

# Designation of Areas in Need of Rehabilitation

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Harrison Township  
Gloucester County, New Jersey

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*This report was favorably recommended by the Planning Board to Township Committee on April 1, 2010*

## 1. INTRODUCTION

On March 15, 2010 the Township Committee of the Township of Harrison passed Resolution No. 076-2010 authorizing the Planning Board to conduct a preliminary investigation to determine whether certain properties are areas in need of rehabilitation pursuant to N.J.S.A. 40A:12A-4.

By New Jersey State statutory authorization, a rehabilitation plan is to set forth a framework for the planned development and rehabilitation of, and for, the overall improvement of certain designated areas in Harrison Township. Under 40A:12A-15 of the Local Redevelopment and Housing Law, the municipality as the redevelopment entity may, upon adoption of the rehabilitation plan contained herein, engage in the activities, set forth below, to effectuate the plan's purposes:

- A. Undertake rehabilitation projects and issue bonds.
- B. Clear, install or reconstruct any appropriate infrastructure.
- C. Contract for professional services.
- D. Contract with public agencies or (re-)developers.
- E. Lease or convey property or improvements without public bidding.
- F. Enter upon buildings or property for the conduct of investigations or surveys.
- G. Carry out a voluntary rehabilitation program and develop plans for the enforcement of codes and regulations relating to use and occupancy, rehabilitation, demolition, and removal of buildings or improvements.
- H. Request the designation of particular areas in need of rehabilitation, and
- I. Any other incentives authorized by statute necessary to effectuate the plan.

Under the Local Redevelopment and Housing Law the municipal governing body has the power to determine that an area is in need of rehabilitation pursuant to Section 14 of P. L. 1992, c. 79 (C. 40A:12A-14) and the municipal planning board has the power to make recommendations concerning the determination of an area in need of rehabilitation pursuant to Section 14 of P. L. 1992, c. 79 (C. 40A:12A-14). According to this state law, "Rehabilitation" means an undertaking, by means of extensive repair, reconstruction or renovation of existing structures, with or without the introduction of new construction or enlargement of existing structures, in any area that has been determined to be in need of rehabilitation or redevelopment, to eliminate substandard structural or housing conditions and arrest the deterioration of that area. A "Rehabilitation area" or "area in need of rehabilitation" means any area determined to be in need of rehabilitation pursuant to Section 14 of P. L. 1992, c. 79 (C. 40A:12A-14).

The Township desires to provide financial relief or assistance to the owners of difficult to maintain properties in the form of tax abatements.

## **2. PLANNING GOALS**

This rehabilitation plan envisions the dispersal of funds to individual homeowners located within the rehabilitation areas to provide for projects contributing to property maintenance and upkeep on an annual basis to be determined by the Township. The rehabilitation plan will promote, as necessary, the improvement of commercial and residential structures and all associated infrastructure within the rehabilitated areas.

For the full realization of the goals, stated herein, the following two major recommendations are advanced: to undertake interior renovations in accordance with applicable building codes to support ongoing single-family occupancy and to repair/replace deteriorated siding, wood trim, driveway, porch foundation, fronts stairs and other exterior structural elements.

## **3. REHABILITATION AREAS**

The Township has delineated areas that are in need of rehabilitation (See Figures 1 and 2). These areas satisfy the criteria listed in Section C. 40A:12A-14, which states that the following conditions must exist in a rehabilitation area:

- A. A significant portion of structures therein are in a deteriorated or substandard condition.
- B. There is a continuing pattern of vacancy, abandonment or under utilization of properties in the area, and
- C. A program of rehabilitation, as defined in Section 3 of P. L. 1992, c.79 (C. 40A:12A-3), may be expected to prevent further deterioration and promote the overall development of the Township.

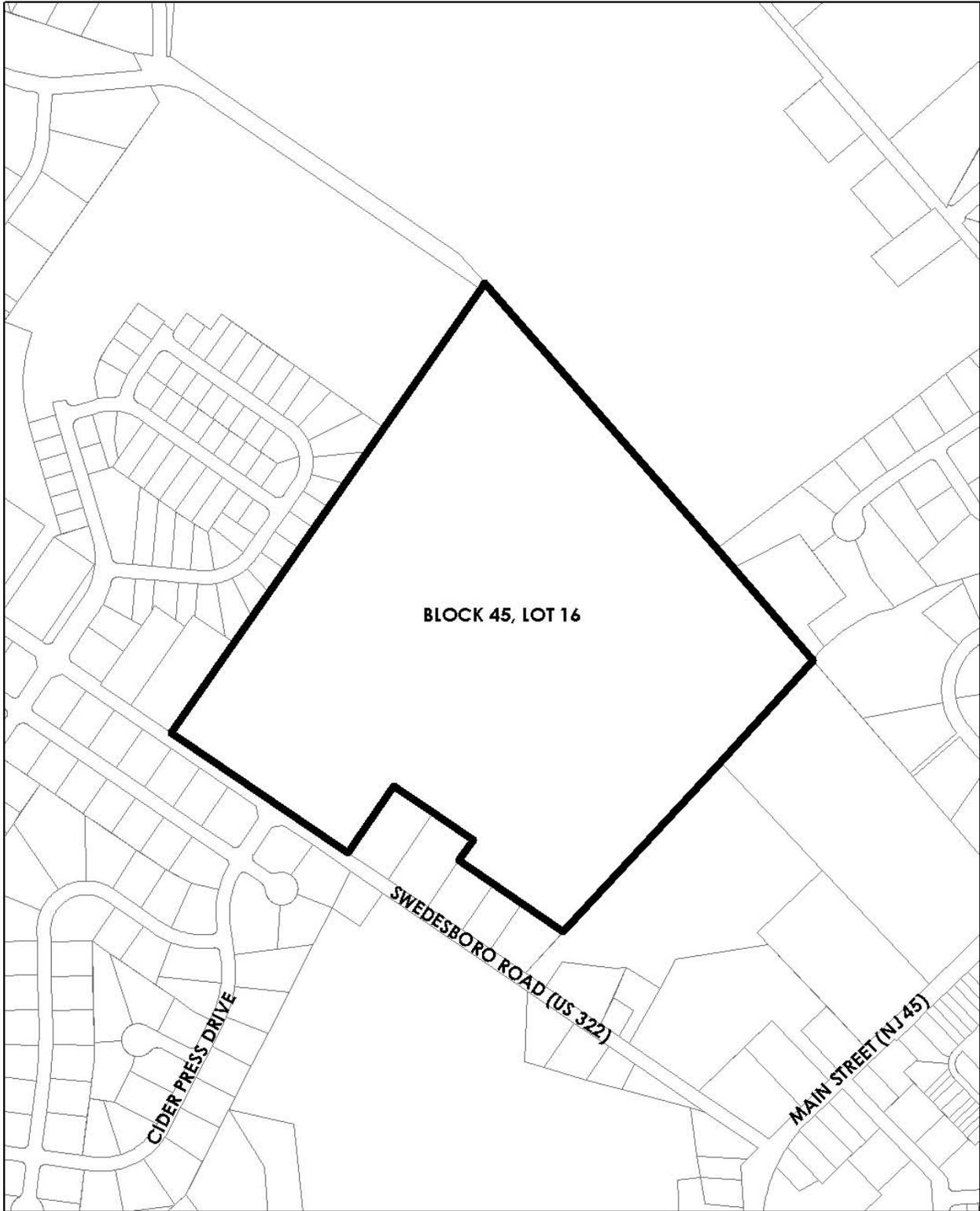
The Township finds that more than half of the housing stock in the delineated areas is at least 50 years old or a majority of the water and sewer infrastructure in the delineated areas is at least 50 years old and is in need of repair or substantial maintenance, and that a program of rehabilitation as defined in Section 40A:12A-3, may be expected to prevent further deterioration and promote and support the overall development of the municipality (See Table 1 below). Any program of rehabilitation will assist the owners in improving their properties and in preventing deterioration to the structures. The primary objective of the designation is to rehabilitate existing structures and to prevent further deterioration within the Township.

The identified rehabilitation areas are primarily comprised of open vacant lands with some scattered existing development and construction underway for some non-residential buildings and a new roadway within the Tomlin Station 2 commerce park. The rehabilitation areas can expect some additional development in the future based upon existing zoning, proximity to the New Jersey Turnpike to Route 322 and/or to Route 45. Essential utility services within both of the areas will primarily be private.

**Table 1**  
**Existing Housing Stock Age**

Block	Lot	Property Class	Existing Use	Structure Built	Age of House (years)	Percent of Housing Stock over 50 years old
<b>Area 1</b>						100%
45	16	3A/3B	House and Land	1930	80	
<b>Area 2</b>						75%
46	1	3A/3B	House and Land	1820	190	
46	4.02	4A	Water Company Well & Bldg.	2001		
46	2	3B	Land			
46	3	4A	Comm. Bldg. & Cell Towers			
46	5	3B	Land			
46	5.01	2	House	1965	45	
49	1	3B	Land			
47	1	3A/3B	House and Land	1900	110	
47	2	3B	Land			
51	7	3A/3B	House and Land	1804	206	
51	4	1	Land			

Source: Township Property Information Files.

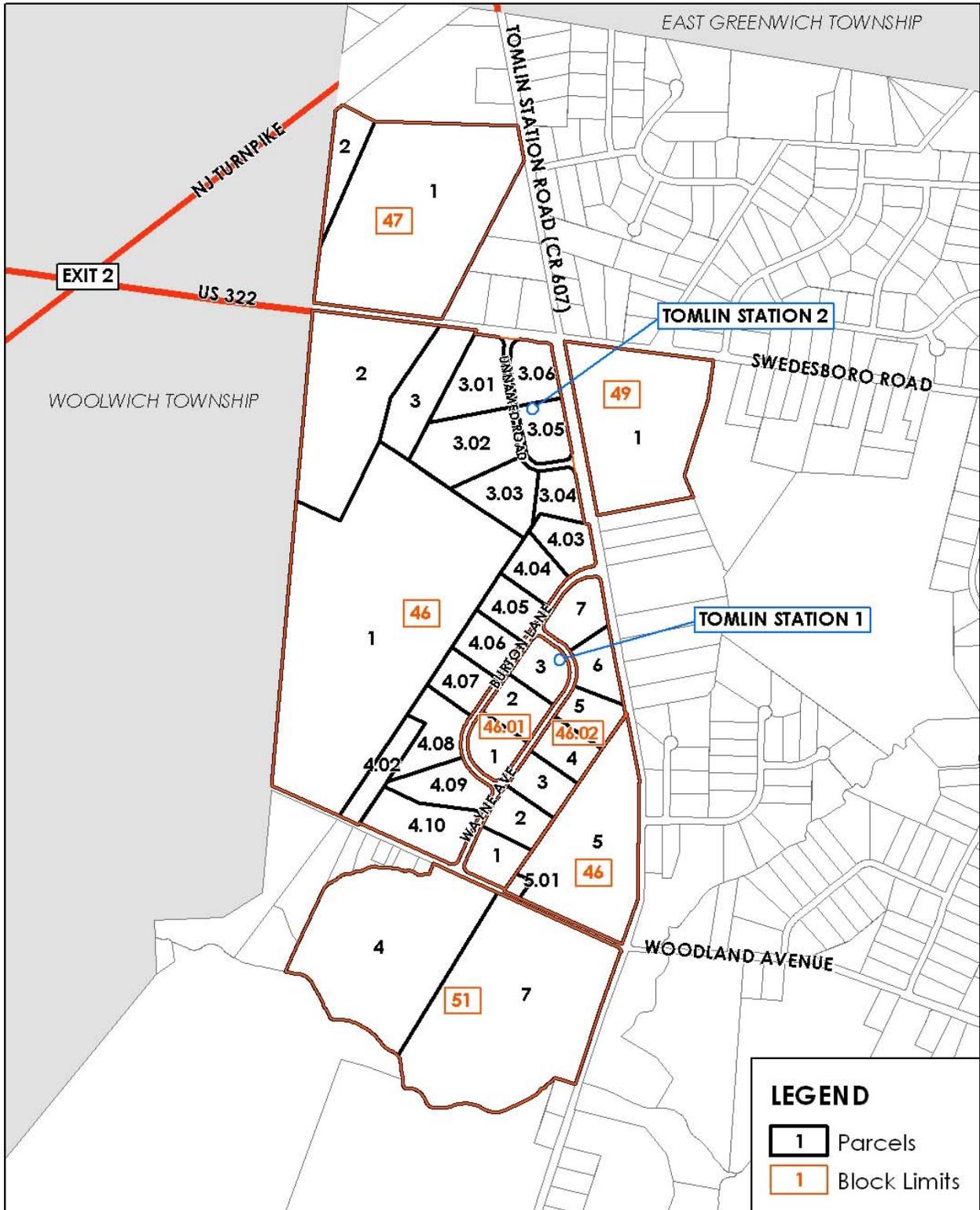


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FIGURE 1 - REHABILITATION AREA 1

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FIGURE 2 - REHABILITATION AREA 2

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### Rehabilitation Area Parcels

*Area 1 is known as Block 45, Lot 16. Frontage for this lot is located along Route 322. The lot is currently zoned R-1 Residential – Agricultural District. Surrounding zoning includes the R-1 zone to the north, the R-7 Special Residential District to the west, the R-2 Residential District and the VB Village Business District to the south, and the INS Institutional District to the east.*

*Area 2 is known as Block 46 Lots 1, 2, 3, 4.02, 5, and 5.01; Block 47, Lots 1 and 2; Block 49, Lot 1; and Block 51, Lots 4 and 7. This delineated rehabilitation area also includes all Block and Lots associated with the Tomlin Station Commerce Parks 1 & 2. Tomlin Station 1 is comprised of Block 46, Lots 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09, and 4.10 plus Block 46.01, Lots 1, 2, and 3 and Block 46.02, Lots 1, 2, 3, 4, 5, 6, and 7. Tomlin Station 2 is comprised of Block 46, Lots 3.01, 3.02, 3.03, 3.04, 3.05 and 3.06. Block 47, Lot 1, Block 46 Lots 2 and 3 and a portion of Block 49, Lot 1 and Tomlin Station 2 has roadway frontage along Route 322. Tomlin Station 1 and portions of Block 49, Lot 1; Block 46, Lot 5 and Block 51, Lot 7 have roadway frontage along Tomlin Station Road. A portion of Tomlin Station 1, Block 46, Lot 1; Block 46, Lots 5 and 5.01, and Block 51, Lots 4 and 7 have roadway frontage along Woodland Avenue. All of the Block and Lots are zoned C-55 Flexible Planned Industrial – Commercial District, except for Block 49, Lot 1 which is zoned C-6 Flexible Planned Commercial District and Block 51, Lots 4 and 7 which are currently zoned R-1 Residential – Agricultural District. Surrounding zoning is R-1 Residential – Agricultural. The existing Block and Lots in Area 2 contain existing open lands, 4 houses and some commercial development.*

The total size of Area 1 measures 64.50 acres and the total size of Area 2 measures 336.45 acres. Tomlin Station 1 totals 66.64 acres and Tomlin Station 2 totals 29.44 acres - both of which are located in Area 2.

Development in Tomlin Station 1 includes an existing development known as the Haddon Pediatric Medical office which is located on Block 46, Lot 4.03. The office is located in a single one story building at the corner of Burton Lane and Tomlin Station Road. The building is 11,960 square feet in size.

#### **4. PLAN CONFORMANCE**

This rehabilitation plan compliments the goals of the State Planning Act (N. J. S. A. 52: 18A-196 et. seq.) as it relates to the revitalization of the State's cities and towns as well as promoting beneficial economic growth and development. The plan is also in concert with the strategies and policies of the New Jersey State Development and Redevelopment Plan relating to the encouragement of housing maintenance as a way of promoting neighborhood stability. The "New Jersey State Development and Redevelopment Plan" (2001) places all of Area 1 into the PA-3 Fringe Planning Area which is also located within the Harrison Sewer Service Area. All of Area 2 is also placed into a new PA-3 Fringe Planning Area except for a small portion of Block 51, Lots 4 & 7 (located south of the Raccoon Creek) that has been placed into a PA-4 Rural Planning Area.

The PA-3 Planning Area is characterized in the State Plan as a "rural landscape" with scattered "small communities and free-standing residential, commercial and industrial development". This planning area is essentially a transition or better between suburban and rural areas.

Pertinent goals of the State Plan with regard to the PA-3 Planning Area are as follows:

- A. Accommodate growth in Centers.
- B. Revitalize cities and towns.
- C. Protect the Environs primarily as open lands.
- D. Protect the character of existing stable communities.
- E. Protect natural resources.
- F. Provide a buffer between more developed Metropolitan and Suburban Planning Areas and less developed Rural and Environmentally Sensitive Planning Areas;  
and
- G. Confine programmed sewers and public water services to Centers.

One of the Statewide Policies located under the heading housing maintenance and neighborhood rehabilitation, states: "Encourage and support housing maintenance which is essential to neighborhood stability through coordinating property maintenance code enforcement and through incentives for housing and neighborhood rehabilitation".

## **5. TOWNSHIP MASTER PLAN CONFORMANCE**

This rehabilitation plan is substantially consistent with the Township of Harrison Master Plan and is designed to effectuate said plan through the promotion of on-going neighborhood rehabilitation and the upgrading of the existing older housing stock. The 2006 General Reexamination of the Master Plan recommended that measures should be explored to fund housing rehabilitation (Housing Element, pg. 29). The Reexamination Report also mentioned that: "Although newer development is occurring and the housing stock within the Township is growing, the older structures should be monitored and rehabilitated as needed through code enforcement and property maintenance. Rehabilitation can continue to be conducted through Gloucester County's Community Block Grant program" (Housing Conditions, pg. 36).

## **6. IMPLEMENTATION OF REHABILITATION PLAN**

Upon the adoption of a rehabilitation plan pursuant to Section 7 of P. L. 1992, c. 79 (C.40A:12A-7), the municipality or redevelopment entity designated by the governing body may proceed with the clearance, re-planning, development and rehabilitation of

the areas designated in this plan. In order to carry out and effectuate the purposes of this act and the terms of the rehabilitation plan, the municipality or designated redevelopment entity may:

- A. Acquire property through lease or purchase but not through the use of eminent domain.
- B. Acquire property options or property rights or furnish property, facilities or services, but not through the use of eminent domain.
- C. Undertake rehabilitation projects, and for this purpose issue bonds in accordance with the provisions of section 29 of P. L. 1992, c. 79 (C. 40A:12A-29) and issue bonds.
- D. Borrow money, receive grants/loans, and provide monies to (re-) developers.
- E. Clear, construct or reconstruct any infrastructure or site improvements.
- F. Prepare or arrange by contract for the provision of professional services and the preparation of plans by licensed professionals and/or other consultants for the carrying out of redevelopment projects.
- G. Contract with public agencies or (re-)developers for the planning, construction or undertaking of all or any portion of the Rehabilitation Project.
- H. Arrange or contract with public agencies or (re-)developers for the opening, grading, or closing of streets, roads, alleys or other places.
- I. Lease or convey property or improvements without public bidding.
- J. Enter upon buildings or property for conduct of investigators or surveys.
- K. Carry out a voluntary rehabilitation program and develop plans for the enforcement of codes and regulations relating to use and occupancy, rehabilitation, and if necessary, the demolition and removal of buildings or improvements.
- L. Request the designation of particular areas in need of rehabilitation.
- M. Prepare plans for the voluntary repair and rehabilitation of buildings and improvements.
- N. Prepare plans for the enforcement of regulations relating to use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition or removal of buildings and improvements.
- O. Publish and disseminate information concerning any rehabilitation area, plan or project.
- P. Pursue any other convenience or necessary avenues in order to carry out all the powers allowed under the rehabilitation statute.

**7. SITE PLAN AND SUBDIVISION APPLICATIONS**

Neither site plan nor subdivision applications shall be governed under the provisions of this rehabilitation plan.

**8. AGREEMENTS WITH (RE-) DEVELOPERS**

As the rehabilitation plan only allows for maintenance and upkeep by homeowners/property owners, the use of (re-) developers is not warranted.

**9. EQUAL OPPORTUNITY**

The land within the project area shall not be restricted on the basis of race, creed, color, or national origin in the sale, use, lease or occupancy thereof.

**10. PERIOD OF APPLICABILITY**

The provisions of this plan, specifying the rehabilitation plan for the project areas and requirements and restrictions with respect thereto, shall be in effect for a period yet unspecified until such time as the purpose of the plan has been satisfied and the designated area's need for rehabilitation has been substantially alleviated.

**11. CONCLUSION**

In consideration of the age of the houses in Areas 1 & 2 and the Township's proposal to assist the property owners with tax abatements, it is evident that the areas meet the requirements of N.J.S.A. 40A:12A as an Area in Need of Rehabilitation. Such a declaration will assist these areas in meeting the planning goals of the Township Master Plan and State Plan Conformance. It is further concluded that a program of rehabilitation would be expected to prevent further deterioration and promote the overall development of the community.

**12. NEW JERSEY FINANCING & INCENTIVE PROGRAMS THAT MAY HAVE SOME APPLICABILITY WITHIN THE REHABILITATION AREAS**

*Business Employment Incentive Fund*

Under the BEIF program, incentive grants are offered to companies that create new jobs in New Jersey. Qualified businesses can apply for periods as long as 10 years for incentive grants up to 80% of the New Jersey personal income tax withholdings from new jobs created when they relocate to New Jersey, or expand their businesses in the

state. In the base year, the company must create at least 25 new jobs in a targeted urban community or at least 75 jobs in a suburban area.

### *Bond Financing*

Bond financing can be attractive form of lower cost, long-term borrowing for qualifying businesses needing at least \$1 million in capital. Tax-exempt bond financing, which can provide capital at interest rates substantially below the prime rate, is authorized under the Internal Revenue Code for use by manufacturers needing to finance buildings and equipment. The New Jersey Economic Development Authority may issue a bond of up to \$10 million to enable a manufacturer to finance real estate acquisitions, equipment, machinery, building construction and renovations. Certain other specified businesses also may qualify for this type of financing such as commercial and industrial projects located in federal Empowerment or Enterprise Zone Communities. Taxable bonds, which also can provide favorable interest rates, are not subject to the same federal restrictions. They may be used on a wider range of businesses without dollar limitation and for such purposes as debt refinancing or working capital.

### *Statewide Loan Pool for Business*

Through an arrangement between the New Jersey Economic Development Authority and New Jersey banks, loans from \$50,000 up to \$3 million for fixed assets and up to \$500,000 for working capital are available. The New Jersey Economic Development Authority provides up to 25% of the financing subordinate to 75% bank participation. Also, the New Jersey Economic Development Authority will provide up to \$250,000 of the loan at a below-market interest rate and also may guarantee up to 30% of the bank portion.

### *Local Development Financing Fund*

The New Jersey Economic Development Authority's Local Development Financing Fund is aimed at stimulating commercial and industrial projects in Urban Aid communities through matched fixed-assets loans. Low-interest local development loans can range from \$50,000 to \$2 million. The host municipality must sponsor the request for financial assistance.

### *Fund for Community Economic Development*

Loans and loan guarantees are made to urban-based community organizations that in turn make loans to microenterprises and small businesses which may not qualify for traditional bank financing. Affordable capital is provided to fill financing gaps in the development of community facilities and other real estate based economic development projects. Funds are available to local groups to finance feasibility studies and other predevelopment costs to determine if a real estate project is viable. Technical assistance is also available to support the long-term growth and viability of individual organizations.

### *Real Estate Development*

The New Jersey Economic Development Authority (NJEDA) supports the creation of jobs and ratable principally in the urban centers of the state by providing assistance for projects that are consistent with state and local economic development objectives. The NJEDA has engaged in a large number of projects in the development of centers identified in the State Plan. Examples include the New Jersey Performing Arts Center in Newark, the Blockbuster-Sony Music Entertainment Center in Camden and the Jersey City Medical Center. It also supports the growth of important industry sectors such as the Technology Center in New Brunswick.

#### *Sustainable Loan Fund*

The Sustainable Loan Fund, that provides low-interest loans of up to \$250,000, is targeted to assist companies wishing to improve the environmental quality of their operations. Preference for loans is given to firms that locate in urban and town centers near existing infrastructure and mass transit.

#### *Brownfield Incentive for Industrial Cleanup*

The New Jersey Commerce and Economic Growth Commission provides significant incentive program to developers who remediate and redevelop contaminated sites. A developer may enter into a redevelopment agreement with the Secretary of Commerce that allows for recovery of up to 75% of the cost of remediation once the redevelopment project has begun to realize the new tax revenues in an amount sufficient to cover the cost of remediation. The developer must be a non-responsible party, who agrees to undertake and complete the cleanup to the satisfaction of the New Jersey Department of Environmental Protection.

#### *Hazardous Discharge Site Remediation Loan and Grant Program*

Businesses may qualify for loans up to \$1 million for up to 10 years for site investigation and cleanup. The interest rate is the Federal Discount Rate at approval or closing of contaminated sites, whichever is lower, with a minimum of 5%. Loan guarantees are also available.

#### *Customized Training Program*

The New Jersey Department of Labor's Customized Training Program promotes the creation and retention of high-skill, high-wage jobs through comprehensive workforce training. Financial assistance in the form of matching grants may be available to qualified businesses to offset some of the costs of occupational training in the workplace. Training plans are largely designed by the employer. Training may be classroom based or on the job. Applicants may select a third party training vendor such as New Jersey community colleges, four-year colleges/universities, county vocational schools, or private training organizations.

#### *Technology Certification Program*

This innovative program allows new or expanding technology businesses to turn their tax losses and credits into cash to grow their businesses. Approved businesses may sell their net-operating-loss carry forwards and unused research and development tax-credit

carry forwards to any corporate taxpayer in the state for at least 75% of the value of the tax benefits. They can then use the money raised for working capital to buy equipment or facilities or for other business expenses. To qualify, the technology or biotechnology business must have 225 employees or less of which at least 75% must be based in New Jersey, and meet certain other criteria.

#### Technology Transfer & Commercialization Program

This competitive investment program administered by the Commission on Science & Technology is a funding source for small, for-profit technology companies, to conduct product or process development projects with a near-term commercial outcome. Loan range from \$50,000 to \$250,000 and companies are required to repay only the principal amount of the loan. Companies eligible for this funding must be New Jersey based or plan to relocate to New Jersey.

#### Early Stage Enterprise (ESE) Seed Investment Fund

Very young technology enterprises may be eligible to receive investments ranging from \$50,000 to \$1.5 million.

#### SBIR Bridge Loan Program

Applicants for federal Small Business Innovation Research grants may receive loans which help bridge the time and financial gap between the awarding of Phase 1 and Phase 2 of the federal SBIR grants.

#### Edison Venture Finance Fund

To increase the availability of venture capital to New Jersey businesses, the Edison Venture Fund makes investments in emerging technology businesses in the mid-Atlantic region, including New Jersey. The Edison Venture Fund has committed to target one-third of its capital to new Jersey-based businesses. The New Jersey Economic Development Authority has invested in this fund, and refers qualified high-tech companies to the fund for financing.

#### NJ Manufacturing Extension Program

This innovative program allows new or expanding technology and biotechnology businesses to turn their tax losses and credits into cash to grow their businesses. Approved businesses may sell their unused net-operating-loss carry forwards and unused research and development tax-credit carry forwards to any corporate taxpayer in the state for at least 75% of the value of the tax benefits. They can then use the money raised for working capital to buy equipment or facilities or for other business expenses. To qualify, the technology or biotechnology business must have 225 employees or less of which at least 75% must be based in New Jersey, and meet certain other criteria.

#### R & D Excellence Program

This program is intended to create and/or mature new scientific and technology areas, which have potential for products, services, or processes important to New Jersey's

future economic development. This multi-year grant program is available to academic research centers to work in collaboration with industrial partners.

#### Advanced Technology Centers

Research Centers of excellence are located at New Jersey's major academic institutions, serving industry by offering and enhancing academic/industrial technology collaboration opportunities in a variety of disciplines. Advanced Technology Centers are designed to focus on strong industrial/academic R & D partnerships for continuous innovation to increase productivity, global competitiveness and profits.

#### Technology Business Incubators

Incubator facilities provide start-up and small firms with low-cost office, light manufacturing and/or laboratory space, shared central facilities, and business training and assistance. The Commission of Science & technology expects to develop new incubators in New Jersey. This expansion will allow New Jersey and its businesses to enjoy the economic benefits that can be derived from the incubation model.

#### Technology Centre of New Jersey

Designed by the New Jersey Economic Development Authority, the technology Centre of New Jersey, conveniently located in Central Jersey, is a collaborative effort by the State of New Jersey, private corporations, and academia featuring state-of-the-art, affordable laboratory, office, and production facilities for emerging and established technology companies.

#### Washington Technical Liaison

The Technical Liaison Consultant provides New Jersey business with assistance in identifying available funding opportunities from the federal Small Business Innovation Research Program and other federal funding sources.