

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1408

STATE OF NEW JERSEY
221st LEGISLATURE

ADOPTED MARCH 17, 2025

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

Senator BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

SYNOPSIS

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

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Community and Urban Affairs Committee.



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 suburban-sprawl development of New Jersey after
11 World War II coincided with a shift toward highway construction
12 and automobile dependency and led to the proliferation of single-
13 use commercial buildings such as large retail centers and office
14 parks.

15 c. While, for decades, large retail centers and office parks
16 provided economic and social benefits to New Jersey and its
17 residents, their prevalence has been in sharp decline based on
18 economic influences, consumer preferences, and retail and business
19 alternatives. Many of these declining large retail centers and office
20 parks are dated or vacant, such that academics and planners have
21 deemed them to be "stranded assets. "

22 d. Workers and employers want to be located in mixed-use
23 communities, which offer easy access to a range of residential,
24 commercial, and recreational spaces and amenities within walking
25 distance of each other. Converting stranded office parks and retail
26 centers into desirable mixed-use communities would promote the
27 general welfare by revitalizing underused or underperforming
28 properties, creating new opportunities for housing, businesses, and
29 recreational facilities, and bolstering the economic and social
30 vitality of New Jersey's municipalities.

31 e. One significant impediment to converting stranded retail
32 centers and office parks into dynamic mixed-use communities is the
33 application of outdated, rigid municipal zoning regulations that
34 often separate residential and commercial uses from each other.

35 f. To encourage the development of vibrant and desirable
36 mixed-use communities, further to the public good, it is appropriate
37 for the Legislature to set standards to modernize local land use
38 regulations that stand in the way of the repurposing and
39 redevelopment of stranded retail centers and office parks.

40
41 2. a. As used in this section:

42 "Eligible property" means an office park or a retail center that
43 meets the requirements of subsection c. of this section.

44 "Developer" shall have the same meaning as defined in section
45 34 of P.L.2008, c.46 (C.40:55D-8.3).

46 "Mixed-use development" shall have the same meaning as
47 defined in section 34 of P.L.2008, c.46 (C.40:55D-8.3).

1 "Office park" means a non-residential land use developed as a
2 single entity combining general, business, professional, or medical
3 offices that contain ancillary personal services primarily for
4 employees located on a single site and planned, developed, and
5 managed as a unit.

6 "Retail center" means a non-residential land use developed as a
7 single entity combining retail stores and potentially other
8 commercial uses located on a single site and planned, developed,
9 and managed as a unit.

10 b. A municipal planning board enforcing municipal zoning
11 regulations shall permit conversions or partial conversions of
12 eligible properties into mixed-use developments pursuant to the
13 provisions of P.L. , c. (C.) (pending before the Legislature
14 as this bill).

15 c. A developer of a proposed project to repurpose or redevelop
16 a retail center or office park into a mixed-use development in
17 accordance with the provisions of P.L. , c. (C.) (pending
18 before the Legislature as this bill) shall demonstrate that the retail
19 center or office park located on the lot or land included in the
20 application for development meets the following requirements to be
21 deemed an eligible property:

22 (1) the office park is at least 50,000 square feet or the retail
23 center is at least 15,000 square feet; and

24 (2) (a) the office park or retail center has a vacancy rate of at
25 least 25 percent for at least 18 months immediately preceding the
26 application for development; or

27 (b) the office park or retail center has suffered an economic
28 downturn over the three-year period immediately preceding the date
29 of the application, as demonstrated by evidence of a quantifiable
30 loss in revenue such that the developer's expenses for the premises
31 have exceeded revenues by 30 percent or more each year.

32 d. A mixed-use development that is the subject of an
33 application for development to convert an eligible property shall be
34 a permitted use and shall not require a use variance pursuant to
35 subsection d. of section 57 of P.L.1975, c.291 (C.40:55D-70) if the
36 application for development complies with the following
37 requirements:

38 (1) the mixed-use development, which may include the
39 demolition of existing structures, complies with the zoning
40 requirements applicable to development projects within the
41 municipality's mixed-use zone as provided in subsection e. of this
42 section;

43 (2) the application proposes to develop at least two types of uses
44 as part of the mixed-use development, of which one use is
45 residential, and no use shall be industrial;

46 (3) at least 20 percent of the residential units to be constructed
47 shall be reserved as or very-low income housing, low-income

1 housing, or moderate-income housing, as those terms are defined in
2 section 4 of P.L.1985, c.222 (C.52:27D-304);

3 (4) of the residential units reserved as very low-income housing,
4 low-income housing, or moderate-income housing, at least 50
5 percent within each bedroom distribution are low-income units, and
6 at least 13 percent of the low-income units are very-low income
7 units; and

8 (5) the residential units reserved as very low-income housing,
9 low-income housing, or moderate-income housing comply with the
10 Uniform Housing Affordability Controls, adopted to implement
11 P.L.1985, c.222 (C.52:27D-301 et seq.).

12 e. (1) The municipal planning board shall approve an
13 application to repurpose or redevelop an eligible property into a
14 mixed-use development notwithstanding the eligible property's
15 location in the municipality if the project complies with the zoning
16 requirements applicable to projects within the municipality's
17 mixed-use zone. If the municipality has multiple mixed-use zones
18 in its zoning ordinance, the municipality shall designate which of its
19 mixed-use zones' regulations shall apply to mixed-use
20 developments that meet the requirements of P.L. , c. (C.)
21 (pending before the Legislature as this bill).

22 (2) If the municipality's zoning ordinance does not include a
23 mixed-use zone, a mixed-use development that meets the
24 requirements of P.L. , c. (C.) (pending before the
25 Legislature as this bill) shall be subject to the following
26 requirements:

27 (a) the height limitation of the mixed-use development shall be
28 the greater of the height of the tallest existing building at the
29 eligible property and the most permissive building height allowed
30 by the municipal zoning ordinance within the zoning district in
31 which the eligible property is located;

32 (b) the setback limitations applicable to the mixed-used
33 development shall be the lesser of the setbacks of the existing
34 buildings on the eligible property and the least restrictive setback
35 limitations allowed by the municipal zoning ordinance within the
36 zoning district in which the eligible property is located; and

37 (c) the maximum impervious coverage for the mixed-use
38 development shall not be less than the greater of 125 percent of the
39 existing impervious coverage on the eligible property, or the
40 maximum impervious coverage allowed by municipal ordinance
41 within the zoning district in which the eligible property is located.

42 f. Nothing herein shall limit or prohibit an applicant seeking to
43 repurpose or redevelop an eligible property into a mixed-use
44 development from requesting or receiving variances pursuant to
45 section 57 of P.L.1975, c.291 (C.40:55D-70).

46
47 3. A project undertaken pursuant to section 2 of
48 P.L. , c. (C.) (pending before the Legislature as this bill)

1 shall be eligible for long term tax exemption pursuant to the "Long
2 Term Tax Exemption Law," P.L.1991 (C.40A:20-1 et seq.) and
3 shall be deemed an "area in need of redevelopment" or an "area in
4 need of rehabilitation" without consideration of the requirements of
5 the "Local Redevelopment and Housing Law," P.L.1991, c.431
6 (C.40A:12A-1 et seq.).

7
8 4. The provisions of P.L. , c. (C.) (pending before the
9 Legislature as this bill) shall not prohibit or limit an applicant's
10 ability to apply and qualify for tax incentives, financing, or grants
11 in order to supplement investments for projects undertaken pursuant
12 to P.L. , c. (C.) (pending before the Legislature as this
13 bill). Notwithstanding this provision, project eligibility for tax
14 incentives, financing, or grants, or any other award, shall be
15 determined by the respective awarding entity.

16
17 5. A development project and any municipal action undertaken
18 pursuant to P.L. , c. (C.) (pending before the Legislature as
19 this bill) shall be in compliance with the "Municipal Land Use
20 Law," P.L.1975, c.291 (C.40:55D-1 et seq.) and all other applicable
21 municipal zoning ordinance requirements that do not conflict with
22 the requirements of P.L. , c. (C.) (pending before the
23 Legislature as this bill).

24
25 6. This act shall take effect immediately.