Hot Topics
Mayors’ panel at NAIOP New Jersey’s Annual Public Policy Symposium touches on impactful issues—and hopes for the future

By Michael McGuinness, CEO, NAIOP New Jersey

Affordable housing requirements, local resistance to projects, the depleted Transportation Trust Fund, and New Jersey’s antiquated liquor license laws were just some of the issues in play when several of the Garden State’s mayors gathered for a panel discussion, hosted by NAIOP New Jersey during its recent Annual Public Policy Symposium.

“Politics is local, and so is development,” said Clark Machemer, president of the commercial real estate development association. “Shifting demographics, rapidly changing technology and the economic challenges we all face make it more important than ever for the private sector to partner with government at all levels to bring jobs and investments to New Jersey towns.” Machemer asked the panelists about key issues they have been facing and how they have approached them.

Affordable Housing
Mayor James Barberio of Parsippany-Troy Hills discussed the difficulty of meeting affordable housing requirements and ongoing challenges in the office market. “We have many vacant office buildings and significant challenges remain,” he said. “However, we have been doing great things to attract businesses, and we are seeing a positive increase in ratables as a result.”

Main Street
“The malls took a toll on downtown,” said Hackensack Mayor John Labrosse, noting that the city’s bustling Main Street of the 1960s and 1970s took a particularly big hit. “It is still a problem, but a rehabilitation plan was initiated in 2010, and we are now seeing new housing on Main Street.”
DCA’s Chuck Richman: “We support local development”

The keynote speaker for NAIOP New Jersey’s Public Policy Symposium, Chuck Richman of the New Jersey Department of Community Affairs, focused on programs and improvements that will support local development. This includes DCA’s imminent rule adoption to rein in permit and inspection fees for “big box” industrial facilities, as well as affordable housing, where the goal is to develop “site consistency and municipal consistency—sensible, development-based standards.”

The DCA commissioner admitted that government “has had trouble keeping up with technological innovation and we need to advance change. We’re trying to bring the state into the modern era.” Richman noted, for example, that online permitting “has saved $10 million a year for those developers who have utilized it.”

Adding that the DCA is also focused on changing the paradigm of how it does the broader range of regulations, Richman urged the state and municipalities to look at “a national code process.”

APPROVAL PROCESSES Wayne Mayor Christopher Vergano took issue with New Jersey’s lengthy project approval process. “Our state is the biggest enemy of development, more than any other state,” he said, singling out the Departments of Transportation (DOT) and Environmental Protection (DEP).

Nonetheless, “Wayne is thriving,” he added, attributing much of that to the efforts of private developers.

PUBLIC PRIVATE PARTNERSHIPS Noting how his city has been through some difficult times, Mayor Eric Jackson of Trenton said his administration, in seeking new retail and residential development, is looking to public/private partnerships to accomplish that.

“We are in the midst of a rebranding campaign,” he explained, with emphasis on branding Trenton as “The Capital City.” Part of the effort is public safety, Jackson said, noting that crime is down 21 percent.

The panel also discussed how they manage the reactions of residents to their efforts to foster new development. Vergano said that, while he has had to overcome residents’ opposition to mixed-used development, “The biggest obstacle was working to get a DOT permit. Four months of delays are delays we can do without.”

Citing DEP’s adoption of FEMA flood maps before FEMA even adopted them, Vergano added, “We need more common sense in New Jersey.”

Hackensack’s Labrosse cited local resistance to PILOTs and the impact it is having on development. “The key is helping people understand that giving somebody a boost helps the community and enhances the project,” he said.
Despite resistance from residents, Barbiero believes that the answer for the vacant office space in his community is mixed-use. "Parsippany lacks a town center, and we need a place to live, work, and play."

Jackson said his biggest challenge is Trenton totals 7.2 square miles, and state government occupies two square miles of that. "We have to be creative to get developers and companies on the parcels we do have available. I wish we had the space for a larger employer like Walmart, but we do have opportunities for smaller businesses."

**TRANSPORTATION TRUST FUND**

Many communities statewide continue to rely on monies from the nearly depleted Transportation Trust Fund (TTF) for infrastructure repairs and upgrades. The panel expressed concern about how, if and when the Fund will be replenished, and spoke about how New Jersey's municipalities are increasingly having to respond with local funds.

"Trenton's response is to do a lot of infrastructure work in-house," said Jackson. Vergano noted that Wayne "spends $2 million a year of its local tax money on the local road infrastructure."

In terms of possible cutbacks, "We never touch the infrastructure part of our budget," said Barberio. "Still, we have to find a way to fund the TTF."

**LIQUOR LICENSE REFORM**

On the subject of liquor license reform, the mayors' comments were aligned with a NAIOP New Jersey study indicating that reform legislation to expand liquor licenses only for restaurants would create over 15,000 jobs and more than 400 new restaurants, generating approximately $1 billion annually in gross state and local revenues.

"The rules are outdated—we have to lower the hurdles," said Jackson. "The current rules keep cities from their full development potential."

Labrosse agreed, noting that the ability to include restaurants in redevelopment projects is an important investment factor. He pointed to Riverside Center, a retail property in Hackensack, whose tenants have 10 liquor licenses. "An 'umbrella' license would free up nine licenses for new restaurants."

Vergano cited the economic potential of liquor license reform, adding, "People who might stop in for a drink will do other things—like go shopping."

When the mayors were asked how they interact with their statewide counterparts to address mutual concerns, Labrosse said, "We look outside to see how others are doing things."

Jackson said, "We look at who’s doing what, and who’s doing it well." Noting that his administration's comparisons extend beyond the state's borders to the cities around the nation, he added, "We look at our neighbors outside of state lines—an approach that has been very helpful."