

[Second Reprint]

**ASSEMBLY, No. 1294**

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

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

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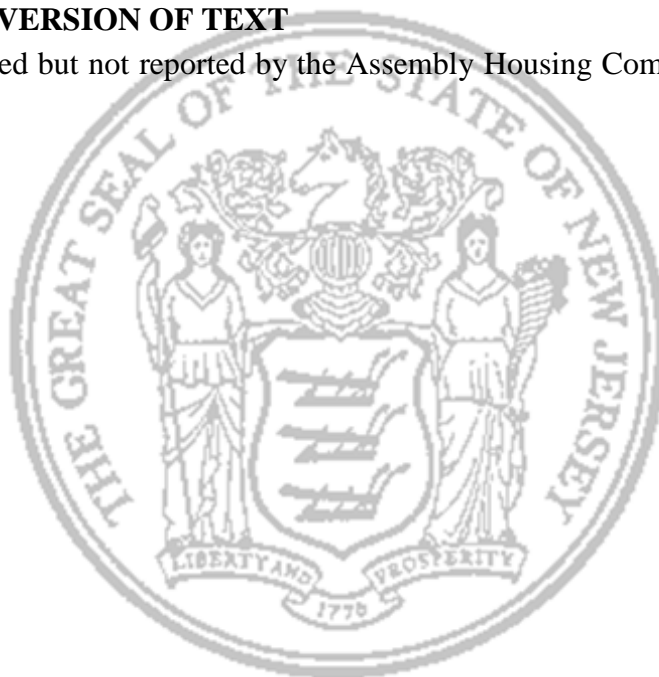
**District 27 (Essex and Morris)**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As amended but not reported by the Assembly Housing Committee on June 2, 2022.



**(Sponsorship Updated As Of: 6/9/2022)**

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

**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.

<sup>2</sup>Assembly AHO committee amendments adopted June 2, 2022.

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

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

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14 into mixed-use communities are outdated, rigid zoning regulations  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

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

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

28

29 2. a. As used in this section:

30 “Eligible property” means <sup>2</sup>a property that is:

31 (1)<sup>2</sup> an office park of at least 50,000 square feet or a retail  
32 center of at least 15,000 square feet, which office park or retail  
33 center has a vacancy rate of at least 40 percent <sup>2</sup>;

34 (2) within an area designated pursuant to P.L.1985, c.398  
35 (C.52:18A-196 et seq.) as Planning Area 1, Planning Area 2, or as a  
36 designated center, or that is within one mile of a transit station or  
37 central business district;

38 (3) within a Department of Environmental Protection sewer  
39 service area; and

40 (4) not in or adjacent to:

41 (a) a landfill,

42 (b) an active garbage dump,

43 (c) a trash incinerator,

44 (d) a power plant,

45 (e) an oil or chemical refinery,

46 (f) an unremediated hazardous discharge site included on the  
47 National Priorities List of hazardous discharge sites adopted by the  
48 United States Environmental Protection Agency pursuant to the

1 "Comprehensive Environmental Response, Compensation, and  
 2 Liability Act of 1980," Pub.L.96-510 (42 U.S.C. s.9601 et seq.) or  
 3 toxic waste site, as identified by either the United States  
 4 Environmental Protection Agency or the Department of  
 5 Environmental Protection,

6 (g) a jail or prison,

7 (h) a wastewater treatment facility, or

8 (i) a heavy industrial use, including a large warehouse  
 9 distribution facility<sup>2</sup>.

10 "Mixed-use development" means a development which  
 11 <sup>2</sup>**[includes both a]** integrates<sup>2</sup> non-residential development  
 12 <sup>2</sup>**[component and a residential development component]** , such as  
 13 retail, office, or recreational uses, with residential uses<sup>2</sup>.

14 b. A mixed-use development shall be a permitted use and shall  
 15 not require a use variance pursuant to subsection d. of section 57 of  
 16 P.L.1975, c.291 (C.40:55D-70) if the mixed-use development is the  
 17 subject of an application for development to convert an eligible  
 18 property to a mixed-use development, the application for  
 19 development is submitted for approval prior to the first day of the  
 20 25th month next following the effective date of  
 21 P.L. , c. (C. ) (pending before the Legislature as this  
 22 bill), and the application for development complies with the  
 23 following requirements:

24 (1) <sup>2</sup>**[the application proposes to develop at least two types of**  
 25 **uses;**

26 (2) <sup>2</sup>**] the application proposes to either:**

27 (a) reuse the existing building or buildings without expanding  
 28 the square footage of the building or buildings on the eligible  
 29 property, <sup>2</sup>**[or]**<sup>2</sup>

30 (b) redevelop the eligible property without expanding the square  
 31 footage of the building or buildings on the eligible property <sup>2</sup>, or

32 (c) extend beyond the existing square footage of the building  
 33 footprint, provided the development increases the ability of the site  
 34 to accomplish more than one of the following: (i) manage  
 35 stormwater through the use of green infrastructure and natural  
 36 systems, (ii) increases the tree canopy, or (iii) increases street grid  
 37 connectivity<sup>2</sup> ; <sup>2</sup>[and

38 (3) <sup>2</sup>**] (2)<sup>2</sup> if the application for development proposes new**  
 39 **residential units, at least 20 percent of the residential units**  
 40 **constructed <sup>1</sup>[for owner-occupancy and 15 percent of the residential**  
 41 **units constructed for rental occupancy]**<sup>1</sup> shall be reserved as low  
 42 income housing, moderate income housing, or very low income  
 43 housing, as those terms are defined in section 4 of P.L.1985, c.222  
 44 (C.52:27D-304). <sup>1</sup>Of the units reserved as low income housing,  
 45 moderate income housing, or very low income housing, at least 50  
 46 percent within each bedroom distribution shall be low income  
 47 housing including at least 13 percent within each bedroom

1 distribution as very low income housing, and the units shall be  
2 otherwise in compliance with the Uniform Housing Affordability  
3 Controls, adopted to implement P.L.1985, c.222 (52:27D-  
4 301 et seq.)<sup>2</sup>; and

5 (3) the application enhances the multimodal transportation  
6 connectivity of the area through the addition or enhancement of  
7 sidewalks, bicycle lanes, or other improvements<sup>2</sup> .<sup>1</sup>

8 c. The <sup>2</sup>**[planning board]** approving authority<sup>2</sup> shall approve  
9 an application for development to convert an eligible property to a  
10 mixed-use development if the board determines that:

11 (1) the application can be granted without causing substantial  
12 detriment to the public good and without substantially impairing the  
13 intent and purpose of the zone plan and zoning ordinance, and

14 (2) the application complies with the other requirements of this  
15 section.

16 d. The <sup>2</sup>**[planning board]** approving authority<sup>2</sup> may condition  
17 approval of an application for development to convert an eligible  
18 property to a mixed-use development upon complying with  
19 requirements for parking, water supply, sanitary sewer capacity,  
20 storm water management, bulk standards, and all reasonable site  
21 plan review, recreation, and design standards provided, however,  
22 that the height and setback limitations applicable to a converted  
23 mixed-use development shall be the greatest height and least  
24 restrictive setback limitations allowed within the zoning district  
25 under municipal ordinance or variance approved by the <sup>2</sup>**[planning**  
26 **board]** approving authority<sup>2</sup>.

27  
28 <sup>2</sup>3. The Department of Community Affairs shall conduct an  
29 inventory of abandoned and underutilized retail centers, office  
30 parks, and other stranded assets, including but not limited to those  
31 that meet the definition of an “eligible property,” as provided in  
32 subsection a. of section 2 of P.L. , c. (C. ) (pending before  
33 the Legislature as this bill). Within 12 months following the  
34 enactment of P.L. , c. (C. ) (pending before the Legislature  
35 as this bill), the department shall provide a report to communicate  
36 the results of the inventory, pursuant to section 2 of P.L.1991, c.164  
37 (C.52:14-19.1), to the Legislature. The department shall also  
38 provide access to the inventory on the department’s Internet  
39 website. The department shall periodically update the inventory  
40 and the report, and shall provide information in its updates on the  
41 reuse of formerly stranded assets. The department may request the  
42 assistance of local officials in obtaining information for the initial  
43 report, and periodic updates.<sup>2</sup>

44  
45 <sup>2</sup>**[3.] 4.<sup>2</sup>** This act shall take effect immediately.