

STATE OF NEW JERSEY

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

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PUBLIC HEARING

TRANSCRIPT OF PROCEEDINGS

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C O M M I T T E E   M E M B E R S :

SENATOR RONALD L. RICE, Chair

ALSO PRESENT:

SENATOR ROBERT W. SINGER

STAFF:

JOYCE W. MURRAY, Office of Legislative  
Services

SARAH RYAN, Senate Majority Office

NICOLE DeCOSTELLO, Senate Republican Office

I N D E X

WITNESS	PAGE
DAVID BROGAN.....	9
FRANCES DeLUCA.....	16
MICHELLE BOBROW.....	23
ANTHONY GRAZIANO.....	32
CONNIE PASCALE.....	44
BRUCE MacCLOUD.....	58
LLOYD HENDERSON.....	65
THOMAS ANZALONE.....	68
LOUIS ANZALONE.....	74
NAN COLL.....	79
PEGGI STURMFELS.....	87
DAVID GIBBONS.....	90
MATT SHAPIRO.....	94

SENATOR RICE: Good evening. We're going to get started. Let me first of all thank all of you for coming out. My name is Ronald L. Rice. I always have to put the "L" in because my son is well-known and became a councilman in Newark and he's Ronald C., and I want to make sure that there's a disclaimer in case there's any problems with my son.

But seriously, we're happy to be here. Other committee members may come, they may not. We're being transcribed, so make certain as we go through the hearing that you speak into the mikes available so the transcriber can get your information.

Let me caution you on what I say. Those words are transmitted back into language that can be reread. Let me also thank a good friend, long-term friend, Senator Singer from this great Township of Lakewood for giving us an opportunity to come down and use this lovely municipal government facility here in order to host this meeting.

We've been going up and down the State all summer. Some have been on breaks, taking vacations. We on the Committee have been working very hard to hear from the public. We will be moving legislation to try to make this

whole issue of eminent domain one of equity, one of fairness, and one that's more reasonable. Unfortunately, it's one of those necessary tools, like Affirmative Action. The question is how you control it and make it meaningful. Let me also say for those who may have traveled here, this meeting was set up for eminent domain. And it may have been confusing the way you read some of the documents that went out. There are going to be hearings on the condominium bills in Newark. I believe that it is November 6th. And ultimately we're going to have hearings at that time also on SCI investigations and recommendations. And then we'll be moving back into Trenton to have in-house debate with all the Senators and the House as to what the legislation should be like.

We are taking the opportunity to listen to you. We're recording, we're transmitting. Other people are sending their comments in. And as Chair, we'll be taking a look with others with the comments.

Let me say that some of the things we're going to be able to do, because they make sense. Some of the things that make sense to you may not make sense to us, and we have to look at New Jersey as a whole, at all the businesses as well as the residential components, the non-profits and all the other variables that play in. We're

going to try to have a bill that starts to at least move us to the next level of protection of our rights and making sure that New Jersey continues to be one of the best states, if not the best.

With that, let me just present to those who may not know -- there's no reason the community should not know -- Senator Singer, and let him greet us.

Senator.

SENATOR SINGER: Thank you, Mr. Chairman. First of all, it's a pleasure to have you here today in Lakewood. Senator Rice and I have been friends and have served, and I will tell you that he personally has helped me in many important issues in Lakewood directly. Probably one of the important ones was the school funding situation. He has a great concern for the people of this State, and certainly children are one of his main priorities. I had the pleasure of sitting on the Health Committee with him and have served with him for many years.

We welcome you to Lakewood. We're thrilled that the Committee had chose Lakewood area to have this Committee meeting to take testimony. This is not a meeting to hear from me, it's a meeting to hear from the public. And hopefully, the bills this Committee comes out with -- I'll be working with you on -- will pass.

Let me just share one uniqueness that Lakewood has concerning this subject. You may or may not know that Lakewood at one time had the largest inland foreclosure office in the State of New Jersey. And back in the early 1900s, people would get a subscription to a newspaper. And with that, they'd get a lot in Lakewood. And the lot might be 20 by 80 or 20 by 40. And we had literally hundreds of thousands of lots, wildcat lots in Lakewood, that in many cases, some people were paying taxes on and hand down from family member to family member.

So imagine having a lot 20 by 80 and having five family members owning a piece of it. And none of these lots could be built on, and many of them were not paying taxes on them. So we created an inland foreclosure office where we brought all these vacant lots together and created the second largest industrial campus in the State of New Jersey, which created thousands of jobs and millions of dollars of ratables to the local community. And we did this through the efforts of both the Federal government grants and the State grants to allow us to do that. So in this particular case, taking wildcat lots that were actually vacant and nonproductive and putting them back on tax rolls, creating jobs and ratables for the town, was a very, very positive thing. But at no time was anybody

displaced or any business closed. And I think that's really a key issue to what we're talking about when we look at this.

No one ever questions the things for the public good. If you have to enlarge the size of a municipal building, you have to enlarge a place for building schools or a hospital, has to become -- a new entrance into the hospital, those are things that a community -- serves the greater community as a whole.

I think people get concerned when property is taken for strictly private use, for truly, in some cases, greed. And I think that's what we're going to have to look at. Is it truly for the use of the community as a whole? Does it benefit the community as a whole? Or is it just for private use?

Let me give you one other example, Mr. Chairman. We have an area on Main Street that is part of the redevelopment area jointly with the State, and we've acquired property through negotiations with the people owning that property. There is one property on the corner that we have not taken. And the reason why we have not taken it is, it's a growing business. And I think if someone has a growing business, it is not the government's job to displace them unless, again, it would be for some



reason you had no other choice. And we're negotiating with these people because a business is important entity. It provides jobs, it's people's livelihoods, and the last thing we want to do is put them out of business. So I think there is a role this government has to play in providing the public good, but there's also a role the government has to play in protecting the rights of the individuals.

So with that, again, I welcome you and the Committee and the Committee members' staff. We appreciate you coming down to Lakewood and giving the people from Lakewood and the surrounding community the opportunity to share their comments on such an important issue.

SENATOR RICE: Thank you very much.

What you just ended with, it's very important we do hear from the public on these very serious issues as to the long-term impact on our communities, but more importantly, the lives and the quality of life of the people who live in these communities.

With that, we're going to commence the hearing. The first person we're going to call up is Mr. Dave Brogan from NJBIA.

MR. DAVID BROGAN: Thank you, Senator.

My name is David Brogan. I represent the New Jersey Business Industry Association.

The Association represents over 23,000 businesses throughout the State of New Jersey. A large majority of those businesses are small businesses, and that's one of the reasons why I wanted to come here and testify very briefly today.

First of all, I want to thank you for keeping the focus on this issue, given that the election has been going -- is near and that a lot of discussion has been about property taxes. This is still a very important issue, and focus still needs to remain on this issue.

Kelo did nothing to change eminent domain laws in the State of New Jersey. We already have a local redevelopment and housing law that allowed for a local government entity to take property for redevelopment purposes. What it did do was, it spurred an examination of the use and possible abuse of eminent domain, and NJBIA felt compelled to get involved in that process.

NJBIA supports the appropriate use of eminent domain, but there needs to be a greater level of transparency in the condemnation process, added protections for property owners and adequate compensation which must

take into consideration the value of the business beyond the value of the property on which that business is located.

I'll be very brief. The first thing, again, in terms of a greater level of transparency. Your bill touches on it briefly in terms of requiring that a redevelopment agreement or a redevelopment plan be approved via ordinance rather than resolution. We applaud that. More hearings are a necessity in this process. Greater notice to the public -- and the notice has to be in a manner that's easily readable to a layperson so you don't need a law degree. And the key is to ensure that the public understands what's going on in this process. If they understand what's going on in the process, then they can participate in the process. Once they participate in the process, I think that we're going to have a more fair and equitable process.

With regards to compensation, NJBIA worked very hard with Assemblyman Burzichelli on his bill with regards to the business goodwill provision. Now, I know that your bill -- you're not going to use Assemblyman Burzichelli's bill as a template. What I would ask, though, is that some provision be put in to provide either the same or something

similar to business goodwill, to simply put the intrinsic value of a business outside the value of the property.

Many business owners don't own the property on which they run their business. So under current law, you can own the property for 20 years. I could reside there. I could put my sweat equity into that for 20 years. That property is taken through eminent domain, you get compensated for the property, I get as little as \$2500 in relocation assistance. That's one of the most important issues for NJBIA in terms of just providing compensation for the value of the business.

And I know I wasn't available to come to your hearing in Irvington, but I did hear that there was pretty compelling testimony for people who were located in that area and being moved -- location is everything when we're talking about a business. And having something in the way of business goodwill provision will at least compensate those business owners for being relocated.

Finally, I'd just like to touch on relocation assistance. Right now, the current law says that you can get between \$2,500 and \$10,000 for relocation assistance if you're a business owner. There is no right of appeal to that determination, and there's a possibility that you could perhaps get nothing. Under Assemblyman Burzichelli's

bill, there is an increase that gradually goes up over a period of three years up to a maximum of \$45,000, and that is tied to the Consumer Price Index.

Once again, just in terms of fairness and having equitable compensation or equitable assistance, we would ask that something in the way of an increase relocation assistance provision be added to the bill.

Having said that, that's basically all I'm going to talk about tonight. I have provided written testimony for your review as well as some suggested amendments -- language for amendments.

SENATOR RICE: Okay. Do we have copies of the written testimony?

MR. BROGAN: I have them right here.

SENATOR RICE: Make sure we do have them.

Let me just say that we have several amendments we're considering to my legislation. One of those pieces happen to be -- or relationship thereof. You know, I come from a community that has undergone a lot of changes over the years. My district is a very diverse district. I have suburban and urban, but if you look at the City of Newark, I go back to pre-1967 riots, and our residents that live in Lakewood and Long Branch today, Elizabeth's and Montclair's, particularly, Jewish community, where the

business owners in my city who grew up and went to school with me, they live in those properties and they own those properties. Unlike today, as you said, there are a lot of absentee landlords. Many don't come back into the community at all and collect rents. But the bottom line is that in those communities, people are leasing. And they are leasing and doing good business. Once eminent domain steps in, it becomes a necessary tool given a project.

So you're right, they are relocated. And often times they cannot even find locations that suit their particular business needs, which means that in essence they're out of business. Often times they have to scale down a business or sometimes go into a new business. So I'm quite aware of that. My members are quite aware of that. We will be paying attention and trying to do something about equity.

Let me say to those who are here today that this issue of eminent domain, it comes down to a lot of factors in terms of adjustment, but the nucleus itself has always been in this country around what is fair and just compensation and what is fair, at what point in time do you take property if it's for good use, and notice it in all the other kinds of things. But equity and fairness is a

very key provision of where we're trying to go with this legislation.

I can tell you that in the City of Newark, when the school construction people came in -- and I have on file a document where a person did purchase a brand-new house that was built for \$300,000. Very interesting; he had two tenants to help him with the mortgage. SCC came in as soon as he had closed the deal and relocated the tenant and left them stuck with a \$300,000 mortgage. The problem was not so much mortgage; the problem was their first offer was \$250,000. And I raised a question: if the Constitution said just and fair, how should the first offer be \$250,000 when you've got a recorded deed and mortgage just been recorded at \$300,000? And so it became an unnecessary court issue in one stage, and then it become an issue I had to get involved with the State in order to bring about some reasonable degree of fairness.

Then the question becomes, how do we determine, in today's time, fairness and what's equitable with the business if it's owned or with, quote/unquote, the value of the business if it's a leased space?

And so those are things that we'll be working through, and that's why we're coming to the public. Actually, we've gotten some good comments from the public,

just like we got good comments from the business community, good comments from other groups who have an interest and concern, as well the 566 municipalities.

So we hope we go on the right track. I can also say that when the process is over -- you know, I always tell people, no one ever promised me a rose garden and the world is not perfect. I accept those realities. That's leadership when you step up and take the challenge. Everybody is not going to be happy, but I'm hoping that we, in the process, make most people who are involved in this process or affected by them, we're in a position to make them whole, we're a position to give them fairness. There's no perfect legislation. And we also know that as we move legislation forward, we're going to have to continue over a period of time as legislators tweak it, probably generation after generation of legislators; and we know that. And so your comments are well taken. We will be looking at the documents that you leave with us as we start to bring this to fruition. Thank you very much.

MR. BROGAN: Thank you.

SENATOR RICE: The next person we have -- Frances DeLucca?

MS. DeLUCA: DeLuca.

SENATOR RICE: DeLuca?



MS. DeLUCA: Yes.

SENATOR RICE: Oh, that's an "A."

MS. DeLUCA: Yes.

SENATOR RICE: Okay. Come on up.

MS. DeLUCA: Thank you, Senator Rice. Good evening. I'd like to comment on three issues this evening regarding the eminent domain abuse issue in Long Branch. I live at 21 Ocean Terrace, Long Branch, New Jersey. And I'm currently in a situation that has taken over my neighborhood for eminent domain.

One of the things I'd like to comment on is the declaration of taking. The property in that area was blighted in 1996. And, of course, most of it at that time was considered in-fill. For the most part, the residents, myself included, were assured that we didn't have anything to worry about, that this was all in-fill land.

In 2002, the plans were changed, and we were told that we were going to be taken and displaced from our homes.

To date, just to make it brief, after the hearing in the Superior Court, I decided not to go ahead and appeal the judge's decision. As it stands right now, the City of Long Branch will neither blight my home nor release me from the redevelopment project, even though they did file a

complaint. Unfortunately, we're in a position where the builders can hold up depositing the escrow money for six months and then very possibly -- this is before they -- excuse me. This is before they appoint the commissioners. They can hold this up for six months, and then they can apply for, I believe it's 90 days thereafter. So they hold up your entire life.

The way it stands, also, because my home was blighted, because I was put in this position, I purchased a lot where I am now building another home in which to live. They know this. So I'm in a hostage situation. They refuse to give me the escrow money and let me go on with my life. So that's one particular issue I wanted to bring up, because it is something that puts us all in an unfortunate situation.

The eminent domain really needs to be changed to prevent this type of underhanded conduct. It's put our family in a great deal of hardship. It's caused me exceptional stress, as other people. I'm sure I'm not the only one going through this, so I'm not taking myself and isolating myself here. I'm talking for the citizens of the State of New Jersey who are going through the same thing I'm going through.

This type of conduct should not be allowed; it should be changed. There should be consideration for the welfare of the people of the State of New Jersey who are undergoing such an atrocity.

Secondly, I would like to comment about the value. Our appraisers should be free to value our properties for condo use if that's the highest and best use in the result of greater value. They don't do that. As it stands now, in Long Branch, condos and townhouses have been built in place of one-family homes. We are not allowed to get that value. In other words, on my property they can build -- and this is just a figure. They can build five condominium units. They can charge \$750,000 per condominium. So if they buy five of them, it will be \$750,000 times five. That's nowhere near any amount of money that I would be offered even though I have an unobstructed ocean-view, four-bedroom home. I was offered a half million dollars for mine, just about that. Other homes in the area were five blocks inland, and their appraisers appraised them, no ocean view, no ocean anything, not even an ocean breeze, has nothing to do with the ocean, no water. The only water is if you see the fellow across the street taking the shower. That's the water view, right there. And I have an unobstructed water

view which has been in my family since 1918. So I had to deal with appraisals done six blocks inland.

Another thing I would like to comment on is that the courts really should give priority to eminent domain cases. People who are now trying fight for compensation have been -- their cases have been adjourned four and five times. These people are trying to get their money. They're trying to go on with their life. And the courts allow these cases to be adjourned. They should not be adjourned. They should take a priority.

These people are innocent people. None of us have committed a crime. I have a docket number. I find that extremely annoying because I've never done anything wrong. I pay my taxes. I was a school teacher for 32 years in Newark. Senator Rice and I probably knew each other. I've been a Newark resident since -- I don't want to tell how long. Nevertheless, we have a docket number. I have to pay lawyer bills that are equal to someone who committed a murder and is trying to beat that wrap. It's unbelievable. If you look at my bills and you look at their bills, they'd be the same.

These are the things that make eminent domain abusive. It's not the good of the people. It's becoming

the good of the builder. So we really need to think of the people.

I don't want to tell you how many of our children are being affected by this. There's kids that live on my block who take a great deal of abuse from their friends because, you know, in some cases some people do believe in the redevelopment because they don't see the true picture. So it's more than meets the eye.

I would hope that you would give these things some consideration for the good of everybody. Thank you very much listening to me. I appreciate it.

SENATOR RICE: Thank you very much.

You can give us a copy of your testimony.  
(Applause.)

We are looking at value; we're looking at a lot of things. Once again, as I indicated before, it's very important that we drive home the intent of the Constitution of fairness and just compensation if, in fact, this is a tool we use and we give a time. And how we arrive at that becomes very important. Some of it subjective, and some of it is really objective in terms of how we get to that point. But let me assure you, Ms. DeLuca, we're going to look at it.

And let me also indicate to you -- and one of the main reasons I'm in Lakewood today, I wanted to come, if no one else came on the Committee, and I told my Committee this -- to this area because I read some of the stories about Long Branch in the media. And I have some grave concerns with some of the things that's happening. I have concerns when any municipality -- and I spent 16 years as a City Councilman in Newark. I understand a lot of this stuff. I probably have more knowledge of a lot of problems in New Jersey than most of my colleagues because I had to live it and I had to confront it and I had experience and I work with it. There's a problem when a developer comes before those of us in local government -- and we want to really move a city forward, do things to enhance the community and hold down property tax by encouraging development and economic opportunities and job opportunities.

But I have a problem when you go through a fight, the agreements and disagreements, and then eventually you strike a compromise or some kind of way you make a decision. And the decision is that we're going to move forward, this is the geographic area, this is the plan; and then nobody does anything until we get through the year and the economy is a lot better, and now we're going go forward

with what we said we're going to do, which is fine, but before we go forward, we're going to take properties that were not in the plan in the first place. I have a real problem with that. And some kind of way we're going to have to try to see us put a brick wall right there. So when you come in, if in fact we approve for anything, know what it is when you come to see us. Don't tell us five years later that you're going to acquire and you want us to assist you in acquiring additional properties that really have no real public interest.

So that's why I wanted to be here. I wanted to hear from the residents from this area. I particularly wanted to hear from residents of Long Branch in reference to some of the those problems.

Thank you very much.

Next I'm going to bring up a tag team, some people I know who are very much concerned about this issue. I've known them a long time. I'm happy to see them again. And that's Ms. Michelle Bobrow and Harold Bobrow. That's Mr. and Mrs.

MRS. BOBROW: Mrs. and Mr.

SENATOR RICE: I put his name first, didn't I?

MR. BOBROW: Mrs. and the entourage.

MRS. BOBROW: Thank you very much for asking me to speak or for allowing me to speak. I do have some testimony which deals with some issues I have with the bill as presented. However, I don't want to talk about that because you can read it. I would like to give you my story.

SENATOR RICE: Before you start, let me say so the public knows that if you want to discuss my bill, that's fine. But I always tell people outright, there is no bill right now. The bill that I put in, the foundation bill, that is not involved, and long before the Burzichelli bill. We went in a rush to do the political thing. We met a lot of people prior to. I looked at every eminent domain bill that the Legislature had in on both parties. We tried to extract from those bills the good, leave the bad out, and were able to come about collective wisdom and thought, and that's how we got a foundation bill. The documents here that I was holding up, these are potential considerations for amendments to my bill, and that's why I want to hear the comments that you indicated, and then suggestions that we give consideration and may make the bill better.

MRS. BOBROW: Thank you. My husband and I were very fortunate. In 1990, we purchased an ocean-front



townhouse in Long Branch. We saw potential in the community, and we had this wonderful little townhouse. It was affordable at that point. Then in 1996, we found that we were in a redevelopment zone. And as Mrs. DeLuca said, we were assured that it would be in-fill. We knew that we were new construction, so we were all for redevelopment if there were to be in-fill and helping the community move forward.

We found out in 2000 that we were in that redevelopment zone, that we would be taken. There were no exceptions, no ways of getting out. We were stuck.

Two of my neighbors wanted to move on with their lives. They wanted to sell their homes. They have not yet been able to. They are stuck there. They must maintain their homes. They must pay taxes. And they can't get out. There is virtually no buying or selling once the designation has been imposed.

We saw the plan of the developer in 2002. They are still working on it. We are not in the same area that Mrs. DeLuca is in. The actual imposition of the designation is very tenuous, because the reason that we are there is because we are ocean-front. We chose that property. It was available; we bought it. Now, one the

major developers in the country wants it because it is ocean-front. So we are being held hostage.

As my husband has said to me before, this is the only situation we know of where property can be taken away from you with you doing absolutely nothing wrong. If you are caught in a drug bust, property can be taken. If you do not maintain things, they can be taken. Here, we are law-abiding, maintaining our properties, and it's no good.

I asked the Mayor recently how he could know that he was going to condemn a building in 1996 that was six years old. And the answer was, "It's part of the redevelopment plan." There is something horrendously wrong with that.

I also would like to remind you that there are a lot of judicial changes coming along the pike. There have been recent decisions where people have won against municipalities, against redevelopment designations.

The Public Advocate -- I just spoke with the Governor today. The Public Advocate is taking on another case, another community. So the direction is changing towards the right of homeowners, to give us a little more balance against developers and against municipalities. The State is going toward pay to play ethics reform. This is one of the areas where it is seriously needed, because

undue influence by developers can certainly change municipal minds about what they will and won't do.

There's another family who has a very beautiful, large, old home in my area. It is on a large piece of property. A young man, an older teenager -- I believe he is a high school senior -- got up and spoke at the last Long Branch City Council meeting, and he said, "I am 17 years old. My family has lived in this house for many, many, many years. Since the last municipal reassessment, our property taxes have gone up to \$27,000, and we can no longer afford to live here. However, the developer is not ready -- we are ready to negotiate. The developer is not ready. We are stuck. We are going to lose our home. We will have no more equity." This is wrong. This must be addressed.

Municipalities make decisions on a business basis, but they affect us on a personal basis. Eminent domain development and eminent domain abuse should be not the first option; it should be the absolute last option that any municipality has.

SENATOR RICE: Thank you.

Harold.

MR. BOBROW: My name is Harold Bobrow. I have a property in Long Branch. The first thing I'd like to say, which I've always said and I will maintain --

SENATOR RICE: Harold, could you speak a little - - I know you're a pharmacist. You guys are used to soft. Bring it up.

MR. BOBROW: The first thing I wanted to say is, I had many dealings with your Chair over a long period of time. I probably was in Newark before you were in Newark, because I was totally raised in Newark and educated in Newark. And let me say, if there's one thing about this whole process that's going to take place, it's going to be fair because you have a person that cares about the people. That's a major issue, because this is a people issue.

First, I want to say that -- I'm talking about Long Branch now. But you just take this to any place in the country. What has happened is, you have people that have homes there for long periods of time, that work hard to create these homes. And now they're being taken from them. I always believe in life that an individual should have a choice. I have no problem with using eminent domain correctly. I have a big problem with using it and abusing it. That, I have a big problem with.

One thing also that you will see if you look at Long Branch, I'm just talking about Long Branch, that this has polarized the city even more. I've asked the city fathers who went ahead and made contracts with the redeveloper, and I said to them, "Should only the people with lots of money, coming basically out of New York, be able to sit on a shoreline and look at the ocean? Why didn't they provide middle and lower middle income places integrated into that area?" And none of them would answer me.

So you have basically now a big polarization taking place within Long Branch, exacerbated by eminent domain abuse. And they know it, and we know it.

Also, people wanted to fix their homes in the redevelopment zone. The City would not give them permits to fix their home. So, therefore, even if you wanted to keep it up, you weren't allowed to keep it up. That's wrong. That's not fair.

The basic idea of taking a person's home -- and everybody in this place has a home and lives in a home, lives in an apartment, lives in a condo, lives somewhere that you work hard to pay for. Nobody, nobody, nobody, no corporation, no greedy corporation should have the right to take that away from you in the United States. We have men

and women, very valued men and women, and he was one of them before, that are over there dying for our rights. And now you have greedy people that run greedy organizations taking our rights away. That's not fair. That's wrong. That is wrong.

Also, just to let you know -- and I'll end with this. You can keep dwelling on the idea because you always do it, and I know for a long time, are fair. They came to a situation where they were going to negotiate or do something to rectify the situation between the city and the people in the MTOTSA area, which is the area before us. They haven't got to taking ours yet, but they'll get around to it. They decided to sit and negotiate. To do something right. It was a great idea. I think it was a great idea except, except while they were sitting and trying to negotiate, there was a group, a foundation called the Institute of Justice from Washington that wanted to join into the lawsuit, just like the Public Advocate wanted to join on side of MTOTSA. While the city was negotiating, they sent the complaint into the court, did not allow the Institute of Justice to be able to sit into this case while they were negotiating. So the question is, indeed, what is negotiation? I thought -- I was taught that negotiation is when you have a willing buyer and a willing seller. But if

you know that if you don't agree with them that through the City they're going to take your home, that is not a true negotiation. That's false.

And this type of thing -- and I hope -- and I know because I know you and I know this is going to stop. And you know what? This has to stop because it's unfair. It's wrong. You're taking away people's rights and you're giving to the greedy. And you see that you have 11 indictments going on Monmouth County, you have more coming down the pike, and someone that sat on the City Council of Long Branch admitted that he gave bribes. This type of atmosphere, this type of environment breeds this. And I'm sure no one in this room wants this to exist.

I thank you for letting me speak to you.  
(Applause.)

SENATOR RICE: Thank you very much.

I'm a former investigator. I read the papers every day. I was coming in to towns who want the best people to deal with, business people, a lot of in-town people who've been here all their lives who've grown from the thin line of integrity -- lack of -- to something maybe more serious. And then we have the good people who are contractors and developers, who can't get the work and get the opportunity to negotiate if it's necessary. But more

importantly, we have the businesses, mostly moms-and-pops in most cases, and the residents who are getting ready to abandon the city. Someplace in the middle of that, there's a balance. There's a line of more than just equity and fairness, and we're going to try to find that, Harold.

MR. BOBROW: Thank you very kindly.

SENATOR RICE: Thank you.

Next we're going to have -- we're going to shift a little bit from Long Branch, and I'm certain we're going to come back. We have Mr. Anthony Graziano of Toms River from the Integra and Realty Resources. Is that correct?

MR. GRAZIANO: It is. Thank you.

SENATOR RICE: Okay. Graziano. I used to have a teacher named Graziano. Do you have family up in the north area?

MR. GRAZIANO: My father was born in Newark, and a lot of my family lives in northern New Jersey. I've been a resident of Toms River. I was born and raised here.

SENATOR RICE: He was a cop or teacher?

MR. GRAZIANO: Neither. He was a musician back in the day when good music could be had. I understand it's coming back, thank goodness.

SENATOR RICE: You're all right then. Go ahead.



MR. GRAZIANO: Senator, thank you very much. My name is Anthony Graziano. I'm an owner of a company called Integra Realty Resources. We're one of the largest appraisal and consulting organizations in the country. We have 55 offices throughout the country.

I do a significant amount of eminent domain appraisals both for private property owners, and for condemning authorities throughout the New Jersey region. I've been involved in real estate deals for 15 years. I have a master's degree in real estate, an undergraduate degree in urban planning.

I respect the work that you're doing, Senator. I think it's one of the most important things we're having a political dialog about for the last number of years, and I came here today because of the public service announcement that was on the radio, to comment on a number of things because I see the political rhetoric not matching the reality of what's happening. And I think some of that -- We lose sight of what we're doing, so I wanted to offer some commentary on what I see, and what I'm hearing from the media is that we want to do away with the government's right to take private houses to build houses. And that is a very convenient way to phrase what's going on, but the reality of it is, I'm tempered by the fact that today it

was announced that the City of Camden, New Jersey, was not the most dangerous place to live anymore. It is now No. 5 on the list of the most dangerous places. And I'm here to tell you that a lot of redevelopment that's occurred in Camden, including the baseball stadium and some of the major projects that have gone on, required the taking of private property, including residential structures.

And I agree with the comments that have been made so far today, and I sympathize with the people who are displaced from their homes. I sympathize with the process. I think that there's a lot of really good suggestions being made in ways to improve the process, but I really came here today to urge you not to take the standard position that residential properties cannot be taken by eminent domain unless we're building a road or a school. That position will doom the urban centers in New Jersey to certain failure. And if you don't live in an urban center in New Jersey and you live on the outskirts, either in a suburban or a rural area of New Jersey, please understand that we're not taking on less people, we're getting more people. New Jersey is one of the first states in our country to deal with a true scarcity of land. Our densities are only going to continue upwards as our population grows. And it's

because of the economic vitality of what New Jersey is, that this population growth is occurring.

Eminent domain is the only legitimate tool that a municipality can use to ensure its economic success and future economic success. It's the only way in which a community can take a 12-acre area of the city that has 15 houses on it and decide that that's at some point an underutilization of the land, that people have one acre lots in this area that the community needs this development.

Now, that being said, a lot of the comments -- and I have to put that I was opposed to your bill, although I have to admit there are many things that you said and I know there are many aspects of your bill that are good. I do agree with the Bobrows and those people in Long Branch that say, you know, "The redevelopment was announced in 1995 and 1996 and I'm just now getting appraisals on my house in 2004."

I urge the Committee to include in their bill a reasonable amount of time for condemnation complaints to be filed. This cannot be a never-ending 10, 15, 20 years while we wait to solicit a development plan. If you have a development plan and you anticipate the redevelopment to your community, you should have a specified time in which

to do so. And if you don't, then I believe you have to start over.

I think we also need to look at our media outlets. Most of our public comment and announcements about meetings are required to be done in the press. And yet when you look, less than 35 percent of the American public reads the newspaper every day, and that's certainly not the little pieces on Page D4 to announce a public meeting. I think it should be a requirement public service addresses be made on the radio, public service address be made on local television stations, the meetings that affect people the way they do -- that those public service announcements be brought out to the greater amount of media channels so that there is more time.

I think 45 days to pass a redevelopment ordinance is woefully inadequate for serious public comment. And I do believe that your bill addresses that, but I think that that public comment period needs to be extended. And then once it's extended past that time, that there be some form of integration.

My last comment to you is that the State of New Jersey has really emphasized the concept of smart growth, that we put concentrations of development where we have infrastructure, so that we don't continue to build

infrastructure out and make the entire State a city. But to do that, we are going to need to reutilize some of the interior urban land. And ultimately, when you recognize that residential development is 85 -- in most communities, is 85 percent of our development pattern, it's almost impossible to envision how you can redevelop and use eminent domain and not eventually, unfortunately, have to use eminent domain where there's residential private property owners.

So I urge you not to go down that road in its entirety. Use the existing redevelopment law. Make changes to the relocation estimates as the Builders Association has suggested. Extend the time frame for the redevelopment hearings to be taking place. And expand the public service announcements so that more and more of the community stay involved, remain involved, they understand the time frames. And then at the end of day, the property owners are dealt with fairly in terms of time, because as the old saying goes, "time is money," and it is woefully inadequate for a 1995 development plan to be addressed and heard in condemnation hearings in 2006 and 2007.

As a matter of record, however, once a condemnation complaint is filed, a municipality has to post the money that's stated in the appraisal, and that money is

immediately available to property owners. If it is not, that is an absolutely infringement and that is illegal. So if that is happening, you need to seek appropriate legal counsel.

That's all. Thank you very much, Senator.

SENATOR RICE: Thank you very much.

Let me respond just to you by saying, first of all, I'm a realist. And I may be wrong, but I kind of get the impression, I'm probably the only legislator out of 120 whose family property was taken by eminent domain to build Route 95 going through Richmond, Virginia. The lot is still there. And that's what killed my grandfather. It wasn't so much the taking, it was the issue of equity. He was 90-some years old. That goes back many, many years. Fifty-one years of my life I lived in the City of Newark. I came home from -- I came back from Vietnam. Nothing really changed.

So I watched eminent domain not being used and totally abused over the years. Because we never really used it that much. We used other tools such as tax abatements and other encouragement tools. Unfortunately, in America today, the last 8 to 10 years the country's really been moving economically. That's a good thing throughout the country, particularly for the urban cities.

In fact, we may have gone too far to the more rural communities, and all of sudden this tool became a priority tool rather than secondary or something to back up.

Eminent domain, once again, is here to stay. I'm not trying to remove it. I can't remove it. It's a necessary tool. The question and issue is one of abuse and one of fairness. And I hear the public very well, and I hear you very well.

I also want to indicate that, you know, smart growth -- I've always laughed when we in the administration start talking about smart growth and everything else, because smart does not always mean rational, reasonable, and have wisdom. I know a lot of smart people and they're stupid as hell. They're just academically smart and collectively smart, but there's no common sense, no real feelings about people, people needs and the relationship between A and B, but they're smart. And so we're going to be considering smart growth here.

Also under smart growth, we've got to be particularly cautious primarily because the McGreevey administration, the whole smart growth initiative of the kind that pushed Camden back toward the urban centers -- like Camden. Well, we in those urban centers want elbow

room, too. So we have to watch what's being taken, what it's being used for.

There is a difference, however, in what we do with eminent domain on residential property versus how we treat the environment or sensitive areas that we really need to move forward. And so we're looking at that part too. What are those differences? There's a difference in terms of equity and fairness as to what a formula should look like as it relates to major commercial property. We're now talking moms-and-pops versus, you know, residential and moms-and-pops. I'm smart enough to know that. I believe I'm rational enough or reasonable enough to have enough wisdom and common sense to know that. I may not be smart, but I know that because I've watched cities grow back. So we will be looking at that.

Also, what's a concern on the residential side is, what kind of project are you talking about? I mean, when you say underutilization, what are you really talking about? I mean, if every house in the community is solid and fixed and people live in and they're paying their mortgages and they're paying taxes, to me, that's not underutilization. People have to live. If you tell me you have abandoned cities like Camden, cities like Newark were -- we're getting land locked, you know, we're coming back.



Did we do all right? We need to do all right, because the point is that there are areas out there where something has to happen.

I mean, we've had -- in the cities like Newark, we didn't use eminent domain, but the bottom line is -- I'm trying to identify underutilization. When you have public housing and they're 17 floors high and you have five families living in there and you've got hundreds of units and you've got gangs and drugs and elevators that don't work and it stinks and everything else, yes, that's underutilized. That's a little bit different, when you go in a first residential neighborhood or a condo community on the beach and you knew when to put those condos there.

I was a part of the Legislature when the Senator who is now the Congressmen -- we debated those shore communities condominiums. My greatest concern is, they built too many. My greatest concern, what happens once a condo, for whatever reason the environment changes, society changes, the property changes and people start to abandon them, you have 17 floors of what public housing looked like in urban cities on the shores. Well, we didn't get to that point, thank God. But we got to the point now when people think they can make more money, they want to push people out who came in.

Then I think we have to look at the economics of a person in a community. We need to talk about mixed use. We start to move forward and redevelop and re-plan communities. I mean, does everybody living on the beach in Long Branch, for example, have an income of a million dollars? Or some of those folks living on Long Branch are just middle class, hard-working people who are making ends meet, and they were there when these things first went up and became condominiums, and all of a sudden, people are coming in at different income levels. That means we exclude those and bring it up here? I don't know, but my point is, is that I think not. So it's got to be fairness in that part of the process, too.

Then you're right, there has to be finality to any plan. People are going to have to be forced to come to the table if, in fact, something's moving forward legally and there is fairness there and agreement. At what point will this come to finality? We can't have people stuck between relocating and not having the economics to do it because we decide in government to approve a plan, and it's going to put everybody on hold because we're not moving. Our lives are okay, but the other people's lives aren't. You release the dollars or you pull the plan, pull the plug. It's got to be those kinds of scenarios within a

reasonable period of time so that people know where their lives are, what's going to happen to their children, you know, school systems and everything else.

And so I hear your comments. If you have anything that you can submit back to us in written testimony in terms of your concerns, recommendations, things that we should be looking at, I really appreciate it.

I intend to go back to Trenton sometime in November and start to argue and debate my legislation with amendments, win or lose. That's what we're going to do; we have to. We can't keep people on hold.

I also want to indicate that the legislation is not going to probably fix all the problems that exist today. But we have to make sure some of these problems never impact on people's lives again in the future. Maybe somebody will take into consideration what we're doing today and be a little bit more humane, if you will, as they move forward with the projects they have.

I also want to indicate, as much as people like it, I don't mind taking the heat. I don't mind people yelling at me. I've been there before. I've been shot at, I'm a Vietnam veteran. So yelling and screaming doesn't faze me. Harold will tell you that. I try to think

through what's right and what's wrong. There are 566 municipalities. There are school boards out there. There are authorities out there. I don't know what's everybody doing. But I can do more harm than good. So my job is to try expedite whatever it is we've got to do now so that, hopefully, as we move into those next phases where people are thinking through the process now.

Thank you very much.

MR. GRAZIANO: Thank you, Senator. Thank you for the work you're doing.

SENATOR RICE: Next we have here legal services. We'll see what legal service people have to say about this redevelopment stuff here. We have Connie Pascale.

How are you doing, Connie?

MR. PASCALE: I'm doing okay, Senator. How are you?

SENATOR RICE: Doing fine.

MR. PASCALE: I just want to start by saying thank you for holding these hearings. Thank you for the opportunity to speak on this issue. The fact that you've been willing to take it to the community is really an important step in this process of reforming the redevelopment process, so, again, thank you for the

opportunity and your concern about something that's so vitally important to so many of us.

I'd like to start echoing something that you had said, which is -- you said eminent domain is here to stay. Redevelopment is here to stay. It's the coming thing in our State. As the prior speaker said, where do you build out? Our State is going to have to build in areas where people already live, where we already are in order to ensure that our state will remain viable for people in the future. And in fact, the trend is not just smart growth, but a lot of other trends are going to lead us back to the cities. The incidents of people and the fact that energy prices will probably rise in 10 or 15 years, climate change - which, more and more, is in the paper about what it's going to mean if we don't do something about controlling the emissions. All of that is going to want to make us live in higher densities. And in fact, spending shows that a quarter of all young people now want to live in areas of higher density. They want to go back to the cities. So eminent domain and redevelopment is here to stay. We want to build in places where already are. The question is whether a public purpose is served, whether the common good is served. That's really always been the interest in our communities: the common good versus the individual.

And for many years, of course, redevelopment has existed in communities of lower income people, people of color. It was called urban renewal. And ostensibly -- it was at least designed ostensibly to benefit the residents there. Many units of affordable housing were built under urban renewal, although it was highly ineffective in many ways. At least if you read some of the earlier Supreme Court decisions in our State, they talk about the benefits of redevelopment in areas where people already are in an attempt to improve them for the residents, to make it better for the people that are living there.

Of course, now, that's not the case. So much of redevelopment is designed to displace lower income communities and people of color. It's designed to change the communities from places where working people live to places where higher income people live. And that's the unfairness of it.

You know, I have great respect for the Kelo case in the sense that I tend to agree with the US Supreme Court that, in fact, eminent domain is a proper tool used in the proper way. But I'm always intrigued by the fact that the Kelo case made the headlines and is considered important, frankly, because the property of a middle class white woman was taken. That's Mrs. Kelo. But you can find thousands

of people, lower income people, African-American people, Latino people, people whose property has been taken for years. And somehow it in never reached the public consciousness that this was somehow unfair.

Long Branch -- I have great sympathy for the Bobrows and the other people there, but how many people of color are displaced already from Long Branch by the redevelopment? How many people are forced out? You can't even count them. It's changed Asbury, Long Branch, so many other places.

So our concern here, the concern of Legal Services of New Jersey and the people who we represent is, how we can reform the redevelopment law to make sure that redevelopment, which is really planned gentrification in so many ways -- planned gentrification -- can be fair? How we can make sure that people are not displaced unnecessarily, that the benefits of redevelopment accrue to everyone, especially the people that are living in the neighborhoods where they may have lived for years. Mount Holly, more than a hundred, 200, several hundred low-income families, primarily African-American living in houses 60 and \$70,000, that they've owned for 25 and 30 years, faced with displacement because they want to replace them with 200 and

\$300,000 units in condominiums. But we're not hearing about that in the paper.

Camden -- the Camden you mentioned, the Kramer Hill neighborhood, a thousand families, a viable Latino and African-American community -- faced with redevelopment and displacement in the name of higher income ratables. Again, a viable community occupied by working people, people who have struggled to live there for many years. And I want to emphasize that many of them are tenants. And tenants are the forgotten voices in this process, because once a landlord's property is taken either by eminent domain or because they sell out, the tenants are displaced. So redevelopment has a massive impact on tenants, yet their voice is muted or not heard at all.

So we would propose amendments to the redevelopment law that address eminent domain, but also the other issue I've mentioned. I've given you a handout which summarizes -- actually, it lists the proposed amendments that we have. And they fall into four areas.

To make sure that the law is just, we need to make sure that -- the first one involves the burden of proof. In many instances when you appeal a designation -- that your area is in need of redevelopment, that's an area of redevelopment, what they used to call the blight



designation, even though in many cases there's no blight -- if you appeal that decision under the current law, the municipality's decision is given overwhelming weight. There's a presumption that it's valid. It's very difficult to overcome that presumption. We contend that the law, as the Burzichelli bill does, should shift the burden to the municipality at that stage to prove by clear and convincing evidence that, in fact, this is an area in need of redevelopment, judged against appropriate criteria such as you have.

But beyond that, the next stage in the process is the plan so they can designate a property. But then the question is what they do with it. And many times, people are told one thing when they designate the areas and the plan involves something else. So we contend that the burden should shift at that point, too. Under the current law, if someone wants to appeal a plan that a municipality adopts, there's a presumption of validity. It's very difficult to challenge it. We say the burden should shift to the municipality to prove at that level that its plan meets the criteria and the statute, not leave it to the people in the areas to try and say something and then have it overborne by the presumption.

And thirdly, when they go to take the property, the burden should shift there, too. So we contend that in order to at least start justice into the process, at every stage in this process when there's an appeal, a challenge to what the municipality has done, the municipality should carry the burden of proving the justice of what it's doing. That's the first reform that we urge substantially.

The second one involves affordable housing. There's nothing in the law now that requires affordable housing to be preserved. They're going to take, in Mount Holly, several hundred units of market rate affordable housing and they're going to replace it with high-end units. They were going to give the people \$60,000 apiece to find someplace to live in New Jersey. Pretty tough, people that own their homes. But even so, we contend that the law should be amended to mandate that in any redevelopment project, there should be one-for-one replacement of all affordable housing, subsidized or at market rate. There should be an attempt to provide the mix of people that was mentioned earlier, so that people aren't displaced, so that, in fact, we have a supply of affordable housing for the very workers that are necessary to make the redevelopment project work. If you don't have retail workers, if you don't have home health aides, child care

workers, if you don't have nurses aides who can live in the community and take care of the people that you're going bring in, it's not only going to not be a viable community, but the purpose of the redevelopment is going to fail.

So we need to make sure that there's workforce housing, housing for the workers. We contend that the law should be reformed, that we've given you specific language on each of these things in the packet of materials I gave you. A specific provision that provides for an assessment of affordable housing and mandates that it's provided both on a one-for-one replacement level, but also additional affordable housing.

For instance, in Sayreville they're proposing to build on the old paint plant, I believe, 2200 units of housing, but I haven't seen anything about affordable housing there. We contend that in any major redevelopment project, at least a quarter of all the units should be affordable housing, because, in fact, we have a low-wage State. Half of all the jobs in the State pay less than \$16 an hour. You multiply that out, you're getting about 32 to \$35,000 a year, which by any standard isn't enough to live on in our State.

So if we're going to replace housing and we want to have a workforce, we want to make sure that those jobs -

- that people that work at those levels can find a place to live. It's bad planning, not smart growth. It's bad economics not to have housing for the workers.

By the way, the problem with smart growth is that if you read the academic definitions of it, they specifically say provision of an affordable housing -- the preservation of affordable housing is a critical element in any consideration of smart growth. But our State, in almost every instance, ignores that language. They don't play it out. We need to clarify the definition of smart growth as inclusive of affordable housing. Senator, if you wanted to make a major change, just that alone would force towns that are planning and using smart growth principles to justify it, to have to include something that's critical. So we contend there should be amendments that mandate affordable housing, both for tenants and homeowners. And, again, tenants are the ones that are displaced in this process with no recourse.

The third potential change that we would urge involves displacement and the use of eminent domain if the community benefits. We have drafted language that would amend the redevelopment law to guarantee that the benefits of redevelopment would go to the lower income residents who live in the communities that so many times are redeveloped.

They should get access to the jobs -- first access. They should be able to live in the communities where they have lived for many years. We should try to restrict displacement to instances where it's unavoidable. Use eminent domain only as a last resort. And make sure, again, that the jobs, the other benefits, housing, municipality improvements, go to the lower income people that were living there. And it's entirely possible to make provision for everyone in a redevelopment project, at least those people who don't want to be displaced. We're against involuntary displacement. We should make sure that that's limited.

The final thing, which I think we should urge be included in the law, is that it be required that there be some assessment of the regional impact of redevelopment. All planners, all people that have talked about redevelopment or any planning in general say it has to be regional. If each town has its own redevelopment plan and each town says the people that are going to work here live in the neighboring town and each one says they're going to live in the neighboring town, there will be no town because the neighboring town has its plan to have the other people live in some other place. Not only that, it would cause massive traffic difficulties if everyone has to now to

drive into the community from miles away because they've been displaced, and the roads can't handle it. And it will pass through the neighboring communities, but they don't even have to be notified that redevelopment is going on, let alone consulted.

So we propose language that would require the preparation of a regional impact report that before any town could adopt a redevelopment plan, it would have to assess what the impact of redevelopment is on neighboring communities in terms of affordable housing, traffic, the environment, jobs, businesses, local businesses. Create that impact statement and circulate it to all the neighboring municipalities and the county so that people can see that what's being done in one community has an inevitable impact on what's being done in all of them.

So we would urge, at the minimum, those four changes. We also have many other amendments to the redevelopment statute, but these are the four that we think are critical for lower income people, because that ripple effect of redevelopment into neighboring communities can make what was once affordable housing unaffordable when people want to -- when their tax assessments go up, when rents go up because the ripple effect of redevelopment has

changed the nature of the community and the quality of life in it.

So I thank you for the opportunity to raise these issues. We're happy to work with you and the members of the Committee to re-work the redevelopment law. We think it's key to protect lower income people, people of color, people in communities that are inevitably going to change by making sure that they have a part in that change, that their right to live in communities is maintained. In the long run that will benefit them, it will benefit our communities, it will benefit our economy, it will benefit each of us.

So we thank you for the opportunity, Senator. I'm happy to answer any questions you have. We look forward to working with you from here forward on this critical issue for so many people.

SENATOR RICE: Let me thank you for your comments.

Let me also indicate for the record that you mentioned identities of the purpose, and let me say that identity of smart growth is really pushing everything back into urban America, and I want to reemphasize that that's not really a good thing often times. We want elbow room, like Daniel Boone wanted in Booneville.

The common good is very much important in terms of element in this whole process, as to when to use this particular tool. And I want to say to you also that urban renewal has never -- even though we used it, to my knowledge, I don't know how many rich people's properties it took, so therefore, we can't allow rich people just to come in under the auspices of urban renewal to take poor middle class properties at their own whim.

I also want to indicate that there's a lot of conflicts in New Jersey, because we talk about rebuilding communities and we always talk about how we're going to help those who are poor, but you're talking about transition of people and things like that. Well, there are three movements in this country right now against urban America. And one happens to be needle exchange. If you can actually keep people down, eventually your property is not worth much of anything. Then you have a redevelopment plan. I know we promulgate this stuff. I know where the money is coming from.

You have this notion about vouchers. We took on public education and we started bouncing kids around the State, then all of a sudden it's easy to go in to conquer and divide and take peoples' properties.



And then we went out knocked out Affirmative Action without even challenging the GI Corporation. That was about economic empowerment of moms-and-pops, small businesses, women and minorities in those same communities that should have some opportunities of development. But our government went to court and got a consent order and the burden came to us. We put the burden back on GI to prove there wasn't discrimination.

And so my colleagues in Trenton often times are part of the problem under the auspices of helping poor people and people in urban America. And I question, and I'm going to continue to challenge that. And it may cost me.

Some of your comments -- your comments are good. I'm going to look at them and I'm going to work through it. But I'm not trying to do everything with eminent domain legislation that needs to do with other statutes we have. When we get past SCI investigation legislation, we get past eminent domain, and then we're going to start -- I'm going start to hold -- it will probably be a joint committee meeting. I spoke to Assemblyman Green on this in the Assembly. We're going to start to hold hearings on affordable housing that throughout the State for input, because there's a lot of issues in affordable housing need

to be addressed and changed in statutes. One is this whole issue of perpetuity. I mean, it doesn't make any sense when you go to Long Branch, Lakewood, Newark, anyplace else, and say affordable housing and 30 years or 10 years or 5 years you can sell it at market rate. And the State becomes land locked; it means that we know longer have it. But we don't need eminent domain to drive their process, and eminent domain shouldn't be driving that process. In fact, eminent domain shouldn't be driving any process. You don't need a tool that's supposed to drag its tail behind when there's a problem. So your comments are very welcome and we're going to review those, too. Thank you very much.

MR. PASCALE: Thank you, Senator.

I just want to add that redevelopment law which you're proposing could have a major impact, as I said earlier, on affordable housing in our State, since it would induce some private developers to produce affordable housing in ways that they aren't producing it now because of the major benefits, so--

SENATOR RICE: We're looking at a couple things you mentioned. Number one, we're looking at mixed used. We're looking at affordability. Those things are going be in our bill as to how we address that. We're looking at when you move someone versus when not. Those are going to

be looked at. I think the point I'm making is that the issue of affordability is so great, and we're going to hold hearings on just that issue and get all kinds of input. These are just some of the tools to make it happen. So with that, I just want to thank you.

MR. PASCALE: Thank you, Senator.

SENATOR RICE: Next we have Bruce B. MacCloud.

MR. MacCLOUD: Yes, sir.

SENATOR RICE: From Long Branch.

Come on up.

MR. MacCLOUD: Hello, ladies and gentlemen. I'm Bruce MacCloud.

Thank you very much, Senator, for coming out and hearing the people. I'm happy to see there's some government here responding to the people.

I am Bruce Robert MacCloud. I used to live at 47 Cooper Avenue where I bought my home 29 years ago and had it paid off. You see, it was a three-story, 100-year-old Victorian-style home that sat approximately 400 feet west of the Atlantic Ocean. And actually, you've heard of MTOTSA, it was in my backyard. I was the next block south. And it was about two weeks before Thanksgiving, November 2002, when I was busy conferencing with my lawyers at the time in my den on the second floor looking at the ocean,

had an old friend of mine packing up in the attic. And he comes running down, and he says, "Bruce, they looped Shadow."

Shadow was my 13-year old German shepherd in his senior years. In other words, when I responded, I had a dozen Long Branch police officers in my hall, my stairwell. And as I looked past the lead officer in the stairwell, there were six pointed pistols on me. Now, this is in my home.

Approximately four months prior, my wife abandoned me and our home at that situation and what was going on with my two children, and pulled them out of the school system. Now, I was asked if I was who I was, Bruce.

I said, "Yes, sir. What is going on?"

They says, "We're here to serve you with formal eviction."

Now, they kept those pistols pointed on me at all times. I may stand 6 foot 3, I may be in good health, but that is an abuse of my American Constitution for them to do such a thing.

Meanwhile, as they progressed over the next hour or so when I came down, I came outside. Of course, I saw the dog catcher. He had abused my dog and assaulted him.

I carried my dog away from him at that moment under pointed pistols, put him in my van. My dog died a week later.

Now, to get back into the fact that this is the day before the eve of Halloween -- and I do have a gruesome nightmare, and I could tell you that it could be titled "The Horror of Eminent Domain Abuse." So for me to have my home taken from me four years ago, I pay for a roof over my family's head, and I am sometimes homeless. I have no equity.

The designated developer of the City of Long Branch is in prison for bribery, extortion and embezzlement, as we speak. When he gets out of jail, he's a billionaire involved with the City of Long Branch's atrocity to the citizens of Long Branch. I am one of them. And the people of MTOTSA are threatened as well at this time.

On my property alone stands a four-story high-end condominium complex with at least 16 condominiums on them, starting price, 1-point-plus million dollars each.

I have not been to court yet. It's been adjourned, adjourned, and adjourned for five years now. I have a court date for December 4th if it's not adjourned again. It's taking my sanity. It's taken a lot out of me. I've lost four years of my children's lives because of this

atrocious. I happen to -- at that time, I worked for a Board of Education, at that time, of 20 schools. I belonged to two churches, father of three, and I happened to belong to many benevolent associations at that time. I was the Scout Master for Troop 65, Boy Scouts of America, Long Branch, New Jersey. And for them to commit this atrocity against me, sir, there's something wrong with our system.

I was at the Institute of Justice Conference back in May, I believe it was, of this year. And it was nice to see I was amongst other victims, and speak with them, as well as legislators, people of all sorts. It was a two-day conference down in Arlington, next to D.C. It was an interesting thing. Enlightening. After discussions with people from around the country, I'm talking about Arizona, Oregon, Ohio, Alabama, New Hampshire, Vermont, New York, Florida, I had at least six legislators from different states tell me after my little woe of nightmare, a brief one, they told me that the State of New Jersey had the most corrupt government in the country. And this is where I was born and raised, sir.

What can be done, is my question. I am innocent of all things. And this is an atrocity that has happened to me. It's causing stress. I have no equity to buy

another home at this moment. And the developer is making a lot of money. He's a crook.

At the time of my taking, the City Council President of the City of Long Branch, "Fazz" Zambrano, who admitted his guilt for bribe-taking, was the City Council President. They were reelected back this past May, and then he resigned shortly after. How the law is set up to allow it, I can't argue that because if they allow it to go on there the way that it is, well, then, apparently it's allowed to go on.

SENATOR RICE: I'm going to ask you to bring it to a conclusion because we have other speakers. But go ahead.

MR. MacCLOUD: Okay. He admitted his guilt and cut a deal with, I guess, Christopher Christie, who's the prosecutor --

SENATOR RICE: Stay with what I'm trying to get to. I understand improprieties. We're going to address that, and there are laws to address that.

MR. MacCLOUD: Okay. Well, the point is that if he cut the deal before election time there, why did he continue with his panel of criminals? Excuse me, I feel that I have a right to say such a thing because they've abused me to the max.

SENATOR RICE: Well, we don't want you to be abused. I'm going to end it here. Thank you for the comments. Let me just say we're trying to figure out how to address it, that's why I wanted to hear from people from Long Branch, through this legislation. Everybody in the State -- I'm not talking the public now, elected officials, they run this year, they run next year, they're always running. They come out with the apple pie banners, you know, pay and play.

Everybody's into pay and play now. That's very interesting because I'm a former cop and investigator, and we always had laws to address pay and play. They haven't changed. We have them from the Federal government down. The issue is whether we're going to enforce them. Instead, we keep adding pay and play, pay and play, pay and play. That doesn't make any sense. All we're doing is really regurgitating what's already on the books. We're just putting a different word in front of it or a different word behind it. That needs to be addressed. We need to tighten up legislation so the process itself diminishes the opportunity, if you will, for those of us in government to even do the things that we are doing and also to flag it when we see it coming down so we can catch the bad guys and



gals if they're out there upfront. That's the best we can do now. I don't have a cure for all the problems.

And for the legislators throughout the country, I've traveled extensively in this country. New Jersey certainly has its share of problems of impropriety, and history has actually documented that. But the difference is, is that it's out front so we can address it. Those others states that like to point to us, that's their way of hiding what they're doing. A lot of them are a lot worse, believe me. They just haven't gotten around to them yet.

Let me thank you very much for your testimony. We're going to try to move with what we can in the December that gets resolved. Hopefully, whatever the case is, we're going to try to monitor the case this year because if we pass legislation prior to any litigation coming up, we want to pay particular attention to what the courts are saying once those cases are heard. That will indicate to us that we have to go back and tweak maybe what it is we have in place more or maybe even lose some of the things put in place. But that's where we stand right now. Thank you very much.

MR. MacCLOUD: Thank you.

SENATOR RICE: Next we're going to have come up Lloyd Henderson, New Jersey State NAACP.

Is Lloyd here?

MR. HENDERSON: Yes, thank you, Senator.

Thank you again. My name is Lloyd Henderson. I'm the First Vice President of the State of New Jersey NAACP, and I come to speak the position of the NAACP state-wide to the Senator and the Committee.

It is, first of all, the State of New Jersey's position that eminent domain should never be used for the purpose of private redevelopment. However, we are encouraged by the Committee recognition that this law needs reforming. We're thankful for the opportunity.

There are case after case illustrations of how eminent domain is being used to disenfranchise mostly poor minorities of their homes and businesses. In the NAACP memory, the eminent domain law resembles the Jim Crow law - - how the law is misused to disenfranchise property owners.

We hope that the Senator and his Committee will draft and present a bill that will be property-owner friendly and not business friendly. We hope that the Committee will take to heart and ensure the new version that adheres to the recommendations from the State -- from the Department of Public Advocate in reforming the use of eminent domain for private redevelopment in New Jersey, and that was dated May 18, 2006.

When it comes down to the use or the misuse of eminent domain, it doesn't matter whether one owns a half million dollar home or \$50,000 home. When compared to the big developers or the corporation, both of them are poor and both of them will lose out.

Thank you. (Applause.)

SENATOR RICE: Thank you very much. Thank you for coming for the State NAACP. Let me also indicate, as a member of the NAACP for a number of years -- and certainly eminent domain has no color lines drawn. It affects all of us, all ages and economic scales. But also the Public Advocate, I think, did a good job of putting together a document. Most of this information came from our staff when he first came in, and that information basically came from bills we have in. So we're going to be using some of if, but let me be honest with you, we won't use it all.

Let me also say to the NAACP, as much as I love the organization, I think you heard my statement as related to the three movements against urban America, which include all ethnic groups but in actuality middle class and poor people. And one of those positions the NAACP are behind. I'm not criticizing them as a member. I don't know why they are doing that. But you talk about gentrification, you talk about -- you're talking community and

transitioning people. I understand the relationship between distribution of free needles in drug-ridden locations. All you have to do is get the good left that's left and move out. And then redevelopment takes place, and the government will take eminent domain to it, and it will transition those who need help into residential facilities outside of those cities when we should be arguing those facilities now.

So we can't have organizations, as good-will as they are, to not put their wisdom together. That's why I said sometimes smart is smart, but common sense is common sense. Not to see the correlation between this, this, and this. If we talk about a negative impact here, we have to understand how we get the negative impact by aligning this with it.

So I want to thank you, for the record. I grew up with Jim, so I tell on myself, too. But I want to make sure for the record that you understand where I'm coming from. We're going to try to take any input of all the organizations that are well meaning, recognizing some how, they get hung up in the politics of it, too, and it's a give-and-take situation.

Next we're going to have come before us is Louis Lillian Thomas. Is that right?

MR. THOMAS ANZALONE: Thomas Anzalone and --

SENATOR RICE: Lillian Louis? We have three people here?

MR. THOMAS ANZALONE: Yes.

SENATOR RICE: Oh, okay. We have Louis, Lillian and Thomas Anzalone. Is that right?

MR. THOMAS ANZALONE: Yes.

How are you, Senator Rice?

I just want to present a very short and simple picture of your average homeowner and what happens. I'll let my father speak, but I'm going to speak very briefly first.

My parents bought their house 45, I think, 50 years ago as their marital residence. And we have lived there ever since. And I do want to get this point out from what I see as their son. I live them with that (sic) at 32 Ocean Terrace in Long Branch. And I think, as you know, people are familiar and everyone has done so well explaining all the different processes of eminent domain. I knew nothing about eminent domain at all.

Back in 1995, I remember receiving a certified letter. And basically the letter said, "You're invited to a City Council meeting because your property is being considered in an area in need of redevelopment."

I didn't know what that meant, so I showed it to father. And I say, "Well, I don't know what this is."

He says, "Forget it. I think they're just doing something in the city to fix things up."

I say, "Okay."

Well, I looked into a little bit farther, and I asked the City officials. And I say, "What's this meeting all about?"

And they say, "Oh, that doesn't concern you. Your area is just in-fill residential."

I say, "Well, what does that mean?"

"Well, you know, any vacant lots that are there, we'll be able to put houses."

I say, "Okay."

So, now, around 2001 I get a call from a friend and he sees a notice in the newspaper and it looks legal. And he says to me, "Hey, Tom," he says, "There's something here that says they're going to condemn your house."

I say, "What?" I say, "No, that can't be."

He says, "Well, are you Block 301, Lot 5?"

I say, "Yeah."

He says, "They're going to condemn your house."

I say, "What's this all about?"

So that's when I contacted an attorney. But I do want to refer back to this, that the notice we got in 1995 was very innocuous. It didn't say anything about your house could be condemned. It was a certified letter, "You're invited." It used very nice words like "area needing redevelopment," which I didn't even know what it meant. So I didn't think much of it.

And then I began to think. And I asked a few people in the audience here how many people -- I'm making an analogy here, so bear with me. How many people smoke? And there's not too many here that smoke. And I kind attribute it to the analogy of, the City was in a deceptive mode by not giving us a warning. If that letter said, "Warning. Your property can be condemned by eminent domain if you do not sell in the future," that would have been a warning. Like a cigarette pack has a warning on it. It says, "Warning. The surgeon general has determined that cigarette smoking can be hazardous to your health." Then they went on to go a little farther and say that "This has determined that it affects pregnancies."

I haven't read a cigarette pack lately, because evidently that ad campaign worked. And if we remember back in the '60s, you had the Marlboro Man, and the cigarette companies were promoting that that was the way to go. The

Marlboro Man was out there, and then Lucky Strike, and then "Winston taste good as a cigarette should." It was on buses, it was on posters. So everybody says smoking is a good thing. It's no problem. But then a couple doctors were saying, "Well, it's cancerous. You could die."

"Well, that's okay. Everything is promoted (sic)."

So what the Federal government did, from what I see, is they said this deception has to stop. No more cigarette ads on TV. And that wasn't enough, so no cigarette ads in magazines. And then they put -- the Surgeon General put it on cigarette pack itself: "Warning. You can die of cancer from this."

So basically, the same thing, I think there's a deceptive process in the eminent domain where my father and mother at their age of 89, we didn't know what this meant in 1995. It didn't say, "Warning. Eminent domain could be hazardous to your house."

I didn't know what -- you know, if they said something like that, my father would have done something or I would have called a lawyer, being that I'm younger and I watch out for them.

Again, the same thing, when we went to the town, they say, "Oh, you don't have to worry about." It's like



the cigarette companies say, "Oh, don't worry about it. You won't get cancer." So when my friend saw the legal notice in 2001, he says, "Hey, your house is going to be condemned."

Then I went to the town and the town says, "Oh, we've been planning for five years. You're five years too late."

Where was that warning from the beginning? So I just wanted to say -- and like I said, I can go on about the conflict of interest. And one of the things I noticed, too, after my friend called me and he said that your house is going to be condemned, I looked up the word redevelopment in the dictionary. And it says "to develop again." So basically I realized that they could flatten everything that's in that area and build something anew, again. If they were to use the word "blight" or some other term that would have specified that your house could be -- you know, is hazardous, that it's hazardous to your house, this redevelopment or this blight, we would have done something about it.

So just in short, I also did notice there was a conflict of interest because there was the Greenbaum firm, was the planning -- we could go on and on. I think a lot of people realize that. But I think the developers

realize, "Hey, we have an opportunity here. We can take all these houses by eminent domain, and build. What they plan on our area is 185 condominiums. Now, I can get to the philosophy of, you know, condos should not be built on the ocean, but evidently for a developer, building high-density condos is profit.

So for my parents who own the house, this is what happens. So we are all here now, 2006; we have to spend money for a lawyer and fight this thing or find out what's going on and that's it. But I'm going to let my father talk a little bit because it is his home. And I live with him. But I just want to let his feelings out a little bit and I'll just stop at this point.

Go ahead, Dad.

MR. LOUIS ANZALONE: Well, I'm the other half. Well, they're taking my home. Somehow or another it got word to Fox News. And the people in Fox News who were, one specific, Hannity & Colmes, they saw the picture of my home and they saw the ocean right in front of my home. The back patio, the ocean. Then they showed -- this was on TV. They showed the condos. And when he compared my home to the condo -- they brought me to New York to be on the show personally. So Sean says to me, he says, "Mr. Anzalone, I understand they're taking your home," because he was

talking about eminent domain all over the country, so I was one part of it. So I say, "Yeah."

He says, "They're taking your home for those condos?"

I say, "That's what they're doing."

"And what do they want to give you?"

"They want to give me a condo." I say, "Would you take a condo?" I say, "I was in World War II. I was a veteran in the Navy." And I say, "I lived in barracks all those four years." And I say, "I don't want any of those condos that look like tenement houses and have to take an elevator to go up." So I say, "I don't want it at any price."

He says, "What are you going to do about it?"

I say, "We're trying to see that we save our home." Because I want to save my home. I don't want the money.

Now, I've been living there for 46 years. After I got out of the service, I had a health problem. And the doctor told me, he says, "Lou, try and find a place near the shore, down there," because I had little problems with asthma. Fortunately, I found this place in 1960. I was able to buy it. Now, I been living there and I'm 90 years old; I'm going to be 90. Evidently, his advice, the

doctors' advice was good. It was good. It was good for my wife. She's 90, too. So we're living there. And then I'm saying, "these clowns." When I go to the City, like I'm talking to you now, it's different. You guys are listening. Those Councilmen and the Mayor were sitting there. And I'm talking to them and I'm saying, "This is what I have. This is the house I have." And they're looking at me. And I said they're looking at statues. They're not even budging. I told them, I said, "You guys, you remind me of the old English Robin Hood who stole from the rich and gave to the poor." I said, "You guys are stealing from the poor and giving it to the rich." They didn't budge.

But anyway, the reason why -- I'm an old timer in our neighborhood. Our neighborhood is the old-fashioned neighborhood, that everybody knows one another. Now, they want to take me at this time to put me someplace else. And by the way, I just want to see what they want -- properties. They offered me \$300,000. I cannot buy a garage to put a bicycle in for that price. They're stealing. Now, I have to sell to them because it's eminent domain. I have to sell to the developers. So they got me locked.

Now, the thing I'm saying here, what I would like to see for the older people or for the senior citizens and in my particular case but even for the people that live at similar, they should have some sort of a -- here, I wrote it down so I wouldn't hesitate. I see there's no provision in the law to reimburse owners for the enormous cost to fight the city and the developers. This should be changed, especially if the property owners prevail.

Now, this is the important thing that when we talk to you people, you could see that there are hardships in the case. In my case I have three hardships, three traumas. The first one I did something about it because we all did it, that was World War II. We fought the enemy trying come in and steal our property. We saved that. Number two, I worked for a company for 30 years. They manipulated me. I lost all pension. I get no pension. I live on Social Security. And the third one is now taking my home after 46 years there. And I say, go ahead. And they say, it's a condo. They lied. They say the condo -- they're not giving me nothing in a condo.

But anyway, that's my story of eminent domain, the sad story of eminent domain. And I see in our neighborhood -- one man, his wife died this past year because of the trauma of -- he was there something like --

his parents had something like 50 years, or close to 90 years. She died because of the trauma. Another one, her sad story is her brother bought the house in Long Branch -- this is all Long Branch -- he died in World War II and she had to give up her home. There's stories in our little neighborhood that -- the MTOTSA area. Like my son says, they were going to refill. Fine. We got empty lots, put new houses on them. But they're putting these things up, and we don't know whose coming in. We see people walking now, we don't know who they are. They're strangers. Maybe they live in the condo. Long Branch developed into two cities: the new cities from New York coming in and the old ones that are living there for a time being and then they're going to be pushed out. So that's the story of eminent domain.

SENATOR RICE: Thank you very much.

Does the lovely young lady have anything to say?

MR. THOMAS ANZALONE: She doesn't talk too much.

SENATOR RICE: Let me just say that I do understand the concern. I indicated earlier. God bless you. My grandfather was about your age when they took his property. That broke the straw.

The other issue is that now when you hear about someone without a pension, the question is where do you go.

We're fighting that battle right now. Everybody in New Jersey is in a panic all of a sudden and wants to take away people's pension benefits rights. I guess I get clopped over the head, too. I'm not taking away people's benefits.

But we hear you loud and clearly, and we're going to be looking and we're going to be paying attention, okay? Thank you very much for your time.

MR. THOMAS ANZALONE: Thank you, Senator.

MR. LOUIS ANZALONE: Thank you.

SENATOR RICE: The next person is Nan Coll.

MS. COLL: Thank you, Senator. I don't live in an area that is in danger at this moment of eminent domain, but I feel very strongly on the subject. I live in Brick Township. By the way, finally made No. 1 as safest city. Our Mayor will be extremely happy. I've only owned my home for six years. I'm one of those New Yorkers that moved here. I moved to Brick because I considered it a quaint little town. I would not want to change Long Branch. That would have been why I would have moved there.

I'm going to read what I prepared and then add a few comments based upon what I heard.

It's been said that those who do not learn from history are forced to repeat it. If one reads our Declaration of Independence and the Precepts and the Bill

of Rights, we see doctrines that have rose as a rejection of the practices of Great Britain's oppressive government. Among those practices from which our founding fathers wanted to protect us was that of taking land from people whose families had owned it for centuries and awarding it to those whom the ruling power favored.

While certainly not perfect, the founding fathers did possess great insight. Much was the result of a collaborative thrashing out of ideas. They realize there would be times when the greater good of all would require the taking of land. They thought they were ensuring this would be done without harm to those who have their land taken and that it would not be awarded to another individual, but would be used for the public good.

I do not care how many or what arguments are put forward for what we see happening today. It is wrong. It is immoral. It violates all that the United States of America stands for. Among the arguments for taking is redevelopment for increased ratables. This is hogwash. Today's ratables can be tomorrow's slums and next year's upscale redevelopment. In other words -- and I didn't steal this from you -- take from the poor and give to the rich. You see the vicious circle?



We can be guilty of taking a person's land and giving it to another so that that -- we cannot be guilty of taking a person's land and giving it to another so that that person can profit. It is wrong. It is immoral. It violates the intent of our founding fathers. It would be just as wrong for the State to own the land and award long-term leases. This is not a public good; it is a private profit.

Another reason to not allow this taking of land is, it will increase population density. We cannot afford this explosion. Eventually, this leads to added costs. Homeowners are already suffering from the high property taxes for schools. Transportation costs will increase. The wear and tear on roads will increase. Traffic is already a nightmare. We do not need to add more to it. We must apply what we have learned from history so we do not repeat it.

As I stated at the very start, the very basis of our Constitution and recognition of the rights of the citizenry stem from the abuses suffered because of the practices of the British monarchy. It is a shame that the history of the abuses of this British monarchy is not taught in our schools, not the dates of when this happened and when that happened. Another saying is that at one time

the sun never set on the British empire. In other words, they dominated areas all over the globe.

My grandparents were born in Ireland. And all are somewhat familiar with the Irish problem. My limited knowledge of India leads me to believe India has no fond feelings for the English. The English were party to the transportation of slaves from Africa. I seriously doubt Africans hold any more love for Mother England than do the Irish. England was also responsible for the very first right of eminent domain on land in the Americas. They seized or duped Native Americans out of their land and dispossessed them. The list goes on and on. The British empire is no longer because their actions were immoral. Nay, evil.

I wish that our schools offered Irish history courses; if not Irish history as a subject, then required reading of some nonfiction books that relate what was done to the Irish. As an American of Irish ancestry or heritage, I thought I knew how bad it had been. Recently I read a few very small books, and I listened to one very large book on tape that made me realize I had not fathomed the true horror of it. You hear tell about the Irish famine. There never was a famine. The only crop that failed was the potato, which by the way was not an Irish

crop; it came from America. Other crops were exported. The tenant farmers, that is, those whose land had been wrested from them, oh, and magnanimously they allowed them to remain on and work a small track for a fee, mind you. But they were not allowed to keep anything about the potato. They didn't get the money for the exporting of it either, the other crops. Perhaps no other documentary would reveal the evil of eminent domain more than the story of what Mother England did to Ireland.

I implore you to take steps immediately to ensure when the right of eminent domain is used, it must be proven to be in the interest of a public good and not to any individual advantage, including when the individual is a big corporation of individuals. Public roads would be appropriate, as it would benefit all. Community centers would not be an appropriate use because it will only benefit a relatively small number of the public and could fall into disrepair. The land seized must remain property of the State, that is, the township, county, State or Federal government. Please tighten the laws without delay so that this right is not misused and abused.

If you'll give me pause, I'd like to pick up on some of the things I heard. In particular, it was mentioned about how we treat the least of us. And I

believe it was John Stuart Mills that said you could judge a country by how it treats the least. This is not treating the least of our people very well. Instead of location, location, location, what we need here is balance, balance, balance.

I was recently in Albuquerque, New Mexico, for a convention of retired Federal employees. I love what the men there said at the opening ceremonies; they don't tolerate diversity, they celebrate it. That's what we need to do here, is celebrate diversity. Celebrate the diversity of the people who live in a particular area, celebrate diversity of the architecture of the area. What I have heard here, and it's been termed redevelopment, well, there was no need, from what I hear. These homes don't need to be redeveloped. The in-fill might have been a good way to go. As I mentioned, I came from New York. I doubt anyone has not heard of Bedford-Stuyvesant, and today, the connotation for Bedford-Stuyvesant, which for many years has not been a good connotation. However, when my grandmother came over from Ireland, she worked in a brownstone home as a domestic live-in, first as nanny, then cook. One of the people that she cooked for was -- I don't think it was -- I don't think he'd become president yet, but Theodore Roosevelt. That was the kind of people who

lived in Bedford-Stuyvesant. Things changed over time. I believe it was ConEdison that joined forces. And they did not do a redevelopment, they did a restoration. And there's a whole section that's referred to as the restoration. And that is, people were allowed to stay living where they were living, but their homes -- and it wasn't generally homes, it was more large apartment building complexes but nice ones, decent ones. And they could remain there and they could still continue to live and work as they did.

Jacob Riis would be really be upset to see people building the land rights up by blocking the view of the ocean and the magnificent sites that you have.

SENATOR RICE: I'm going to ask you to bring it to a conclusion.

MS. COLL: Yes, I will. I will read the end of it, what I was going to tell you.

To that end, I conclude with the words of an appropriate Irish song. The title of it is "The Town I Love So Well." What's won is won, and what's lost is lost and gone forever. Do not let our town suffer the fate that's in that song. It's not a pretty sight.

Mostly, I want to thank you once again, Senator, for the opportunity to speak. I applaud you for doing your

due diligence by holding these meetings about the most important matters affecting the citizenry of New Jersey.

I have a copy of my prepared text that I will give to you.

SENATOR RICE: Thank you very much.

I'm looking for couple of speakers that came up, including the speaker prior to Ms. Coll. Let me indicate, though, one of the things we're looking at is the clear distinction between the definition of life and redevelopment, and we'll be visiting those definitions as well. Redevelopment takes on, from my perspective, some of the things that Ms. Coll was talking about in terms of restoration, maybe some new construction, maybe even some taking of properties within reason.

Blight is a term that's been abused. I know in cities like Newark, at one time we'd blight a particular lot, not the whole area. Now people want bigger projects to start to blight. But also, blight is not something that people think is in the negative side. Property values don't necessarily go down because you blight. That was the notion that people gave who argued against blight. It's a situation where you're in a position to move on eminent domain if you really had to, and that's why we have to go back and revisit it to find out what is the real definite

blight versus redevelopment. And so I just want to raise that.

The final speakers, I'm going to call three of them at the same time primarily because all three represent an organization, and I think that they may have some things in common. We're going to call up Peggi Sturmfels, and your organization is NJ --

MS. STURMFELS: New Jersey Environmental Federation.

SENATOR RICE: Next we have also to come up is David Gibbons. And David is with the Habitat for Humanity of Long Branch. And we have also Matt Shapiro from New Jersey Tenant Organization.

What we're going to do is, we're going have the young lady start off. Just identify your name, your organization so that the record can reflect that. And each of the gentlemen, please do the same thing.

MS. STURMFELS: I'm Peggi Sturmfels. I'm with the New Jersey Environmental Federation.

Senator, thank you for holding these hearings here in Lakewood. It was easy for an -- because I live across the street in Jackson, so I thank you for coming out to the public. I had a lot of things on my mind. After the testimony that's been given tonight, you know, words

really cannot say how heartbroken one can feel at what some of these families have gone through and what many more families will face.

The Federation has testified and has been involved in the Kramer Hill controversy, in the Long Branch controversy also, and has been watching the establishment and the making of offering of these bills as it goes along. We have some real concerns with the bill that was introduced in June by the Assemblyman, and we feel that as you are in the process now of finishing off your legislation, there is some things that were missing from that that we wanted to make sure that the reason we oppose those bills was because it didn't have pay to play in the redevelopment using eminent domain. It didn't ensure enough affordable housing, and it didn't ensure adequate compensation protections against displacement.

We believe that land should not go to politically connected developers. There's no ethics requirement or ban on nepotism that was in the previous bills. We think that should be put there. It should be meaningful and competitive bidding and landowners redeveloping their own properties should be permitted.

Legislation should also allow that their protection for homes taken right now even as the abuses and



this process is going on. We believe that it should not permit the taking of underutilized commercial properties and what they've determined is obsolete, small businesses and homes, simply because a developer can build something that might make him richer and give a few more ratables to the town.

We believe that it should provide enough affordable housing to replace lost units. And in doing so, if you are putting in replacement units, that they should be within the area that the people live, work, have families, have connections, and that it should be affordable.

Someone mentioned that it was offered \$300,000 for his home. Well, for some folks -- or the condominium was going for \$300,000. He was offered a condominium. Was he also offered the taxes that would have to be paid and the upkeep for these condominium associations? Were all those things taken into consideration? I don't think so. And those things should be required. Just giving a person another condominium doesn't ensure that their quality of life will stay the same.

We also would encourage that real planning have linkage to the State Plan. Often times these individual things are just, you know, higgly-piggly, as they say. And

they just don't have anything to do with the real State Plan at all.

You should make the victims whole, give them fair access to the courthouse. As you heard, they have to hire attorneys at great expense or just basically give up. And the compensation is not adequate to ensure that the least in this position can adapt because they don't have compensation at the time of the taking, and it continues too many legal burdens to give Joe Citizen the opportunity to utilize the courthouse. We believe that should be remedied.

And basically, we applaud you for your taking this issue on. I know this is going to a long, hard process for you. I don't think there are any easy answers, but thank you.

SENATOR RICE: Thank you very much.

And, no, there are no easy answers, but there's things we can collectively, if my colleagues are willing to do them. I would like to think they are. If not, I just argue the case, as our tradition. I win some, I lose some.

Sir?

MR. GIBBONS: Dave Gibbons, Habitat for Humanity of Long Branch.

As you know, Habitat for Humanity is dedicated to trying to provide affordable, decent housing for all citizens of this country; in fact, for all people in the world. And there are three Habitats for Humanities in Monmouth County, so I think I can represent all three of us. We've been in existence for a little over 10 or 12 years. It varies a little bit from affiliate to affiliate.

The condemnation of properties in Long Branch has displaced and removed more affordable housing in one year than all the three habitats together have built in 12 years. That's pretty depressing. Your bill must include a one-for-one replacement of affordable housing for any use of eminent domain.

Secondly, we have heard here painful stories over and over again of individuals who have been affected by eminent domain. You must address the problems that lead to all this pain: the speed with which this takes place, the openness and transparency of it. When you sue a company for damages and you win, they pay the lawyers' bills. When you sue the State or the City for taking your property, you pay the bills. Some of this has got -- if you want to be fair to the property owners, and I'm talking about the homeowners and the renters -- well, the landlords. You've got to make it financially possible for them to contest

what's being done to them and to address it. That's all I'll say for now.

SENATOR RICE: Thank you much. Just one quick comment. The one-for-one replacement is something that is easier to say than do in a geographic area. We are talking about replacing units, replacing housing affordability. But with that relocation -- because oftentimes, you can't put back in the same community. I went through it with the Federal government. The high-rises in Newark and the big debate about it, and the formulas kept changing in favor land mass (sic) because you're coming from here down to this. So we are looking at replacement housing. I'm not going to sit here and guarantee anybody it's going to be a one-for-one in some particular geographic area. My concern is how you make people whole as best you can if, in fact, the tool is used.

I also believe that as we go on to the future, you're going to see a little less eminent domain. It's not something that was used on a regular basis in the past growing up. It's something that really started to get used even more so, like I said, in last 8 to 10 years throughout the country. And because it was being used so much, abuse got into the stream, unlike in the past. There's got to be a settling down period, too, hopefully.

Affordable housing becomes very important because we know most of the areas that are being rebuilt -- yes, we have the shore community, middle class working folk who purchased those homes. Now people, upscale, rich and wealthy want to see the water. We can appreciate that, but we don't want to give up anything and we shouldn't have to.

In the meanwhile, with your urban city, whether it's Camden, whether it's Newark, whether it's East Orange or Irvington -- you name it, Paterson, doesn't make a difference -- it's the displacement of working class, lower income level people.

When the people talk about -- some of the issues with the legislators, because if that was the case, you talk about taking the area and providing a job opportunities when you rebuild using eminent domain to locals, I've had bills in for years. I cannot get enough committee members to pass even the bill that says, if I live in Long Branch and you're taking my property, the least you can do is make sure that some of the Long Branch residents get some of the work to bring the community back. Can't get it.

So a lot of our problems is not just the legislation, a lot of our problems are those who represent us too. And I say that publicly. I say that in my caucus

as well, so it's not new. So if the media is writing it, don't think I'm going to be embarrassed. When I talk I give realities.

Go ahead, Matt.

MR. SHAPIRO: Matt Shapiro, I'm President of the New Jersey Tenants Organization. We represent and we speak for approximately one-third of New Jersey. That's the one million plus families that rent their homes, don't own them. And tenants aren't usually spoken about when we talk about redevelopment, at least not recently. Since the Kelo decision, homeowners have been awakened. They've been up in arms over the idea of their homes being taken for what might not be a really good public purpose. And they're right. They should be up in arms. But this has been happening to tenants forever.

The real victims of redevelopment of eminent domain, for the most part, have been renters. For every home that's taken that's a private home, you probably have a thousand units of rental property that have been taken in redevelopment plans and eminent domain. And talking about taking from the poor and giving to the rich, most of the time those homes are from very poor tenants. So let's think about those victims.

One-to-one replacement of affordable housing has been mentioned by a lot of people, and it's often very difficult to achieve that. But to tell you the truth, one-to-one really isn't good enough. We have an affordable housing crisis in this country. In this State, it is probably worse than just about in any other state. And when you're going to do a redevelopment plan, if you're not going to attack that crisis, why are you redeveloping? A lot of towns don't really want to attack the problem of the lack of affordable housing. They would like that problem to just not be theirs. If you're going to do a redevelopment program, you should be doing something to lessen the crisis, not just level it. That's what one-to-one -- one-to-one replacement, all that does is replace the existing affordable homes that you're destroying. If you're going to have a redevelopment, you should be lessening the affordable housing crisis, and that means you've got to build more than you take away. Very few people have been talking about that, but that's what's really needed here. We've got at least a hundred thousand families that are desperately in need of affordable housing.

When we use that term, we generally mean low and middle income families. And we've got to address the

crisis. Redevelopment should be one tool to address that crisis. That's a real public purpose, building affordable housing. But all we're talking about here so far is how much affordable housing are we're going to lose. There should be a net gain in affordable housing from any redevelopment or any eminent domain. That's number one.

Number two, let's look at the actual human beings, the tenants who get -- they're going to be displaced. Even if there is one-for-one replacement or better, that's down the road. While this is happening, they're going to be put somewhere else. And that probably will become their permanent home. So what happens to them?

Well, I know in the Assembly bill there was an attempt to deal fairly well with homeowners. The home was to be valued three different ways and homeowners to get the higher of the three values. So there shouldn't be economic harm. Now that may not be the only way that you can have economic harm, but at least as an attempt to give better than full value to the homeowner. Plus, the homeowner is going to get substantial relocation benefits, approximately twice the benefits that are offered to tenants. I don't understand why it's higher than tenants; a family has to move, a family has to move. In fact, I don't know why it's higher at all.



Tenants currently, under current law, get practically nothing. The old 1971 relocation law gives tenants four years' worth of benefits at such low levels that they just wouldn't be able to cover their costs at all, not even come close. The Assembly plan makes that better, but it doesn't go nearly far enough. It attempts to index those original benefits, which were low to begin with, by inflation factor and over two years bring it up to current levels of inflation, the value of the dollar. That really doesn't deal properly with the economic needs of the renters. Those renters should not suffer, just as a homeowner shouldn't suffer any economic harm. Aside from the tremendous psychological damage, a renter should not suffer any economic harm. That means where the tenant is going to shouldn't cost that tenant anything more forever, in -- I'm going to quote you -- in perpetuity. That concept has not been raised. It's not even been thought of. Think about it. Why should a tenant suffer at all at any time because of eminent domain, because of a public purpose? Why is that tenant supposed to -- today because as soon as it happens, they're not going to cover their cost even under this formula. This formula does not cover tenant costs. But suppose it did and it just ends after four years. What's going to happen after four years?

Homeowner has bought a new home with the money that they got if it was enough. It should be enough. The tenant four years from now gets evicted, can't pay the rent. There is no equity in this situation. There is no equity at all.

Now, maybe the reason for all of that is that many times when we have eminent domain used, the purpose is to get rid of the tenants. I know it's not considered proper to say that, but that's the truth. And we have to stop thinking that way. We have to stop going along with municipal plans that essentially say, "Let's get rid of those people and build a shopping center." If we're going to do that, we have to make sure that every renter, just as every homeowner, doesn't suffer any economic harm whatsoever.

Finally, tenants are just as affected as a homeowner, but tenants don't get notified. Even in the Assembly bill which attempts to give tenants notice, it is not the same treatment that homeowners get. I don't understand why. Why can't every single tenant be notified at every step of the process in exactly the same way as a homeowner is notified? I understand their names are not on the tax rolls, but their names are available. The current landlord identity disclosure law requires that lists of

tenant names be given to the Department of Community Affairs and to the local municipal clerk. It's known who the tenants are, what apartments they live in. Why can't they be notified in the exact same manner as a homeowner? Maybe you don't want to hear from them. Maybe they won't want to lose their homes and they'll come up and start screaming. I don't think that's a good enough reason. And maybe it's difficult to send out so many notices by certified mail. I think certified mail is the way that homeowners are supposed to be notified. Well, you know, they ought to be notified.

Finally, rehabilitation should be the required alternative. Whenever you're going to come in and do a redevelopment, it isn't necessarily the best thing to just destroy a property when it's possible to rehabilitate it. Rehabilitation should be the required alternative unless the municipality can prove that rehabilitation is insufficient, that it just won't work.

And finally -- I know I said finally three times already. I apologize. But this is finally. I think that the municipality should prove its case using clear and convincing proof, clear and convincing evidence which is the equivalent of beyond a reasonable doubt in non-criminal cases. This type of action, taking of people's homes, is

extreme. It's not minor, it's extreme. And if they're going to do something like that, they better be able to prove their case beyond a reasonable doubt.

I guess I'm done. Thank you.

SENATOR RICE: Thank you, Matt. Let me just make a couple of quick comments. Let me say that it's nice to say, and I work with groups -- I don't like the word "special interest," but I work with groups that represent special concerns groups and advocate. I understand what that means. But from my perspective, I have to be more objective and I have to be a realist. That's the advantage of living a long time. It's nice to say that -- first of all, we're addressing as best we can the relocation of tenants in this legislation once we do some amendments. But that initiative, we never the eminent domain. New communities, Douglas Harris, did not help those people the way they should have, and was not eminent domain taking; that was a foreclosure issue. But we have to cognizant of that reality issue regardless, and that's why I'm holding an affordable housing, quote/unquote, hearing throughout.

On the other side of that, when we use the perpetuity in terms of affordability long-term, it's a little different when it comes to a tenant in perpetuity. And let me tell you why. If you stay where you are in that

tenement as a tenant, eventually, regardless of when, they're going to increase rent, okay?

MR. SHAPIRO: True.

SENATOR RICE: So I can't keep you here in perpetuity. I can keep the structure in perpetuity, but I can't keep you here in perpetuity. So if I relocate you and give you equity and fairness and make you whole, I can't control what happens in that new tenant apartment over a period of time. And so I think the real key goes back to equity and fairness. And we can debate that, but I'm telling you, given each scenario subjectively, it can't happen.

Notice should go to everyone. That's why we do newspaper notice. But I'm not going to get hung up between the owner of property and one who is actually renting or leasing that property. And let me tell you why. I want everybody to have notice, and that's why we're going to make sure we put as much as we can to transparency, notice, and everything else. But I want to make sure that the person that owns that property gets noticed. And if I'm a good landlord and I don't want to have my property taken, I'm going to make sure my tenants get noticed. That's my backup system right there. But I want to make sure the homeowner at least gets the notice. I want everybody to

get it, but I got to make sure. My point is, notice should go to everyone. There may be a lot of reasons why notice is not getting to tenants, et cetera, et cetera, et cetera. Maybe some landlords want to make their own decision about their fate with their property. But what I do believe is that we can't take somebody's property today and throw their tenants out tomorrow. I don't believe we can do that and say we're not going to help you relocate either. Because that's what really happened, that school construction situation I mentioned earlier. The guy just purchased a house, got two new tenants, and then all of a sudden, boom, you're out. I'm trying to find them someplace to go.

But we do hear you loud and clearly, those who've come. I want to thank everybody for your testimony. We're going to take everything that's said in consideration; believe me, we will. Everything that is said is not going to be locked into this legislation. We're going to continue to look at eminent domain as we move forward. There are other aspects of statutory -- because there are three statutes we can look at in terms of eminent domain, relocations, and others that need to be addressed. I don't have a cure. I can't do it by myself. I'll be getting -- Assemblyman Burzichelli, we'll be getting back together and

see where we come together. And we'll be talking to the Public Advocate again. I'm not going to let them (indiscernible) full Public Advocate and he's one way in his thinking, and he is sometime, that he's going to be in the way of those of us who have to be elected and be objective as to what happens in our communities, 566 municipalities. And I'm not going to be swayed by groups who want things this way over here but not understand the impact of the things they support over here, on what we're trying to go do here, that causes a big contradiction.

So I'm taking all of this -- maybe my colleagues on the Committee are not being objective, maybe some of the legislators are not being objective, but I'm smart enough to try to look at the whole picture, as best I can, and see what those relationships are. The bottom line is that people got to be protected. Their rights have to be protected. Eminent domain should not be priority of any government in terms of usage. It should be a tool that could be helpful when necessary, and necessary has to be defined in such a way that we can prove it is necessary in order to accomplish the good for the people that we represent in this State.

So with that, there are no other persons to testify --

MR. SHAPIRO: Sir, could I just clarify what I meant by in perpetuity, because you brought up a good point.

SENATOR RICE: Sure.

MR. SHAPIRO: I did not mean that the rent had to be kept the same forever.

SENATOR RICE: I understand that.

MR. SHAPIRO: What I meant was that whatever rent protection they had in the original premises, that same kind of protection should continue in the new premises. That's all.

SENATOR RICE: That's what I thought. I wanted to make sure that the media and public didn't get that impression. I wanted to get clarity there.

Let me thank you once again, and also thank once again Lakewood government and Senator Singer for allowing us to come in here, the staff for traveling, and the stenographer who just sits there, I don't give her a break, I've got to figure that out one day, after that. But the next hearings will be in Newark on the SCI and then we're going to move back into Trenton to hold the rest of the hearings there. The government at the State level will provide notice the way they've been providing them. You



come in and see where we go from this. With that, this meeting is adjourned.

Thank you. (Hearing adjourned at 7:00 p.m.)

C E R T I F I C A T E

I, Lisa C. Bradley, a Certified Shorthand Reporter and Notary Public of the State of New Jersey, do hereby certify that the foregoing is a true and accurate transcript of the proceeding as taken stenographically by and before me at the time, place and on the date hereinbefore set forth, to the best of my ability.

I DO FURTHER CERTIFY that I am neither a relative nor employee nor attorney nor counsel of any of the parties to this action, and that I am neither a relative nor employee of such attorney or counsel, and that I am not financially interested in the action.

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LISA C. BRADLEY,

CSR, RPR

NO. 30XI00228700