

[First Reprint]

SENATE, No. 2103

STATE OF NEW JERSEY
220th LEGISLATURE

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Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee on May 9, 2022, with amendments.



(Sponsorship Updated As Of: 5/9/2022)

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:

¹Senate SCU committee amendments adopted May 9, 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 an office park of at least 50,000
31 square feet or a retail center of at least 15,000 square feet, which
32 office park or retail center has a vacancy rate of at least 40 percent.

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

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

46 (1) the application proposes to develop at least two types of
47 uses;

48 (2) the application proposes to either:

1 (a) reuse the existing building or buildings without expanding
2 the square footage of the building or buildings on the eligible
3 property, or

4 (b) redevelop the eligible property without expanding the square
5 footage of the building or buildings on the eligible property; and

6 (3) if the application for development proposes new residential
7 units, at least 20 percent of the residential units constructed ¹for
8 owner-occupancy and 15 percent of the residential units constructed
9 for rental occupancy¹ shall be reserved as low income housing,
10 moderate income housing, or very low income housing, as those
11 terms are defined in section 4 of P.L.1985, c.222 (C.52:27D-304).

12 ¹Of the units reserved as low income housing, moderate income
13 housing, or very low income housing, at least 50 percent within
14 each bedroom distribution shall be low income housing including at
15 least 13 percent within each bedroom distribution as very low
16 income housing, and the units shall be otherwise in compliance with
17 the Uniform Housing Affordability Controls, adopted to implement
18 P.L.1985, c.222 (C.52:27D-301 et seq.).¹

19 c. The planning board shall approve an application for
20 development to convert an eligible property to a mixed-use
21 development if the board determines that:

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

25 (2) the application complies with the other requirements of this
26 section.

27 d. The planning board may condition approval of an application
28 for development to convert an eligible property to a mixed-use
29 development upon complying with requirements for parking, water
30 supply, sanitary sewer capacity, storm water management, bulk
31 standards, and all reasonable site plan review, recreation, and
32 design standards provided, however, that the height and setback
33 limitations applicable to a converted mixed-use development shall
34 be the greatest height and least restrictive setback limitations
35 allowed within the zoning district under municipal ordinance or
36 variance approved by the planning board.

37

38 3. This act shall take effect immediately.