

# ASSEMBLY, No. 2757

## STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

**Sponsored by:**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Burlington and Camden)**

**Assemblyman CLINTON CALABRESE**

**District 36 (Bergen and Passaic)**

**Co-Sponsored by:**

**Assemblymen Conaway and Hutchison**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



**(Sponsorship Updated As Of: 6/6/2024)**

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.

46 h. PlanSmart NJ’s 2016 publication, “A Guide to the Future:  
47 Repurposing Stranded Assets and Revitalizing New Jersey’s  
48 Suburbs,” states that “technological advances and changing societal

1 demands have eroded the suburbs' attractiveness to residents and  
2 corporations leaving behind large isolated and underutilized  
3 buildings, or 'stranded assets,' which no longer act as economic  
4 engines."

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

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11 into mixed-use communities are outdated, rigid zoning regulations  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

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

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

25

26 2. a. As used in this section:

27 "Eligible property" means a property that is:

28 (1) an office park of at least 50,000 square feet or a retail  
29 center of at least 15,000 square feet, which office park or retail  
30 center has a vacancy rate of at least 40 percent;

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

35 (3) within a Department of Environmental Protection sewer  
36 service area; and

37 (4) not in or adjacent to:

38 (a) a landfill,

39 (b) an active garbage dump,

40 (c) a trash incinerator,

41 (d) a power plant,

42 (e) an oil or chemical refinery,

43 (f) an unremediated hazardous discharge site included on the  
44 National Priorities List of hazardous discharge sites adopted by the  
45 United States Environmental Protection Agency pursuant to the  
46 "Comprehensive Environmental Response, Compensation, and  
47 Liability Act of 1980," Pub.L.96-510 (42 U.S.C. s.9601 et seq.) or  
48 toxic waste site, as identified by either the United States

1 Environmental Protection Agency or the Department of  
2 Environmental Protection,

3 (g) a jail or prison,

4 (h) a wastewater treatment facility, or

5 (i) a heavy industrial use, including a large warehouse  
6 distribution facility.

7 “Mixed-use development” means a development which  
8 integrates non-residential development, such as retail, office, or  
9 recreational uses, with residential uses.

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

20 (1) the application proposes to either:

21 (a) reuse the existing building or buildings without expanding  
22 the square footage of the building or buildings on the eligible  
23 property,

24 (b) redevelop the eligible property without expanding the square  
25 footage of the building or buildings on the eligible property, or

26 (c) extend beyond the existing square footage of the building  
27 footprint, provided the development increases the ability of the site  
28 to accomplish more than one of the following: (i) manage  
29 stormwater through the use of green infrastructure and natural  
30 systems, (ii) increases the tree canopy, or (iii) increases street grid  
31 connectivity;

32 (2) if the application for development proposes new residential  
33 units, at least 20 percent of the residential units constructed shall be  
34 reserved as low income housing, moderate income housing, or very  
35 low income housing, as those terms are defined in section 4 of  
36 P.L.1985, c.222 (C.52:27D-304). Of the units reserved as low  
37 income housing, moderate income housing, or very low income  
38 housing, at least 50 percent within each bedroom distribution shall  
39 be low income housing including at least 13 percent within each  
40 bedroom distribution as very low income housing, and the units  
41 shall be otherwise in compliance with the Uniform Housing  
42 Affordability Controls, adopted to implement P.L.1985, c.222  
43 (52:27D-301 et seq.); and

44 (3) the application enhances the multimodal transportation  
45 connectivity of the area through the addition or enhancement of  
46 sidewalks, bicycle lanes, or other improvements.

1 c. The approving authority shall approve an application for  
2 development to convert an eligible property to a mixed-use  
3 development if the board determines that:

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

7 (2) the application complies with the other requirements of this  
8 section.

9 d. The approving authority may condition approval of an  
10 application for development to convert an eligible property to a  
11 mixed-use development upon complying with requirements for  
12 parking, water supply, sanitary sewer capacity, storm water  
13 management, bulk standards, and all reasonable site plan review,  
14 recreation, and design standards provided, however, that the height  
15 and setback limitations applicable to a converted mixed-use  
16 development shall be the greatest height and least restrictive  
17 setback limitations allowed within the zoning district under  
18 municipal ordinance or variance approved by the approving  
19 authority.  
20

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

38 4. This act shall take effect immediately.  
39  
40

41 STATEMENT  
42

43 This bill would establish a limited preemption from local zoning  
44 regulations for applications to convert certain office parks and retail  
45 centers into mixed-use developments. Office parks and retail shopping  
46 centers located within suburban parts of the State have been termed  
47 “stranded assets,” in part because their reuse or redevelopment is

1 restricted by zoning regulations which limit their development to a  
2 single land use.

3 This bill seeks to initiate interest among property owners to  
4 develop these sites by establishing a two-year window of time within  
5 which a developer may submit an application to convert an eligible  
6 property into a mixed-use development without being constrained by  
7 outdated zoning ordinances. The bill defines “eligible property” as an  
8 office park of at least 50,000 square feet or a retail center of at least  
9 15,000 square feet, which office park or retail center has a vacancy  
10 rate of at least 40 percent. Further, an eligible property includes only  
11 properties within Planning Areas 1 and 2, designated centers, within  
12 one mile of a transit center or central business district, and within a  
13 Department of Environmental Protection (“DEP”) sewer service area.  
14 An eligible property does not include properties in or adjacent to a  
15 landfill, active garbage dump, trash incinerator, power plant, oil or  
16 chemical refinery, superfund site, jail, prison, wastewater treatment  
17 facility, or large warehouse distribution facility or other heavy  
18 industrial use.

19 The bill provides that a mixed-use development is a permitted use,  
20 which does not require a use variance, if the mixed-use development is  
21 the subject of an application for development to convert an eligible  
22 property to a mixed-use development, the application for development  
23 is submitted for approval within two years of the bill’s effective date,  
24 and the application for development proposes to:

- 25 • reuse the existing building or buildings without expanding their  
26 square footage,
- 27 • redevelop the eligible property without expanding the square  
28 footage of the building or buildings on the eligible property, or
- 29 • extend beyond the building footprint square footage provided  
30 the development enhances a combination of stormwater  
31 management, the tree canopy, and street grid connectivity.

32 If an application for mixed-use development proposes new  
33 residential units, then the use variance-related benefits of the bill  
34 would also be conditional on at least 20 percent of the residential units  
35 constructed for owner-occupancy and 15 percent of the residential  
36 units constructed for rental occupancy being reserved as low income  
37 housing, moderate income housing, or very low income housing. The  
38 use variance-related benefits of the bill are also conditional on the  
39 application enhancing the multimodal transportation connectivity of  
40 the area through the addition or enhancement of sidewalks, bicycle  
41 lanes, or other improvements.

42 The bill would require a planning board or other approving  
43 authority to approve an application to convert an eligible property to a  
44 mixed-use development if the board determines that the application  
45 can be granted without causing substantial detriment to the public  
46 good and without substantially impairing the intent and purpose of the  
47 zone plan and zoning ordinance, and complies with the other  
48 requirements of the bill.

1       While freeing developers of these properties from municipal use  
2 restrictions, the bill retains local control over other aspects of the  
3 approval of an application to convert an eligible property to a mixed-  
4 use development. The bill specifically authorizes approving  
5 authorities to condition approval of an application to convert an  
6 eligible property to a mixed-use development upon complying with  
7 requirements for parking, water supply, sanitary sewer capacity, storm  
8 water management, bulk standards, and all reasonable site plan review,  
9 recreation, and design standards. However, the bill imposes one  
10 limitation on this grant of authority by providing that the height and  
11 setback limitations applicable to a converted mixed-use development  
12 will be the greatest height and least restrictive setback limitations  
13 allowed within the zoning district under municipal ordinance or  
14 variance approved by the approving authority.

15       Finally, the bill would direct the Department of Community  
16 Affairs (“DCA”) to conduct an inventory of abandoned and  
17 underutilized retail centers, office parks, and other stranded assets, and  
18 report the results to the Legislature and the public within 12 months of  
19 the enactment of this bill. The bill directs DCA to periodically update  
20 the inventory and report.