enabled New Jersey to  
16 prosper, these old single-use forms of development are now in such  
17 significant decline throughout the State and the country that  
18 academics and planners have termed them “stranded assets.”

19 d. Rutgers University professors, James W. Hughes and Joseph  
20 J. Seneca, in their 2015 publication “New Jersey’s Postsuburban  
21 Economy,” explain that just as New Jersey successfully evolved  
22 from an urban manufacturing-based economy to a suburbanized  
23 information-age, and research-driven economy, societal changes are  
24 again challenging the State to reinvent itself.

25 e. As the post-war baby boom, suburban-centric workforce  
26 declines, and is replaced by a new generation comprised of echo  
27 boomers and millennials, the preferences of the new generation are  
28 causing corporations to leave regional shopping malls and suburban  
29 office parks behind, and to locate in places that are attractive for the  
30 new workforce.

31 f. Millennials are driving these changes because there are so  
32 many of them. People between 20 and 36 years old outnumber  
33 every other generation in the country. Businesses want to hire  
34 them, sell to them, or both. While in a former day, it was common  
35 for employees to relocate to secure employment, today it is more  
36 and more common for companies to relocate to areas in which  
37 millennials want to live, work, and play.

38 g. According to Professors Hughes and Seneca, the new  
39 workforce does not find the car-culture suburbs in which they grew  
40 up an attractive place to live, work and play. “Density, walkability,  
41 public transit, work-life balance, and urban amenities have grown  
42 significantly as quality-of-life locational attractions. Suddenly,  
43 New Jersey’s greatest core advantage in the late twentieth century –

**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:

<sup>1</sup>Assembly ACD committee amendments adopted March 7, 2022.

1 a suburban-dominated, automobile-dependent economy and  
2 lifestyle – is regarded as a disadvantage.

3 h. PlanSmart NJ’s 2016 publication, “A Guide to the Future:  
4 Repurposing Stranded Assets and Revitalizing New Jersey’s  
5 Suburbs,” states that “technological advances and changing societal  
6 demands have eroded the suburbs’ attractiveness to residents and  
7 corporations leaving behind large isolated and underutilized  
8 buildings, or ‘stranded assets,’ which no longer act as economic  
9 engines.”

10 i. While the new workforce and employers alike want to locate  
11 in livable walkable mixed-use communities, in which employees  
12 can have a range of amenities within walking distance of work and  
13 home, it is possible and desirable to repurpose stranded office parks  
14 and shopping malls into mixed-use communities.

15 j. One significant impediment to repurposing stranded assets  
16 into mixed-use communities are outdated, rigid zoning regulations  
17 that often separate residential and commercial uses from each other.

18 k. According to the PlanSmart NJ report, “[z]oning ordinances  
19 in suburban towns almost universally limit opportunities for mixed  
20 use walkable designs because of the Euclidean template where uses  
21 are rigorously separated. . . . In fact, single-use zoning ordinances  
22 often ‘unintentionally stand in the way of providing developers,  
23 employers, and workers the types of modern spaces they desire,’  
24 therefore, ‘inhibiting a community’s economic competitiveness.’”

25 l. In order to encourage developers to repurpose stranded  
26 assets, it is appropriate for the Legislature to temporarily preempt  
27 local use restrictions that stand in the way of attempts to redevelop  
28 stranded single-use regional shopping centers and office parks into  
29 vibrant, desirable, mixed-use communities.

30

31 2. a. As used in this section:

32 “Eligible property” means an office park of at least 50,000  
33 square feet or a retail center of at least 15,000 square feet, which  
34 office park or retail center has a vacancy rate of at least 40 percent.

35 “Mixed-use development” means a development which includes  
36 both a non-residential development component and a residential  
37 development component.

38 b. A mixed-use development shall be a permitted use and shall  
39 not require a use variance pursuant to subsection d. of section 57 of  
40 P.L.1975, c.291 (C.40:55D-70) if the mixed-use development is the  
41 subject of an application for development to convert an eligible  
42 property to a mixed-use development, the application for  
43 development is submitted for approval prior to the first day of the  
44 25th month next following the effective date of P.L. ,

45 c. (C. ) (pending before the Legislature as this bill), and the  
46 application for development complies with the following  
47 requirements:

- 1 (1) the application proposes to develop at least two types of  
2 uses;
- 3 (2) the application proposes to either:
- 4 (a) reuse the existing building or buildings without expanding  
5 the square footage of the building or buildings on the eligible  
6 property, or
- 7 (b) redevelop the eligible property without expanding the square  
8 footage of the building or buildings on the eligible property; and
- 9 (3) if the application for development proposes new residential  
10 units, at least 20 percent of the residential units constructed <sup>1</sup>for  
11 owner-occupancy and 15 percent of the residential units constructed  
12 for rental occupancy<sup>1</sup> shall be reserved as low income housing,  
13 moderate income housing, or very low income housing, as those  
14 terms are defined in section 4 of P.L.1985, c.222 (C.52:27D-304).  
15 <sup>1</sup>Of the units reserved as low income housing, moderate income  
16 housing, or very low income housing, at least 50 percent within  
17 each bedroom distribution shall be low income housing including at  
18 least 13 percent within each bedroom distribution as very low  
19 income housing, and the units shall be otherwise in compliance with  
20 the Uniform Housing Affordability Controls, adopted to implement  
21 P.L.1985, c.222 (52:27D-301 et seq.).<sup>1</sup>
- 22 c. The planning board shall approve an application for  
23 development to convert an eligible property to a mixed-use  
24 development if the board determines that:
- 25 (1) the application can be granted without causing substantial  
26 detriment to the public good and without substantially impairing the  
27 intent and purpose of the zone plan and zoning ordinance, and
- 28 (2) the application complies with the other requirements of this  
29 section.
- 30 d. The planning board may condition approval of an  
31 application for development to convert an eligible property to a  
32 mixed-use development upon complying with requirements for  
33 parking, water supply, sanitary sewer capacity, storm water  
34 management, bulk standards, and all reasonable site plan review,  
35 recreation, and design standards provided, however, that the height  
36 and setback limitations applicable to a converted mixed-use  
37 development shall be the greatest height and least restrictive  
38 setback limitations allowed within the zoning district under  
39 municipal ordinance or variance approved by the planning board.
- 40
- 41 3. This act shall take effect immediately.