



NEW JERSEY

Association of State Colleges and Universities

150 West State Street, Trenton NJ 08608

Phone (609) 989-1100

QuickTakes!

Governor Phil Murphy Signs Bipartisan Legislation to Provide Communities with Opportunities for Valuable Public-Private Partnerships (P3 Legislation)

August 14, 2018

Governor Phil Murphy on Tuesday, August 14, 2018, signed bipartisan legislation to further foster economic growth in New Jersey through public-private partnership (P3) agreements between government entities and the private sector for building and highway infrastructure projects in the state. The bill, [S-865](#), provides for financial oversight and approval of these agreements by the State Treasurer.

The New Jersey Association of State Colleges and Universities (NJASCU) and its senior public higher education institutional members worked diligently to gain passage of this legislation and make sure that the law permitting these partnerships had no expiration or “sunset,” as did prior P3 legislation.

“Today, I’m proud to enact bipartisan legislation that gives our communities greater opportunities to benefit from common sense public-private partnerships for essential construction and capital projects,” said Governor Murphy. “Democrats and Republicans alike recognize the tremendous benefits that can arise when public officials and private sector partners work together. By doing so, we give state, county, and local officials the much-needed flexibility they need to improve their communities while creating good-paying new jobs – in most cases good, union jobs – while leveraging private capital to invest in public infrastructure.”

Governor Murphy signed the bill at The College of New Jersey’s Campus Town development, a \$120 million residential and retail town center project built collaboratively with private-sector partners. “Campus Town is an enormously successful public-private partnership between The College of New Jersey and The PRC Group,” said TCNJ President Kathryn A. Foster at the signing event. “This 350,000 square foot development provides attractive housing, retail outlets and amenities that we did not have and would not have without a P3 agreement.”

Other NJASCU member P3 projects include: Montclair State University (\$230 million The Heights residence complex); Kean University (\$43 million residence complex); New Jersey City University (\$400 million West Campus Village residence complex new and renovated,

www.njascu.org

*The College of New Jersey
Kean University
Montclair State University*

*New Jersey City University
Ramapo College of New Jersey
Rowan University*

*Stockton University
Thomas Edison State University
William Paterson University*

plus a market-rate housing and commercial development project opening in the fall of 2018); Rowan University (\$145 million Holly Point Commons residence complex); Stockton University (\$156 million Atlantic Gateway Project of residences, parking garage, commercial offices, and academic building on the Boardwalk opening in September 2018); William Paterson University (solar facility saving \$4.3 million in energy costs over 15 years); and Ramapo College (\$5.2 million roof replacement and solar installation).

NJASCU thanks Governor Murphy and the bill's sponsors who worked closely with NJASCU to get the language of the proposed legislation to reflect what was needed to stimulate economic development and to meet the needs of the public colleges and universities. Sponsors of [S-865](#) include Senate President Steve Sweeney, Senator Steven V. Oroho, Assembly Speaker Craig Coughlin and Assemblyman Louis D. Greenwald, Jon M. Bramnick and Joseph A. Lagana.

Specifics:

Under S-865, government bodies, including school districts, municipalities, counties and state entities, may enter into a public-private partnership agreement with a private organization, which would assume the financial and administrative responsibility for the development, construction, reconstruction, repair, alteration, improvement, extension, operation, and maintenance of a government-related project that is financed in whole by the private sector organization. However, the law requires local public input and finance controls, as well as land use and financial approvals, should a municipality, county, or school district seek to pursue a P3. If the agreement includes the lease of a public building, road, infrastructure, or facility in exchange for up-front or structured financing by the private entity, the term of the lease may not be for a period greater than 30 years.

The legislation also requires that workers employed in the construction, rehabilitation, or building maintenance services of a project be subject to the applicable provisions of the "New Jersey Prevailing Wage Act;" that building construction projects contain a project labor agreement; and that the general contractor, construction manager, design-build team, or subcontractor for a project be registered and classified by the State to perform work on a project.

Additionally, the legislation allows for a small number (8) of statewide roadway or highway projects that require not only private investment, but also public support (at least \$100 million). For local projects this limit is significantly lower (\$10 million). A private entity is required to establish a construction account to fully capitalize and fund the project, while the general contractor, construction manager, or design-build team is required to post performance and payment bonds to ensure the completion of the project. The legislation prohibits the bundling of multiple projects. All projects are required to undergo a procurement process established under the bill.

As the department providing oversight, the State Treasurer must provide the status on each public-private partnership agreement on its website. Postings must indicate the status of each agreement by designating it as a proposed, under review, or active public-private partnership project.