

SENATE, No. 4135

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED FEBRUARY 13, 2025

Sponsored by:

Senator RAJ MUKHERJI

District 32 (Hudson)

SYNOPSIS

Provides allowances for certain redevelopment projects undertaken by institutions of higher education under New Jersey Aspire Program.

CURRENT VERSION OF TEXT

As introduced.



S4135 MUKHERJI

2

1 AN ACT concerning certain redevelopment projects under the New
2 Jersey Aspire Program and amending P.L.2020, c.156.

3

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

6

7 1. Section 55 of P.L.2020, c.156 (C.34:1B-323) is amended to
8 read as follows:

9 55. As used in sections 54 through 67 of P.L.2020, c.156
10 (C.34:1B-322 through 34:1B-335):

11 "Agency" means the New Jersey Housing and Mortgage Finance
12 Agency established pursuant to P.L.1983, c.530 (C.55:14K-1 et
13 seq.).

14 "Authority" means the New Jersey Economic Development
15 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

16 "Aviation district" means all areas within the boundaries of the
17 Atlantic City International Airport, established pursuant to section
18 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
19 Administration William J. Hughes Technical Center and the area
20 within a one-mile radius of the outermost boundary of the Atlantic
21 City International Airport and the Federal Aviation Administration
22 William J. Hughes Technical Center.

23 "Board" means the Board of the New Jersey Economic
24 Development Authority, established by section 4 of P.L.1974, c.80
25 (C.34:1B-4).

26 "Building services" means any cleaning or routine building
27 maintenance work, including but not limited to sweeping,
28 vacuuming, floor cleaning, cleaning of rest rooms, collecting refuse
29 or trash, window cleaning, securing, patrolling, or other work in
30 connection with the care or securing of an existing building,
31 including services typically provided by a door-attendant or
32 concierge. "Building services" shall not include any skilled
33 maintenance work, professional services, or other public work for
34 which a contractor is required to pay the "prevailing wage" as
35 defined in section 2 of P.L.1963, c.150 (C.34:11-56.26).

36 "Cash flow" means the profit or loss that an investment property
37 earns from rent, deposits, and other fees after financial obligations,
38 such as debt, maintenance, government payments, and other
39 expenses, have been paid.

40 "Collaborative workspace" means coworking, accelerator,
41 incubator, or other shared working environments that promote
42 collaboration, interaction, socialization, and coordination among
43 tenants through the clustering of multiple businesses or individuals.
44 For this purpose, the collaborative workspace shall be the greater
45 of: 2,500 of dedicated square feet or 10 percent of the total property

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.

1 on which the redevelopment project is situated. The collaborative
2 workspace shall include a community manager, be focused on
3 collaboration among the community members, and include
4 regularly scheduled education events for the community members.
5 The collaborative workspace shall also include a physical open
6 space that supports the engagement of its community members.

7 "Commercial project" means a redevelopment project, other than
8 an institutional project, which is predominantly commercial and, if
9 located in a government-restricted municipality, contains 25,000 or
10 more square feet, or if located in any other municipality, contains
11 50,000 or more square feet of office and retail space, industrial
12 space, or film studios, professional stages, television studios,
13 recording studios, screening rooms, or other infrastructure for film
14 production, and may include a parking component. The term
15 "commercial project" includes a redevelopment project comprised
16 solely of a health care or health services center, which contains not
17 less than 10,000 square feet devoted to health care or health
18 services, and which may include a parking component.

19 "Developer" means a person who enters or proposes to enter into
20 an incentive award agreement pursuant to the provisions of section
21 60 of P.L.2020, c.156 (C.34:1B-328), including, but not limited, to
22 a lender that completes a redevelopment project, operates a
23 redevelopment project, or completes and operates a redevelopment
24 project.

25 "Director" means the Director of the Division of Taxation in the
26 Department of the Treasury.

27 "Distressed municipality" means a municipality that is qualified
28 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
29 municipality under the supervision of the Local Finance Board
30 pursuant to the provisions of the "Local Government Supervision
31 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
32 identified by the Director of the Division of Local Government
33 Services in the Department of Community Affairs to be facing
34 serious fiscal distress, a SDA municipality, or a municipality in
35 which a major rail station is located.

36 "Economic development incentive" means a financial incentive,
37 awarded by the authority, or agreed to between the authority and a
38 business or person, for the purpose of stimulating economic
39 development or redevelopment in New Jersey, including, but not
40 limited to, a bond, grant, loan, loan guarantee, matching fund, tax
41 credit, or other tax expenditure.

42 "Eligibility period" means the period not to exceed 15 years for a
43 commercial or mixed-use project or the period not to exceed 10
44 years for a residential project specified in an incentive award
45 agreement during which a developer may claim a tax credit under
46 the program, as such period shall be determined by the authority
47 pursuant to subsection b. of section 60 of P.L.2020, c.156 (C.34:1B-
48 328).

1 "Enhanced area" means (1) a municipality that contains an urban
2 transit hub, as defined in section 2 of P.L.2007, c.346 (C.34:1B-
3 208); (2) the five municipalities with the highest poverty rates
4 according to the 2017 Municipal Revitalization Index; and (3) the
5 three municipalities with the highest percentage of SNAP recipients
6 according to the 2017 Municipal Revitalization Index.

7 "Environmental remediation costs" means any costs incurred by
8 a developer in the completion of any actions necessary to
9 investigate, clean up, or respond to a known, suspected, or
10 threatened discharge of contaminants, including, as necessary, the
11 preliminary assessment, site investigation, remedial investigation,
12 and remedial action, pursuant to sections 23 through 43 and section
13 45 of P.L.1993, c.139 (C.58:10B-1 et seq.).

14 "Food delivery source" means access to nutritious foods, such as
15 fresh fruits and vegetables, through grocery operators, including,
16 but not limited to a full-service supermarket or grocery store, and
17 other healthy food retailers of at least 16,000 square feet, including,
18 but not limited to, a prepared food establishment selling primarily
19 nutritious ready-to-serve meals.

20 "Food desert community" means a physically contiguous area in
21 the State in which residents have limited access to nutritious foods,
22 such as fresh fruits and vegetables, and that has been designated as
23 a food desert community pursuant to subsection b. of section 38 of
24 P.L.2020, c.156 (C.34:1B-306).

25 "Government-restricted municipality" means a municipality in
26 this State with a municipal revitalization index distress score of at
27 least 75, that met the criteria for designation as an urban aid
28 municipality in the 2019 State fiscal year, and that, on the effective
29 date of P.L.2020, c.156 (C.34:1B-269 et al.), is subject to financial
30 restrictions imposed pursuant to the "Municipal Stabilization and
31 Recovery Act," P.L.2016, c.4 (C.52:27BBBB-1 et seq.), or is
32 restricted in its ability to levy property taxes on property in that
33 municipality as a result of the State of New Jersey owning or
34 controlling property representing at least 25 percent of the total land
35 area of the municipality or as a result of the federal government of
36 the United States owning or controlling at least 50 acres of the total
37 land area of the municipality, which is dedicated as a national
38 natural landmark.

39 "Health care or health services center" means an establishment
40 that consists of not less than 10,000 square feet devoted to health
41 care or health services, where patients are admitted for or seek
42 examination and treatment by one or more physicians, dentists,
43 psychologists, or other medical practitioners, and which is located
44 in a municipality with a Municipal Revitalization Index distress
45 score of at least 50, a distressed municipality, or a qualified
46 incentive tract.

1 "Hospitality establishment" means a hotel, motel, or any
2 business, however organized, that sells food, beverages, or both for
3 consumption by patrons on the premises.

4 "Incentive area" means an aviation district; a port district; an
5 area designated pursuant to the "State Planning Act," P.L.1985,
6 c.398 (C.52:18A-196 et seq.), as Planning Area 1 (Metropolitan),
7 Planning Area 2 (Suburban), or a Designated Center, provided an
8 area designated as Planning Area 2 (Suburban) or a Designated
9 Center shall be located within a one-half mile radius of the mid-
10 point, with bicycle and pedestrian connectivity, of a New Jersey
11 Transit Corporation, Port Authority Transit Corporation, or Port
12 Authority Trans-Hudson Corporation rail, bus, or ferry station,
13 including all light rail stations, or a high-frequency bus stop as
14 certified by the New Jersey Transit Corporation; an area designated
15 as a brownfield site pursuant to the "Brownfield and Contaminated
16 Site Remediation Act," sections 23 through 43 and section 45 of
17 P.L.1993, c.139 (C.58:10B-1 et seq.); and an area of not less than
18 100 acres for which a licensed site remediation professional has
19 certified environmental remediation costs, as defined in this section
20 and in accordance with the "Site Remediation Reform Act,"
21 sections 1 through 29 of P.L.2009, c.60 (C.58:10C-1 et seq.), in an
22 amount not less than \$10,000,000, provided that any portion of such
23 area is located in an area that otherwise qualifies as an incentive
24 area.

25 "Incentive award" means an award of tax credits to reimburse a
26 developer for all or a portion of the project financing gap of a
27 redevelopment project pursuant to the provisions of sections 54
28 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335).

29 "Incentive award agreement" means the contract executed
30 between a developer and the authority pursuant to section 60 of
31 P.L.2020, c.156 (C.34:1B-328), which sets forth the terms and
32 conditions under which the developer may receive the incentive
33 awards authorized pursuant to the provisions of sections 54 through
34 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335).

35 "Incubator facility" means a commercial property, which
36 contains 5,000 or more square feet of office, laboratory, or
37 industrial space, which is located near, and presents opportunities
38 for collaboration with, a research institution, teaching hospital,
39 college, or university, and within which at least 75 percent of the
40 gross leasable area is restricted for use by one or more technology
41 startup companies.

42 "Individuals with special needs" means individuals with mental
43 illness, individuals with physical or developmental disabilities, and
44 individuals in other emerging special needs groups identified by the
45 authority, based on guidelines established for the administration of
46 the Special Needs Housing Trust Fund established pursuant to
47 section 1 of P.L.2005, c.163 (C.34:1B-21.25a) or developed in
48 consultation with other State agencies.

1 “Institutional project” means a redevelopment project that is
2 developed by, or in affiliation with, a public or private institution of
3 higher education, and for which 51 percent of the square footage of
4 the project is dedicated for the use of qualified research and
5 development.

6 "Labor harmony agreement" means an agreement between a
7 business that serves as the owner or operator of a retail
8 establishment, hospitality establishment, or distribution center and
9 one or more labor organizations, which requires, for the duration of
10 the agreement: that any participating labor organization and its
11 members agree to refrain from picketing, work stoppages, boycotts,
12 or other economic interference against the business; and that the
13 business agrees to maintain a neutral posture with respect to efforts
14 of any participating labor organization to represent employees at an
15 establishment or other unit in the retail establishment, hospitality
16 establishment, or distribution center, agrees to permit the labor
17 organization to have access to the employees, and agrees to
18 guarantee to the labor organization the right to obtain recognition as
19 the exclusive collective bargaining representatives of the employees
20 in an establishment or unit at the retail establishment, hospitality
21 establishment, or distribution center by demonstrating to the New
22 Jersey State Board of Mediation, Division of Private Employment
23 Dispute Settlement, or a mutually agreed-upon, neutral, third party
24 that a majority of workers in the unit have shown their preference
25 for the labor organization to be their representative by signing
26 authorization cards indicating that preference. The labor
27 organization or organizations shall be from a list of labor
28 organizations which have requested to be on the list and which the
29 Commissioner of Labor and Workforce Development has
30 determined represent substantial numbers of retail establishment,
31 hospitality establishment, or distribution center employees in the
32 State.

33 "Low-income housing" means housing affordable according to
34 federal Department of Housing and Urban Development or other
35 recognized standards for home ownership and rental costs and
36 occupied or reserved for occupancy by households with a gross
37 household income equal to 50 percent or less of the median gross
38 household income for households of the same size within the
39 housing region in which the housing is located.

40 "Major cultural institution" means a public or nonprofit
41 institution, not including an institution of higher education, within
42 this State that engages in the cultural, intellectual, scientific,
43 environmental, educational, or artistic enrichment of the people of
44 this State, and which institution is designated by the board as a
45 major cultural institution.

46 "Major rail station" means a railroad station that is located within
47 a qualified incentive area and that provides to the public access to a

1 minimum of six rail passenger service lines operated by the New
2 Jersey Transit Corporation.

3 "Minimum environmental and sustainability standards" means
4 standards established by the authority in accordance with the green
5 building manual prepared by the Commissioner of Community
6 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
7 regarding the use of renewable energy, energy-efficient technology,
8 and non-renewable resources to reduce environmental degradation
9 and encourage long-term cost reduction.

10 "Moderate-income housing" means housing affordable according
11 to federal Department of Housing and Urban Development or other
12 recognized standards for home ownership and rental costs and
13 occupied or reserved for occupancy by households with a gross
14 household income equal to more than 50 percent, but less than 80
15 percent, of the median gross household income for households of
16 the same size within the housing region in which the housing is
17 located.

18 "Municipal Revitalization Index" means the index by the
19 Department of Community Affairs ranking New Jersey's
20 municipalities according to eight separate indicators that measure
21 diverse aspects of social, economic, physical, and fiscal conditions
22 in each locality.

23 "Port district" means the portions of a qualified incentive area
24 that are located within:

25 a. the "Port of New York District" of the Port Authority of
26 New York and New Jersey, as defined in Article II of the Compact
27 Between the States of New York and New Jersey of 1921; or

28 b. a 15-mile radius of the outermost boundary of each marine
29 terminal facility established, acquired, constructed, rehabilitated, or
30 improved by the South Jersey Port District established pursuant to
31 "The South Jersey Port Corporation Act," P.L.1968, c.60
32 (C.12:11A-1 et seq.).

33 "Program" means the New Jersey Aspire Program established by
34 section 56 of P.L.2020, c.156 (C.34:1B-324).

35 "Project cost" means the costs incurred in connection with a
36 redevelopment project by a developer until the issuance of a
37 permanent certificate of occupancy, or until such other time
38 specified by the authority, for a specific investment or
39 improvement, including the costs relating to lands, except the cost
40 of acquiring such lands, buildings, improvements, real or personal
41 property, or any interest therein, including leases discounted to
42 present value, including lands under water, riparian rights, space
43 rights, and air rights acquired, owned, developed or redeveloped,
44 constructed, reconstructed, rehabilitated, or improved, any
45 environmental remediation costs, plus costs not directly related to
46 construction, including capitalized interest paid to third parties, of
47 an amount not to exceed 20 percent of the total costs and the cost of
48 infrastructure improvements, including ancillary infrastructure

1 projects. When 100 percent of the residential units constructed in a
2 residential project are reserved for occupancy by low- and
3 moderate-income households, the term "project cost" shall also
4 include the developer fees paid before acquiring permanent
5 financing, as well as the deferred developer fees approved pursuant
6 to the rules established by the agency. The fees associated with the
7 application or administration of a grant under sections 54 through
8 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) shall not
9 constitute a project cost. For an institutional project, the term
10 "project cost" shall also include the construction and completion of:
11 research workspaces; meeting, classroom, dining, and dormitory
12 spaces; and common areas, including, but not limited to, hallways,
13 utility rooms, storage areas, and parking components.

14 "Project financing gap" means the part of the total project cost,
15 including reasonable and appropriate return on investment, that
16 remains to be financed after all other sources of capital have been
17 accounted for, including, but not limited to developer contributed
18 capital, which shall not be less than 20 percent of the total project
19 cost, and investor or financial entity capital or loans for which the
20 developer, after making all good faith efforts to raise additional
21 capital, certifies that additional capital cannot be raised from other
22 sources on a non-recourse basis; provided, however, that for a
23 redevelopment project located in a government-restricted
24 municipality, the developer contributed capital shall not be less than
25 10 percent of the total project cost. Developer contributed capital
26 may consist of cash, deferred development fees, costs for project
27 feasibility incurred within the 12 months prior to application,
28 property value less any mortgages when the developer owns the
29 project site, and any other investment by the developer in the
30 project deemed acceptable by the authority, as provided by
31 regulations promulgated by the authority. Property value shall be
32 valued at the lesser of: (i) the purchase price, provided the property
33 was purchased pursuant to an arm's length transaction within 12
34 months of application; or (ii) the value as determined by a current
35 appraisal.

36 "Project labor agreement" means a form of pre-hire collective
37 bargaining agreement covering terms and conditions of a specific
38 project that satisfies the requirements set forth in section 5 of
39 P.L.2002, c.44 (C.52:38-5).

40 "Qualified incentive tract" means (i) a population census tract
41 having a poverty rate of 20 percent or more; or (ii) a census tract in
42 which the median family income for the census tract does not
43 exceed 80 percent of the greater of the Statewide median family
44 income or the median family income of the metropolitan statistical
45 area in which the census tract is situated.

46 "Qualified research and development" means research and
47 development activities undertaken within a priority industry,
48 including, but not limited to, technology, artificial intelligence,

1 software development, financial services, financial services
2 technology, film and digital media, advanced manufacturing,
3 gaming, pharmaceuticals, biotechnology, transportation, logistics,
4 and renewable energy.

5 "Quality childcare facility" is a child care center licensed by the
6 Department of Children and Families or a registered family child
7 care home with the Department of Human Services, operating
8 continuously, which has not been subject to an enforcement action,
9 and which has and maintains a licensed capacity for children age 13
10 years or younger who attend for less than 24 hours a day.

11 "Reasonable and appropriate return on investment" means the
12 discount rate at which the present value of the future cash flows of
13 an investment equals the cost of the investment. In determining the
14 "reasonable and appropriate return on investment," an investment
15 shall not include any federal, State, or local tax credits. For a
16 residential project that utilizes federal low-income housing tax
17 credits awarded by the agency, the "reasonable and appropriate
18 return on investment" shall be based on the approval of deferred
19 developer fees pursuant to the rules established by the agency. In
20 the event that a residential project, which utilizes federal low-
21 income housing tax credits awarded by the agency, generates
22 returns on equity other than federal or local grants or proceeds from
23 the sale of federal or local tax credits, the "reasonable and
24 appropriate return on investment" shall be based on both the
25 discount rate at which the present value of the future cash flows of
26 an investment equal the cost of the investment for the entire project,
27 and when evaluating only the units financed with federal low-
28 income housing tax credits awarded by the agency, the approval of
29 deferred developer fees pursuant to the rules established by the
30 agency.

31 "Redevelopment project" means a specific construction project
32 or improvement or phase of a project or improvement undertaken
33 by a developer, owner or tenant, or both, and any ancillary
34 infrastructure project. A redevelopment project may involve
35 construction or improvement upon lands, buildings, improvements,
36 or real and personal property, or any interest therein, including
37 lands under water, riparian rights, space rights, and air rights,
38 acquired, owned, developed or redeveloped, constructed,
39 reconstructed, rehabilitated, or improved.

40 "Residential project" means a redevelopment project, other than
41 an institutional project, that is predominantly residential, intended
42 for multi-family residency, and may include a parking component.

43 "SDA district" means an SDA district as defined in section 3 of
44 P.L.2000, c.72 (C.18A:7G-3).

45 "SDA municipality" means a municipality in which an SDA
46 district is situated.

47 "Technology startup company" means a for-profit business that
48 has been in operation fewer than seven years at the time that it

1 initially occupies or expands in a qualified business facility and is
2 developing or possesses a proprietary technology or business
3 method of a high technology or life science-related product,
4 process, or service, which proprietary technology or business
5 method the business intends to move to commercialization. The
6 business shall be deemed to have begun operation on the date that
7 the business first hired at least one employee in a full-time position.

8 "Total project cost" means the costs incurred in connection with
9 the redevelopment project by the developer until the issuance of a
10 permanent certificate of occupancy, or upon such other event
11 evidencing project completion as set forth in the incentive grant
12 agreement, for a specific investment or improvement.

13 "Tourism destination project" means a non-gaming business
14 facility that will be among the most visited privately owned or
15 operated tourism or recreation sites in the State, and which has been
16 determined by the authority to be in an area appropriate for
17 development and in need of economic development incentive
18 assistance, including a non-gaming business within an established
19 Tourism District with a significant impact on the economic viability
20 of that district.

21 "Transit hub" means an urban transit hub, as defined in section 2
22 of P.L.2007, c.346 (C.34:1B-208), that is located within an eligible
23 municipality, as defined in section 2 of P.L.2007, c.346 (C.34:1B-
24 208) and is located within a qualified incentive area.

25 "Transit hub municipality" means a Transit Village or a
26 municipality: a. which qualifies for State aid pursuant to P.L.1978,
27 c.14 (C.52:27D-178 et seq.), or which has continued to be a
28 qualified municipality thereunder pursuant to P.L.2007, c.111; and
29 b. in which 30 percent or more of the value of real property was
30 exempt from local property taxation during tax year 2006. The
31 percentage of exempt property shall be calculated by dividing the
32 total exempt value by the sum of the net valuation which is taxable
33 and that which is tax exempt.

34 "Transit Village" means a municipality that has been designated
35 as a transit village by the Commissioner of Transportation and the
36 Transit Village Task Force [established pursuant to P.L.1985, c.398
37 (C.27:1A-5)].

38 (cf: P.L.2023, c.98, s.1)

39

40 2. Section 57 of P.L.2020, c.156 (C.34:1B-325) is amended to
41 read as follows:

42 57. a. Prior to March 1, 2029, a developer shall be eligible to
43 receive an incentive award for a redevelopment project only if the
44 developer demonstrates to the authority at the time of application
45 that:

46 (1) without the incentive award, the redevelopment project is not
47 economically feasible;

- 1 (2) a project financing gap exists, or the authority determines
2 that the redevelopment project will generate a below market rate of
3 return;
- 4 (3) the redevelopment project, except a film studio, professional
5 stage, television studio, recording studio, screening room, or other
6 infrastructure used for film production, is located in the incentive
7 area;
- 8 (4) except for demolition and site remediation activities, the
9 developer has not commenced any construction at the site of the
10 redevelopment project prior to submitting an application, unless the
11 authority determines that the redevelopment project would not be
12 completed otherwise or, in the event the redevelopment project is to
13 be undertaken in phases, the requested incentive award is limited to
14 only phases for which construction has not yet commenced;
- 15 (5) the redevelopment project shall comply with minimum
16 environmental and sustainability standards;
- 17 (6) the redevelopment project shall comply with the authority's
18 affirmative action requirements, adopted pursuant to section 4 of
19 P.L.1979, c.303 (C.34:1B-5.4);
- 20 (7) (a) during the eligibility period, each worker employed to
21 perform construction work at the redevelopment project shall be
22 paid not less than the prevailing wage rate for the worker's craft or
23 trade, as determined by the Commissioner of Labor and Workforce
24 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.)
25 and P.L.2005, c.379 (C.34:11-56.58 et seq.);
26 (b) during the eligibility period, each worker employed to
27 perform building services work at the redevelopment project,
28 whether pursuant to contract by the developer or a commercial
29 tenant, commercial subtenant, or other commercial occupant, shall
30 be paid not less than the prevailing wage rate for the worker's craft
31 or trade, as determined by the Commissioner of Labor and
32 Workforce Development pursuant to P.L.1963, c.150 (C.34:11-
33 56.25 et seq.) and P.L.2005, c.379 (C.34:11-56.58 et seq.), except
34 that this requirement shall not apply to workers employed to
35 perform building services work by a commercial tenant, commercial
36 subtenant, or other commercial occupant that has a leasehold
37 interest or other occupancy right in a redevelopment project, which
38 leasehold interest or other occupancy right encompasses less than
39 5,000 square feet of space within the project. The developer shall
40 include in all commercial leases or other commercial occupancy
41 agreements, and shall require that all subleases or other commercial
42 occupancy agreements applicable to the redevelopment project
43 include, a provision setting forth the requirements of this
44 subparagraph, which provision shall be in a form acceptable to the
45 authority. Notwithstanding any provisions of law to the contrary, if
46 a commercial tenant, commercial subtenant, or other commercial
47 occupant violates this provision due to the underpayment of the
48 required prevailing wage rate, then the issuance of tax credits to the

1 developer and any co-applicant shall be delayed until such time as
2 documentation demonstrating compliance has been provided to the
3 Commissioner of Labor and Workforce Development, subsequently
4 reviewed and approved by the Commissioner of Labor and
5 Workforce Development, and verified by the authority, which
6 reviews and verification shall be completed. If a violation is not
7 cured, or is not capable of being cured, within one year of receipt of
8 notice of the violation, then the developer and any co-applicant
9 shall forfeit 50 percent of the tax credits otherwise authorized for
10 the tax period in which the notice of violation was issued. If the
11 violation is not cured on or before the conclusion of that tax period,
12 the developer and any co-applicant shall forfeit up to 100 percent of
13 the tax credits otherwise authorized, as determined by the authority,
14 in each subsequent tax period until the first tax period for which
15 documentation demonstrating compliance has been provided to the
16 Commissioner of Labor and Workforce Development, subsequently
17 reviewed and approved by the Commissioner of Labor and
18 Workforce Development, and verified by the authority, which
19 reviews and verifications shall be completed. In this event, the
20 developer and any co-applicant shall be allowed the full tax credit
21 amount beginning in the tax period in which documentation of
22 compliance was reviewed and approved by the Commissioner of
23 Labor and Workforce Development and verified by the authority,
24 including each subsequent tax period in which the tax credits are
25 otherwise authorized;

26 (c) in the event a redevelopment project, or any portion thereof,
27 is undertaken by a tenant pursuant to a contract and the tenant has a
28 leasehold of more than 55 percent of space in the building owned or
29 controlled by the developer, the requirement that each worker
30 employed to perform building service work at the building be paid
31 not less than the prevailing wage shall apply to the entire building,
32 except as otherwise provided in subparagraph (b) of this paragraph
33 for commercial tenants, commercial subtenants, or other
34 commercial occupants with a leasehold interest or other occupancy
35 right encompassing less than 5,000 square feet;

36 (8) (a) the redevelopment project shall be completed, and the
37 developer shall be issued a certificate of occupancy for the
38 redevelopment project facilities by the applicable enforcing agency,
39 within four years of executing the incentive award agreement, or in
40 the case of a redevelopment project with a project cost in excess of
41 \$50,000,000, the incentive phase agreement corresponding to the
42 redevelopment project; or

43 (b) in the discretion of the authority, a redevelopment project
44 with a project cost in excess of \$50,000,000, and that is authorized
45 to be completed in phases, may be allowed no more than six years
46 from the date on which the incentive award agreement is executed
47 to be issued a certificate of occupancy by the applicable
48 enforcement agency;

1 (9) the developer has complied with all requirements for filing
2 tax and information returns and for paying or remitting required
3 State taxes and fees by submitting, as a part of the application, a tax
4 clearance certificate, as described in section 1 of P.L.2007, c.101
5 (C.54:50-39); and

6 (10) the developer is not more than 24 months in arrears at the
7 time of application.

8 b. In addition to the requirements set forth in subsection a. of
9 this section, for a commercial project to qualify for an incentive
10 award, the developer shall demonstrate that the developer shall
11 contribute capital of at least 20 percent of the total project cost, or
12 at least \$30,000,000 for an institutional project, except that if a
13 redevelopment project is located in a government-restricted
14 municipality, the developer shall contribute capital of at least 10
15 percent of the total project cost.

16 c. In addition to the requirements set forth in subsection a. of
17 this section, for a residential project or a commercial project
18 comprised solely of a health care or health service center to qualify
19 for an incentive award, the residential project or health care or
20 health service center shall:

21 (1) have a total project cost of at least \$17,500,000, if the project
22 is located in a municipality with a population greater than 200,000
23 according to the latest federal decennial census;

24 (2) have a total project cost of at least \$10,000,000 if the project
25 is located in a municipality with a population less than 200,000
26 according to the latest federal decennial census; or

27 (3) have a total project cost of at least \$5,000,000 if the project is
28 in a qualified incentive tract or government-restricted municipality.

29 d. In addition to the requirements set forth in subsections a. and
30 c. of this section, for a residential project consisting of newly-
31 constructed residential units to qualify for an incentive award, the
32 developer shall reserve at least 20 percent of the residential units
33 constructed for occupancy by low- and moderate-income
34 households with affordability controls as adopted by the authority,
35 in consultation with the agency, in accordance with paragraph (2) of
36 subsection a. of section 56 of P.L.2020, c.156 (C.34:1B-324),
37 except that a residential project receiving a federal historic
38 rehabilitation tax credit pursuant to section 47 of the federal
39 Internal Revenue Code of 1986, 26 U.S.C. s.47, or a tax credit
40 pursuant to the "Historic Property Reinvestment Act," sections 2
41 through 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276),
42 shall be exempt from the affordability controls related to bedroom
43 distribution.

44 e. Prior to the board considering an application submitted by a
45 developer, the authority shall confirm with the Department of Labor
46 and Workforce Development, the Department of Environmental
47 Protection, and the Department of the Treasury whether the
48 developer is in substantial good standing with the respective

1 department, or has entered into an agreement with the respective
2 department that includes a practical corrective action plan for the
3 developer. The developer shall certify that any contractors or
4 subcontractors that will perform work at the redevelopment project:
5 (1) are registered as required by "The Public Works Contractor
6 Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.); (2) have
7 not been debarred by the Department of Labor and Workforce
8 Development from engaging in or bidding on Public Works
9 Contracts in the State; and (3) possess a tax clearance certificate
10 issued by the Division of Taxation in the Department of the
11 Treasury. The authority may also contract with an independent
12 third party to perform a background check on the developer.
13 (cf: P.L.2023, c.98, s.3)

14

15 3. Section 58 of P.L.2020, c.156 (C.34:1B-326) is amended to
16 read as follows:

17 58. a. Prior to March 1, 2029, for redevelopment projects eligible
18 pursuant to section 57 of P.L.2020, c.156 (C.34:1B-325) for which
19 a developer is seeking an incentive award for the redevelopment
20 project, the developer shall submit an application to the authority
21 and, in the case of a residential project, shall submit an application
22 to the authority and the agency, in a form and manner prescribed in
23 regulations adopted by the authority pursuant to section 67 of
24 P.L.2020, c.156 (C.34:1B-335). The authority shall accept
25 applications for incentive awards during the grant periods
26 established pursuant to section 59 of P.L.2020, c.156 (C.34:1B-
27 327).

28 b. The authority shall not consider an application for a
29 commercial project unless the developer submits a letter evidencing
30 support for the commercial project from the governing body of the
31 municipality in which the commercial project is located with the
32 application.

33 c. The authority shall review the project cost, evaluate and
34 validate the project financing gap estimated by the developer, and
35 conduct a State fiscal impact analysis to ensure that the overall
36 public assistance provided to the project will result in a net positive
37 benefit to the State, provided that the net benefit analysis shall not
38 apply to capital investment for a food delivery source; a health care
39 or health services center; an institutional project; or a residential
40 project. In determining whether a project will result in a net
41 positive benefit to the State, the authority shall not consider the
42 value of any taxes exempted, abated, rebated, or retained under the
43 "Five-Year Exemption and Abatement Law," P.L.1991, c.441
44 (C.40A:21-1 et seq.), the "Long Term Tax Exemption Law,"
45 P.L.1991, c.431 (C.40A:20-1 et al.), the "New Jersey Urban
46 Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 **[et seq.] et**
47 **al.**), or any other law that has the effect of lowering or eliminating
48 the developer's State or local tax liability. The determination made

1 pursuant to this subsection shall be based on the potential tax
2 liability of the developer without regard for potential tax losses if
3 the developer were to locate in another state. The authority shall
4 assess the cost of these reviews to the applicant. A developer shall
5 pay to the authority the full amount of the direct costs of an analysis
6 concerning the developer's application for a tax credit that a third
7 party retained by the authority performs, if the authority deems such
8 retention to be necessary. The authority shall evaluate the net
9 economic benefits on a present value basis under which the
10 requested tax credit allocation amount is discounted to present
11 value at the same discount rate as the projected benefits from the
12 implementation of the proposed redevelopment project for which an
13 award of tax credits is being sought.

14 d. (1) For a redevelopment project subject to the requirement of
15 subsection c. of this section to be eligible for any tax credits under
16 the program, a developer shall demonstrate to the authority that the
17 award of tax credits will yield a net positive benefit to the State
18 equaling an amount determined by the authority through regulation
19 that exceeds the requested tax credit amount. The developer shall
20 certify, under the penalty of perjury, that all documents submitted,
21 and factual assertions made, to the authority to demonstrate that the
22 award of tax credits will yield a net positive benefit to the State in
23 accordance with this subsection are true and accurate at the time of
24 submission.

25 (2) A redevelopment project located in a government-restricted
26 municipality shall yield a net positive benefit to the State that
27 exceeds the requested tax credit amount, but the net benefit
28 requirement set by the authority for such redevelopment projects
29 may be up to 35 percentage points lower than the net benefit
30 requirement set by the authority for all other eligible redevelopment
31 projects.

32 (3) A commercial project that contains 50,000 or more square
33 feet of space devoted to research or technology focused incubator
34 and conferencing facilities for one or more institutions of higher
35 education or non-profit organizations, and which has a total project
36 cost of not less than \$50 million, shall yield a net positive benefit to
37 the State that exceeds the requested tax credit amount, but the net
38 benefit requirement set by the authority for such redevelopment
39 projects may be up to 35 percentage points lower than the net
40 benefit requirement set by the authority for all other eligible
41 redevelopment projects.

42 (4) A redevelopment project that is predominantly commercial
43 and that receives a federal historic rehabilitation tax credit pursuant
44 to section 47 of the federal Internal Revenue Code of 1986, 26
45 U.S.C. s.47, or a tax credit pursuant to the "Historic Property
46 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
47 (C.34:1B-270 through 34:1B-276), shall yield a net positive benefit
48 to the State that exceeds the requested tax credit amount, but the net

1 benefit requirement set by the authority for such redevelopment
2 projects may be up to 35 percentage points lower than the net
3 benefit requirement set by the authority for all other eligible
4 redevelopment projects.

5 (5) A commercial project that is located on land owned by the
6 federal government on or before December 31, 2005 shall yield a
7 net positive benefit to the State that exceeds the requested tax credit
8 amount, but the net benefit requirement set by the authority for such
9 redevelopment projects may be up to 35 percentage points lower
10 than the net benefit requirement set by the authority for all other
11 eligible redevelopment projects.

12 (6) A redevelopment project that is undertaken by a major
13 cultural institution to renovate existing space or expand services
14 into additional space, and in which the major cultural institution
15 realizes all returns from the redevelopment project, shall yield a net
16 positive benefit to the State that exceeds the requested tax credit
17 amount, but the net benefit requirement set by the authority for such
18 redevelopment projects may be lower than the net benefit
19 requirement set by the authority for all other eligible redevelopment
20 projects.

21 e. If at any time during the eligibility period the authority
22 determines that the developer made a material misrepresentation on
23 the developer's application, the developer shall forfeit the incentive
24 award.

25 f. If circumstances require a developer to amend its application
26 to the authority, then the developer, or an authorized agent of the
27 developer, shall certify to the authority that the information
28 provided in its amended application is true under the penalty of
29 perjury.

30 (cf: P.L.2023, c.98, s.4)

31

32 4. Section 61 of P.L.2020, c.156 (C.34:1B-329) is amended to
33 read as follows:

34 61. a. Up to the limits established in subsection b. of this section
35 and in accordance with an incentive award agreement, beginning
36 upon the receipt of occupancy permits for any portion of the
37 redevelopment project, or upon any other event evidencing project
38 completion as set forth in the incentive award agreement, a
39 developer shall be allowed a total tax credit that shall not exceed:

40 (1) 80 percent of the total project cost for a redevelopment
41 project that is located in a government-restricted municipality or an
42 institutional project;

43 (2) 60 percent of the total project cost for a residential project
44 that receives a four-percent allocation from the federal Low Income
45 Housing Tax Credit Program administered by the agency or a
46 redevelopment project that is located in a qualified incentive tract,
47 enhanced area, or a municipality with a Municipal Revitalization
48 Index score of at least 50; or

1 (3) 50 percent of the total project cost for any other
2 redevelopment project.

3 b. The value of all tax credits approved by the authority under
4 the program for a redevelopment project phase shall not exceed:

5 (1) \$120,000,000 per redevelopment project or phase for a
6 redevelopment project that is located in a government-restricted
7 municipality or an institutional project;

8 (2) \$90,000,000 per redevelopment project or phase for a
9 redevelopment project that is allowed a tax credit under paragraph
10 (2) of subsection a. of this section; and

11 (3) \$60,000,000 for any other redevelopment project or phase.

12 (cf: P.L.2023, c.98, s.7)

13

14 5. Section 65 of P.L.2020, c.156 (C.34:1B-333) is amended to
15 read as follows:

16 65. a. As used in this section, "transformative project" means a
17 redevelopment project: that has a project financing gap ; that has a
18 total project cost of at least \$150,000,000; that includes 200,000 or
19 more square feet of new or substantially renovated industrial,
20 commercial, or residential space for a project located in a
21 government-restricted municipality, that includes 250,000 or more
22 square feet of film studios, professional stages, television studios,
23 recording studios, screening rooms, or other infrastructure for film
24 production, that includes 300,000 or more square feet of new or
25 substantially renovated industrial, commercial, or residential space
26 for a project located in an enhanced area, or that includes 500,000
27 or more square feet of new or substantially renovated industrial,
28 commercial, or residential space for any other project; and, for a
29 commercial project, that is of special economic importance as
30 measured by the level of new jobs, new capital investment,
31 opportunities to leverage leadership in a high-priority targeted
32 industry, or other state priorities as determined by the authority
33 pursuant to rules and regulations promulgated to implement this
34 section. Notwithstanding the provisions of subsection b. of section
35 14 of P.L.2023, c.98 (C.34:1B-335.1) to the contrary, for
36 applications submitted on and after the effective date of P.L.2023,
37 c.98 (C.34:1B-335.1 et al.), if the redevelopment project is located
38 entirely on land designated by the Department of Environmental
39 Protection as a brownfield development area pursuant to section 7
40 of P.L.2005, c.223 (C.58:10B-25.1), and the project cost of the
41 redevelopment project includes at least \$15,000,000 in
42 environmental remediation costs, the redevelopment project shall
43 constitute a project of special economic importance. A
44 transformative project may be completed in phases, which phases
45 may be determined by the authority based on factors such as written
46 architectural plans and specifications completed before or during
47 the physical work, certificates of occupancy, or financial and

1 operational plans. The criteria developed by the authority shall
2 include, but shall not be limited to:

3 (1) the extent to which the proposed transformative project
4 would create modern facilities that enhance the State's
5 competitiveness in attracting targeted industries;

6 (2) (a) for a residential project, the construction of 700 or more
7 new residential units;

8 (b) for a residential project containing less than 700 new
9 residential units, the construction of 200 or more new residential
10 units if the project is located in a government-restricted
11 municipality, 300 or more residential units if the project is located
12 in an enhanced area, or 400 or more residential units for all other
13 mixed-use projects;

14 (c) for a residential project containing less than 700 new
15 residential units, the construction of 50,000 square feet or more of
16 commercial space; and

17 (d) for a residential project, 20 percent of the new residential
18 units shall be constructed for occupancy by low- and moderate-
19 income households with affordability controls as adopted by the
20 authority, in consultation with the agency, in accordance with
21 paragraph (2) of subsection a. of section 56 of P.L.2020, c.156
22 (C.34:1B-324), except that a residential project receiving a federal
23 historic rehabilitation tax credit pursuant to section 47 of the federal
24 Internal Revenue Code of 1986, 26 U.S.C. s.47, or a tax credit
25 pursuant to the "Historic Property Reinvestment Act," sections 2
26 through 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276),
27 shall be exempt from the affordability controls related to bedroom
28 distribution; and

29 (3) the extent to which the proposed project would leverage the
30 competitive economic development advantages of the State's mass
31 transit assets, higher education assets, and other economic
32 development assets in attracting or retaining both employers and
33 skilled workers generally or in targeted industries.

34 A "transformative project" shall not include a redevelopment
35 project at which more than 50 percent of the premises is occupied
36 by one or more businesses engaged in final point of sale retail.

37 b. (1) The authority may award incentive awards to
38 transformative projects in accordance with the provisions of
39 sections 55 through 67 of P.L.2020, c.156 (C.34:1B-323 through
40 34:1B-335).

41 (2) (a) For transformative projects completed in phases, the
42 developer shall enter into a transformative phase agreement with the
43 authority.

44 (b) As used in this subsection, "transformative phase agreement"
45 shall mean a sub-agreement of the incentive award agreement that
46 governs the timing, capital investment, and other applicable details
47 of the respective phase of a phased project.

1 (3) Notwithstanding the provisions of section 57 of P.L.2020,
2 c.156 (C.34:1B-325), or any other section of P.L.2020, c.156
3 (C.34:1B-269 et al.) to the contrary, a transformative project shall
4 be completed, and the developer shall be issued a certificate of
5 occupancy for the transformative project facilities by the applicable
6 enforcing agency, within five years of executing the incentive
7 award agreement, except that the authority may, in its discretion,
8 extend this deadline by up to one additional year. For
9 transformative projects completed in phases, the transformative
10 project shall be completed, and the developer shall be issued
11 certificates of occupancy for all phases of the transformative project
12 facilities by the applicable enforcing agency, within 10 years of
13 executing either the incentive award agreement or the first
14 transformative phase agreement corresponding to the transformative
15 project.

16 (4) Notwithstanding the provisions of sections 55 and 60 of
17 P.L.2020, c.156 (C.34:1B-323 and C.34:1B-328), or any other
18 section of P.L.2020, c.156 (C.34:1B-269 et al.) to the contrary, each
19 phase of a transformative project completed in phases shall have a
20 separate eligibility period. After completing each phase, the
21 developer shall submit a certification that the phase is completed.
22 If the authority approves the certification, the tax credit allowed to
23 the developer shall be increased by the tax credit amount
24 corresponding to that phase. Notwithstanding the different
25 eligibility periods for each phase, all conditions and requirements
26 applicable during an eligibility period pursuant to sections 55
27 through 67 of P.L.2020, c.156 (C.34:1B-323 through 34:1B-335)
28 shall apply to the entire transformative project until the end of the
29 eligibility period for the last phase.

30 (5) Notwithstanding the provisions of section 60 of P.L.2020,
31 c.156 (C.34:1B-328), or any other section of P.L.2020, c.156
32 (C.34:1B-269 et al.) to the contrary, for a transformative project
33 completed in phases, a review of the project financing gap shall be
34 performed at the certification of completion of each phase, and the
35 authority shall re-evaluate the developer's rate of return in the
36 seventh year and at the end of the eligibility period for the last
37 phase, provided that the authority may also re-evaluate the
38 developer's rate of return during the fifth year of any earlier phase.

39 (6) A transformative project receiving an incentive award
40 pursuant to this section, other than a project that includes 250,000
41 or more square feet of film studios, professional stages, television
42 studios, recording studios, screening rooms or other infrastructure
43 for film production, shall be located in an incentive area, a
44 distressed municipality, a government-restricted municipality, or an
45 enhanced area. A transformative project receiving an incentive
46 award pursuant to this section that includes 250,000 or more square
47 feet of film studios, professional stages, television studios,
48 recording studios, screening rooms or other infrastructure for film

1 production may be located anywhere in the State. The authority
2 shall not consider an application for a transformative project unless
3 the applicant submits with its application a letter evidencing support
4 for the transformative project from the governing body of the
5 municipality in which the transformative project is located.

6 c. The authority shall review the transformative project cost,
7 evaluate and validate the project financing gap estimated by the
8 developer, and conduct a State fiscal impact analysis to ensure that
9 the overall public assistance provided to the transformative project
10 will result in a net positive benefit to the State. In determining
11 whether a transformative project will result in a net positive benefit
12 to the State, the authority shall not consider the value of any taxes
13 exempted, abated, rebated, or retained under the "Five-Year
14 Exemption and Abatement Law," P.L.1991, c.441 (C.40A:21-1 et
15 seq.), the "Long Term Tax Exemption Law," P.L.1991, c.431
16 (C.40A:20-1 et al.), the "New Jersey Urban Enterprise Zones Act,"
17 P.L.1983, c.303 (C.52:27H-60 et seq.), or any other law that has the
18 effect of lowering or eliminating the developer's State or local tax
19 liability. The determination made pursuant to this subsection shall
20 be based on the potential tax liability of the developer without
21 regard for potential tax losses if the developer were to locate in
22 another state. The authority shall assess the cost of these reviews to
23 the applicant. A developer shall pay to the authority the full
24 amount of the direct costs of an analysis concerning the developer's
25 application for an incentive award that a third party retained by the
26 authority performs, if the authority deems such retention to be
27 necessary. The authority shall evaluate the net economic benefits
28 on a present value basis under which the requested tax credit
29 allocation amount is discounted to present value at the same
30 discount rate as the projected benefits from the implementation of
31 the proposed transformative project for which an award of tax
32 credits is being sought. Projects that are predominantly residential
33 or that are institutional projects shall be excluded from the
34 calculation of the net benefit test required pursuant to this
35 subsection.

36 d. In determining net benefits for any business or person
37 considering locating in a transformative project and applying to
38 receive from the authority any other economic development
39 incentive subsequent to the award of transformative project tax
40 credits pursuant to section 65 of P.L.2020, c.156 (C.34:1B-333), the
41 authority shall not credit the business or person with any benefit
42 that was previously credited to the transformative project pursuant
43 to section 65 of P.L.2020, c.156 (C.34:1B-333).

44 e. The authority shall administer the credits awarded pursuant
45 to this section in accordance with the provisions of sections 62 and
46 63 of P.L.2020, c.156 (C.34:1B-330 and C.34:1B-331).

47 f. Prior to allocating an incentive award to a developer, the
48 authority shall confirm with the Department of Labor and

1 Workforce Development, the Department of Environmental
2 Protection, and the Department of the Treasury that the developer is
3 in substantial good standing with the respective department, or the
4 developer has entered into an agreement with the respective
5 department that includes a practical corrective action plan, and the
6 developer shall certify that each contractor or subcontractor
7 performing work at the transformative project: (1) is registered as
8 required by "The Public Works Contractor Registration Act,"
9 P.L.1999, c.238 (C.34:11-56.48 et seq.); (2) has not been debarred
10 by the Department of Labor and Workforce Development from
11 engaging in or bidding on Public Works Contracts in the State; and
12 (3) possesses a tax clearance certificate issued by the Division of
13 Taxation in the Department of the Treasury. The authority may also
14 contract with an independent third party to perform a background
15 check on the developer.

16 g. Notwithstanding the limitation on incentive awards set forth
17 in subsection b. of section 61 and section 98 of P.L.2020, c.156
18 (C.34:1B-329 and C.34:1B-362) to the contrary, the authority may
19 allow a developer of a transformative project a tax credit in an
20 amount not to exceed the lesser of:

21 (1) (a) 80 percent of the total project cost for a transformative
22 project that is located in a government-restricted municipality or an
23 institutional project;

24 (b) 60 percent of the total project cost for a residential
25 transformative project that receives a four-percent allocation from
26 the federal Low Income Housing Tax Credit Program administered
27 by the agency or a transformative project that is located in a
28 qualified incentive tract, enhanced area, or a municipality with a
29 Municipal Revitalization Index score of at least 50; or

30 (c) 50 percent of the total project cost for any other
31 transformative project;

32 (2) the total value of the project financing gap; or

33 (3) \$400,000,000, except that for a transformative project that is
34 developed in phases, the \$400,000,000 limitation on incentive
35 awards set forth in this paragraph shall apply to the total aggregate
36 award for all phases of the transformative project.

37 (cf: P.L.2023, c.98, s.9)

38

39 6. This act shall take effect immediately.

40

41

42

STATEMENT

43

44 This bill modifies certain provisions of the "New Jersey Aspire
45 Program" (Aspire Program) related to construction of institutional
46 projects.

47 Under the bill, the term "institutional project" is defined as a
48 redevelopment project that is developed by, or in affiliation with, a

1 public or private institution of higher education, and for which at
2 least 51 percent of the square footage of the project is dedicated for
3 the use of qualified research and development. “Qualified research
4 and development” is defined to mean research and development
5 activities that are undertaken within a priority industry, including,
6 but not limited to, technology, artificial intelligence, software
7 development, financial services, financial services technology, film
8 and digital media, advanced manufacturing, gaming,
9 pharmaceuticals, biotechnology, transportation, logistics, and
10 renewable energy.

11 Specifically, the bill requires the calculation of the “project cost”
12 of an institutional project to include the construction and
13 completion of: research workspaces; meeting, classroom, dining,
14 and dormitory spaces; and common areas, including, but not limited
15 to, hallways, utility rooms, storage areas, and parking components.
16 The bill also provides that an institutional project is eligible for an
17 incentive award equal to 80 percent of project costs, which
18 incentive award is limited to a maximum value of \$120 million.

19 To qualify for an incentive award under the Aspire Program, the
20 bill provides that the developer of an institutional project is required
21 to contribute capital of at least \$30 million, regardless of the overall
22 cost of the project, except when the project is located in a
23 government-restricted municipality. Under current law, the
24 developer of a redevelopment project is required to contribute
25 capital of at least 20 percent of the total project costs, except that if
26 the project is located in a government-restricted municipality, the
27 developer is required to contribute capital of at least 10 percent of
28 the total project cost.

29 Additionally, the bill provides that an institutional project is not
30 subject to a net benefit analysis that is required for certain other
31 redevelopment projects. Under current law, an exemption from the
32 net benefit analysis is provided for investments in residential
33 projects, food delivery sources, and health care or health services
34 centers.

35 The bill also provides similar changes for institutional projects
36 that qualify as transformative projects under the Aspire Program.
37 Specifically, the bill provides that these projects are eligible for an
38 incentive award equal to 80 percent of project costs, up to \$400
39 million or the amount of the project financing gap. The bill also
40 exempts these projects from the net benefit analysis requirement.