



## **CAPITAL CITY REDEVELOPMENT CORPORATION 2022 ANNUAL REPORT**

**As Required Pursuant to N.J.S.A. 52:9Q-26**

### **BACKGROUND**

The Capital City Redevelopment Corporation (CCRC) was created in 1988 pursuant to N.J.S.A. 52:9Q-9 et seq. (the “CCRC Act”) and amended in 2010. The CCRC is an independent authority of the State. Its mission is to ensure the capital district is a great place to live, work and conduct business by assisting with the planning, coordination, and promotion of public and private development within the capital district, which consists of those portions of the City of Trenton that serve as the commercial center of the community and in which public buildings and historic sites are located.

### **ACTIVITY REPORT**

In July 2014, and annually thereafter, the CCRC has entered into a Memorandum of Understanding with the New Jersey Economic Development Authority (EDA) to assist the CCRC in fulfilling its mission pursuant to the CCRC Act, by providing office staff and support services to the CCRC, including, but not limited to: assisting in carrying out the policies and directives of the CCRC; providing administrative and support services regarding corporate governance and public information support services for board meetings; acting as a liaison with the Governor’s office and Authorities Unit; serving as records custodian and providing assistance with the Open Public Records Act requests and guidance on ethics matters, media outreach and legislative support.

## **ACTIVITIES OF THE CCRC – CALENDAR YEAR 2022**

### **REDEVELOPMENT OF THE FORMER TAXATION BUILDING**

The former Taxation Building sits in a prominent location in downtown Trenton, on the corner of West State and Barrack Street, less than a block from the State House, the War Memorial building, and across the street from the Old Barracks & Thomas Edison State University. The former Taxation Building is 10 stories tall with over 200,000 square feet of office space. A small parking garage within the basement can accommodate about 40 cars. The appraised value of the building is \$1,790,000.

The relocation of state employees from the building presents an opportunity for a new future for this building. Treasury typically disposes of buildings through an auction process, but because of the significance of this building, Treasury desired to partner with CCRC in the issuance of the RFOTP which allows price and other factors to be considered in the sale of the property. This sale process was authorized by the State House Commission and property specific legislation, P.L. 2021, c.159, in June 2021.

### **PROJECT TIMELINE**

#### **November 2021:**

- On behalf of the Department of the Treasury, CCRC issued a Request for Offers to Purchase and Redevelop (RFOTP) the Former Taxation Building.
- Proposals for the RFOTP were due in March 2022.

#### **March 2022:**

- CCRC received one proposal from TerraCycle US, LLC.
- The proposal was responsive meeting all of the criteria outlining in the RFOTP.

**April 2022:**

- Upon completion of the evaluation process, the CCRC Board approved the issuance of a Notice of Intent to Award to TerraCycle US, LLC and to undertake a full compliance review and prepare and negotiate a Purchase and Sale and Redevelopment Agreement (PSARA).

**April through June 2022:**

- During this time period, a PSARA was negotiated with TerraCycle US, LLC, and a special board meeting was planned in July to vote to approve execution of the PSARA.

**June 2022:**

- The CCRC Board approved a supplemental Memorandum of Understanding (MOU) between the CCRC and the NJEDA to govern the processes and substance of project related work and fees for services rendered specifically regarding the sale and redevelopment of the former Taxation Building.

**Background:**

- By way of background, the legislation authorizing the sale of the Former Taxation Building provides that the proceeds of the sale shall be retained with CCRC.
- The disposition procedures adopted by the CCRC board and approved by the State House Commission states that it is anticipated that a portion of the proceeds of the sale shall be used to reimburse CCRC, Treasury, and EDA for costs incurred in connection with the disposition.
- In June 2022, the CCRC Board approved a supplemental MOU with EDA further specifying the role of EDA in the disposition process and agreeing that EDA's fee would be paid from the closing proceeds, dependent on the sales transaction closing title.

**July 2022:**

- Days prior to the scheduled board meeting, TerraCycle US, LLC informed the State that they were withdrawing their proposal stating that the building was too large for their office needs given the sustained reduction of on-site employees that began during to COVID.

**August 2022:**

- TerraCycle US, LLC's proposal withdrawal was finalized, and the initial deposit was returned to TerraCycle US, LLC.

**October 2022:**

- CCRC and Treasury determined that prior to re-issuing the RFOTP, a building reuse feasibility study should be undertaken to analyze the viability of various reuse scenarios for the building.
- The CCRC Board approved Amendment #1 to the MOU between CCRC Treasury governing the use of the \$5,000,000 appropriation to support the redevelopment of the former Taxation Building. Amendment #1 to the MOU provides an amount not to exceed \$600,000 to reimburse Treasury for the removal of an elevated walkway connected to the former Taxation Building to improve the future prospects of a successful sale of the building, as agreed by the CCRC and the Department of the Treasury. The walkway has been removed and the project will be closed out in early 2023.

**December 2022:**

- The CCRC Board approved a procurement policy governing how CCRC will procure the reuse study. The RFP for that study is under development and is expected to be released in January 2023.

**FRONT STREET GARAGE**

During the November 17, 2022 Special Board Meeting, the CCRC created an Ad Hoc Committee on the Redevelopment of the Front Street Garage. The Committee members, which include Willard Stanback (Chair), Jeffrey Laurenti, and Julie Krause (Treasury Staff), were charged with discussing and evaluating redevelopment opportunities for the site of the closed and abandoned Front Street Garage, which is owned by the Trenton Parking Authority (TPA). The Committee met multiple times and will continue its work in 2023.

## **FINANCIAL REVIEW**

As of December 31, 2022, the total amount of funds available to the CCRC between both of its bank accounts was \$37,415. This is inclusive of \$21,408 in the State Account and \$16,007 in the CCRC's other bank account held at PNC.

The FY23 Budget for total expenditures is \$10,880, which is inclusive of standard expenses such as insurance and auditing services.

The remaining anticipated expenses for FY23 are \$4,511, which provides CCRC with a remaining balance of \$32,904 in uncommitted funds at the time of this report.

**See Attachment A for the itemized budget.**

During 2022, the CCRC opened new bank accounts to house the \$5,000,000 appropriation for the redevelopment of the former Taxation Building. As of 12/31/22, the balance is \$5,021,382, comprised of \$4,652,232 for the physical redevelopment of the building, \$368,650 for administrative expenses, and \$500 for miscellaneous purposes. Interest and investment earnings are \$52,330.

In addition to the appropriation connected with the former Taxation Building, the state budget appropriated \$1.5 million for the Front Street Garage. The garage is owned and operated by the Trenton Parking Authority (TPA). CCRC created a subcommittee tasked with engaging the TPA regarding the potential use of the funds. This work is ongoing.

## **CCRC DISTRICT INITIATIVES OF STATE AND LOCAL ENTITIES**

### **UPDATE ON EO 40: STATE CAPITAL PARTNERSHIP**

The Office of the State Treasurer continues to facilitate the State Capital Partnership (Partnership) established by Governor Murphy's Executive Order 40. The Partnership brings together State, City, County government and other stakeholders to support Trenton on its path to revitalization. Over the past three years, through the collaborative framework of the Partnership, state agencies have provided Trenton with both strategic technical and financial assistance and coordinate daily with City representatives to advance key redevelopment, recreation, transportation, housing, and planning projects both within the CCRC Capital District and outside of the CCRC District.

In addition to actively supporting many projects discussed in this report, in 2022 the Partnership spearheaded integral cross-agency collaboration on the support for and submission of a planning grant application to USDOT for the Route 29 Boulevard Project.

In early 2022, USDOT established the Reconnecting Communities Pilot program, the first ever federal program dedicated to reconnecting communities that were previously cut off from economic opportunities by transportation infrastructure. Mercer County, with support from the City of Trenton, Delaware Valley Regional Planning Commission, and the State, applied to USDOT for its Reconnecting Communities Pilot program for planning funds to reinvigorate the planning discussions on the transformation of Route 29 into a Boulevard, the creation of a waterfront park, and the redevelopment of acres of surface parking lots.

The Partnership led the effort to ensure that numerous letters of support from prominent officials across the State were submitted in support of this high priority initiative for the City of Trenton. In addition to the letter of support provided by CCRC as approved by the Board, Mercer County's application included many letters of support, including letters from the Governor, Lt Governor, State Treasurer, Commissioners of NJDOT and NJDEP, CEO of the Economic Development Authority, New Jersey's Congressional Delegation, Mayor of Trenton, more than a dozen community groups, and a letter of support from local community members co-signed by nearly 140 individuals.

## **UPDATE ON COMPREHENSIVE RENOVATION AND RESTORATION OF THE EXECUTIVE STATE HOUSE**

The Comprehensive Renovation and Restoration of the Executive State House is near completion. In late 2019, the State issued a contract to the construction general contractor to perform the work necessary to restore the Executive State House to the historic period of significance corresponding with early 1900s. Opened in 1792, the Executive State House is the second oldest continuously operated state house in the nation and was expanded and built upon eighteen (18) times from the late 1700s up until the early 1950s.

## **UPDATE ON STATE OFFICE BUILDINGS**

Demolition of the Department of Health and Agriculture Buildings has commenced. It is expected that the site will be cleared and improved by end of year 2023.

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## **CITY OF TRENTON**

### **Trenton Transit Area Circulation Study (Local Concept Development)**

In 2022 the Concept Development of the Trenton Transit Area Circulation Study was finalized. The project was added to the Transportation Improvement Program (TIP) of the Delaware Valley Regional Planning Commission (DVRPC) for funding and is slated to advance to the next phases of Preliminary Engineering (PE) and Final Design (FD). A presentation of the findings of the Local Concept Development were presented to the CCRC Board in October. The city is preparing both a City Council resolution of support for the project and a Request for Proposals to conduct the PE and FD phases of the project.

### **ResilientNJ- Municipal Action Plan for Trenton**

In 2022 Trenton was awarded an NJDEP grant that promotes resilience planning at the local level by providing funding for the development of a local climate resilience strategy and/or climate change-related hazard vulnerability assessment. A brief presentation was made to the CCRC board in Oct 2022 with an overview of the project. Subsequent to the presentation to CCRC, Trenton has completed a community meeting about the vulnerability assessment, the first of two Community Conversation with residents of the Island Neighborhood, and a walkthrough of the Island. The project team will be focusing on developing strategies for the City as a whole.

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## **NJEDA SMALL BUSINESS SERVICES**

In 2022, NJEDA increased its outreach and engagement activities in an effort to advance economic development throughout the City of Trenton, especially the downtown.

### **Small Business Lease Grant and the Small Business Improvement Grant**

NJEDA received a combined 76 applications in 2022 for the Small Business Lease Grant and the Small Business Improvement Grant which resulted in awards of nearly \$600,000 primarily in the downtown. These grants allow business owners to offset a percentage of the cost of rent and to recoup a portion of the cost of improvements made to their property.

### **Micro Business Loan**

NJEDA also received approximately \$422,000 in requests for the Micro Business Loan from Trenton businesses with fewer than 10 employees, located primarily in the downtown, with annual revenue of less than \$1.5 million dollars. These loans will cover future operating expenses such as inventory, equipment and working capital to fund business operating expenses.

### **Sustain and Serve**

Trenton non-profits and restaurants continued to be beneficiaries of the Sustain and Serve program, an effort by the State to ensure that the most vulnerable individuals and families received meals during the height of COVID and its subsequent decline. In the 3<sup>rd</sup> Round of the program, NJEDA provided funding to two (2) local non-profit organizations that serve meals to families in need, and those non-profits in turn purchased meals from at least one (1) downtown restaurant.

### **Asset Activation Planning Grant and the Historic Property Reinvestment Program**

NJEDA's outreach efforts also led to application submissions for the Asset Activation Planning Grant and the Historic Property Reinvestment Program (State Historic Tax Credit) for properties located in CCRC's Downtown Capital District. If awarded, both projects have the potential to spur catalytic development in the downtown.

## **Maternal Infant Health Innovation Center**

Finally, in 2022 NJEDA continued its efforts to establish a “State of the Art” Maternal Infant Health Innovation Center in the Capital City, an initiative championed by First Lady Tammy Murphy to improve the maternal and infant outcomes of women of color. To ensure the success of the Center and its benefit to the Trenton community, NJEDA engaged the John S. Watson Institute of Urban Policy and Research at Kean University (Watson Institute) to undertake an iterative community engagement process. This process was designed to build trust and support from Trenton residents and organizational stakeholders, as well as understand the services needed to improve maternal and infant health outcomes for Trenton’s new and expectant mothers and children.

NJEDA also engaged Jones Lang LaSalle Americas, Inc. (JLL), to undertake the initial real estate planning (including site selection) for the Maternal and Infant Health Innovation Center, a hallmark initiative of the Murphy Administration planned to be developed in the City of Trenton.

NJEDA is dedicated to building upon these efforts in 2023 and increasing outreach and engagement to encourage future economic success in Trenton, and in particular the downtown.

## CCRC BOARD OF DIRECTORS

### **EX-OFFICIO MEMBERS:**

**Elizabeth Maher Muoio, Chair**

NJ State Treasurer

**Sheila Y. Oliver**

Lt. Governor, Commissioner, NJ Department of Community Affairs

**Diane Gutierrez-Scaccetti**

Commissioner, NJ Department of Transportation

**Reed Gusciora**

Mayor, City of Trenton

### **PUBLIC MEMBERS:**

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Deputy Executive Director, Chemistry Council of New Jersey

**Anthony (Skip) J. Cimino**

Senior Managing Director, Stevens & Lee Public Affairs

**Jeffrey Laurenti, Secretary**

**Jeannine Frisby LaRue**

Senior Vice President, The Zita Group

**Rosa Rosado**

Owner, Operator, FRM Management, LLC

**George Sowa**

Founding CEO, Greater Trenton

**Willard Alonzo Stanback, Treasurer**