

1965

Information Pamphlet No. 2: Urban Renewal Legislation in Maine

Maine Department of Economic Development

Maine Division of Research and Planning

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Information Pamphlet

No. 2

URBAN RENEWAL LEGISLATION IN MAINE

Containing 30 MRSA §§ 4801-4905
as amended

Prepared by
Division of Research and Planning
Department of Economic Development
Augusta, Maine
1965

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AP 26 '66

Maine's urban renewal legislation is found in 30 MRSA §§ 4801-4905 as amended by Chapter 220 and Chapter 244 of the Public Laws of 1965.

The reference title and section contain Chapter 90-B of the Revised Statutes of Maine, 1954, as amended, which was enacted by the 99th Legislature as Chapter 359 of the Public Laws of 1959 and Chapter 90-C, enacted by the 100th Legislature as Chapter 203 of the Public Laws of 1961 and Chapter 258 of the Public Laws of 1963.

Published under Appropriation No. 3920

TITLE 30

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§ 4801. Definitions

The following terms wherever used or referred to in this subchapter shall have the following meanings, unless a different meaning is clearly indicated by the context:

1. Authority or Urban Renewal Authority. "Authority" or "Urban Renewal Authority" shall mean a public body corporate, and politic, created by or pursuant to this subchapter.

2. Blighted area. "Blighted area" shall mean:

A. An area in which there is a predominance of buildings or improvements which, by reason of dilapidation, deterioration, age or obsolescence; or inadequate provision for ventilation, light, air, sanitation or open spaces; or high density of population and overcrowding; or the existence of conditions which endanger life or property by fire and other causes; or any combination of such factors, is conducive to ill health or transmission of disease, or infant mortality, or juvenile delinquency and crime, and is detrimental to the public health, safety, morals or welfare.

B. An area which, by reason of the predominance of inadequate street layout, insanitary or unsafe conditions; tax or special assessment delinquency exceeding the fair value of the land, the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, and is a menace to the public health, safety, morals or welfare in its present condition and use, provided that if such blighted areas consist of open land, the conditions contained in section 4808 shall apply and provided that any disaster area referred to in section 4808 shall constitute a blighted area.

3. Bonds. "Bonds" shall mean any bonds, including refunding bonds, notes, interim certificates, debentures or other obligations pursuant to this subchapter.

4. Federal Government. "Federal Government" shall include the United States of America or any agency or instrumentality, corporate or otherwise, of the United States of America.

5. Obligee. "Obligee" shall include any bondholder, agents or trustees for any bondholders, or

lessor demising to the authority property used in connection with an urban renewal project, or any assignee or assignees of such lessor's interest or any part thereof, and the Federal Government when it is a party to any contract with the authority.

6. Person. "Person" shall mean any individual, firm, partnership, corporation, company, association, joint stock association or body politic, and shall include any trustee, receiver, assignee or other similar representative thereof.

7. Public body. "Public body" shall mean the State of Maine, or any agency or instrumentality thereof, or any board, commission, authority or district within the territorial boundaries of the municipality.

8. Real property. "Real property" shall include all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens.

9. Redeveloper. "Redeveloper" shall mean any person, partnership or public or private corporation or agency which shall enter or propose to enter into a redevelopment contract.

10. Redevelopment contract. "Redevelopment contract" shall mean a contract entered into between the authority and a redeveloper for the redevelopment of an area in conformity with an urban renewal plan.

11. Slum area. "Slum area" shall mean a blighted area in an extreme state of deterioration and decay.

12. Urban renewal plan or renewal plan. "Urban renewal plan" or "renewal plan" means a plan, as it exists from time to time for an urban renewal project, which plan shall conform to the comprehensive plan as set forth in sections 4951 to 4957 except as provided in section 4808; and shall be sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements and rehabilitation as may be proposed to be carried out in the urban renewal area, zoning and planning changes, if any, land uses, maximum

densities, building requirements, and the plan's relationship to definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements.

1965, c. 244, § 1.

13. Urban renewal project or renewal project. "Urban renewal project" or "renewal project" may include undertakings and activities of the authority in an urban renewal area for the elimination, and for the prevention of the development or spread, of slums and blight, and may involve slum clearance and redevelopment in an urban renewal area, or rehabilitation or conservation in an urban renewal area, or any combination or part thereof in accordance with an urban renewal plan. Such undertaking and activities may include:

- A. Acquisition of a slum area or a blighted area or portion thereof;
- B. Demolition and removal of buildings and improvements;
- C. Installation, construction or reconstruction of streets, utilities, parks, playgrounds and other improvements necessary for carrying out in the urban renewal area the urban renewal objectives of this subchapter in accordance with the urban renewal plan;
- D. Disposition of any property acquired in the urban renewal area, including sale, initial leasing or retention by the municipality itself, at its fair value for uses in accordance with the urban renewal plan;
- E. Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the urban renewal plan; and
- F. Acquisition of any other real property in the urban renewal area where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities.

§ 4802. Creation of authority

A municipality may create an Urban Renewal Authority under this subchapter as follows:

1. Resolution. No municipality shall exercise the authority conferred upon municipalities by this subchapter until after its municipal officers shall have adopted a resolution finding that:

- A. One or more slums or blighted areas exist in such municipality; and
- B. The rehabilitation, conservation, redevelopment, or a combination thereof, of such area or areas is necessary in the interest of the public health, safety, morals or welfare of the residents of such municipality.

2. Question for voters. After such finding, the municipal officers at any regular or special election or town meeting may submit to the voters in accordance with their charter or section 2061, the following question:

"Shall the municipality adopt the provisions of the urban renewal law, Revised Statutes, Title 30, chapter 239, subchapter III, and authorize the establishment of an Urban Renewal Authority?"

3. Favorable vote. If a majority of the ballots cast on this question favor acceptance, this law shall become effective immediately upon declaration of the vote by the municipal officers, provided the total number of votes cast for and against the acceptance of the act equals or exceeds 20% of the total votes cast in said municipality for all candidates for Governor at the next previous gubernatorial election.

4. Certificate of result; failure and resubmitting question. The result of said elections shall be declared by the municipal officers and due certificate thereof shall be filed by the municipal clerk with the Secretary of State. Failure of approval shall not prevent the municipal officers from again submitting said question to the voters of said municipality in the manner provided.

§ 4803. Organization

There is created in each municipality that adopts section 4802 a public body corporate and politic to be known as the "Urban Renewal Authority" of the municipality.

1. **Board of trustees.** The municipal officers shall appoint a board of trustees of the Urban Renewal Authority which shall consist of 5 trustees. The term of office of a trustee is 5 years, but initial appointments shall be made for 1, 2, 3, 4 and 5 years respectively.

2. **Expenses; term of office.** A trustee shall receive no compensation for his services but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of his duties. Each trustee shall hold office until his successor has been appointed and has qualified. A certificate of the appointment or reappointment of any trustee shall be filed with the clerk of the municipality and such certificate shall be conclusive evidence of the due and proper appointment of such trustee.

3. **Quorum; powers; eligibility.** The powers of the Urban Renewal Authority shall be exercised by the trustees thereof. A majority of the trustees shall constitute a quorum for the purpose of conducting business and exercising the powers of the authority and for all other purposes. Action may be taken by the authority upon a vote of a majority of the trustees present. Any persons may be appointed as trustees if they reside within the municipality and are otherwise eligible for such appointments under this subchapter.

4. **Officers; employees; reports.** The trustees shall elect a chairman and vice-chairman from among their number. The authority may employ an executive director, technical experts and such other agents and employees, permanent and temporary, as it may require, and determine their qualifications, duties and compensation. For such legal service as it may require, the authority may employ or retain its own counsel and legal staff. The authority authorized to transact business and exercise powers under this subchapter shall file, with the local governing body, on or before January 31st of each year a report of its activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income and operating expense as of the end of such calendar year. At the time of filing the report, the authority shall publish in a newspaper of general circulation in the municipality a notice to the effect that such report has been filed with the municipality and that the report is available for

inspection during business hours in the office of the municipal clerk.

5. **Removal from office; hearing.** For inefficiency, neglect of duty or misconduct in office, a trustee may be removed by the municipal officers after a hearing and after he shall have been given a copy of the charges at least 10 days prior to such hearing and have had an opportunity to be heard in person or by counsel.

§ 4804. Powers

The authority shall exercise public and essential governmental functions, and have all the powers necessary to carry out and effectuate the purposes and provisions of this subchapter, including the following powers in addition to others herein granted:

1. **General powers.** To sue and to be sued; to have a seal and to alter the same at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; to make and from time to time amend and repeal bylaws, rules and regulations, not inconsistent with this subchapter, to carry out this subchapter.

2. **Plans and projects; issue bonds.** To undertake and carry out urban renewal plans and urban renewal projects, including the authority to acquire and dispose of property, to issue bonds and other obligations, to borrow and accept grants from the Federal Government or other source and to exercise the other powers which this subchapter confers on an authority with respect to urban renewal projects. In connection with the planning and undertaking of any urban renewal plan or urban renewal project, the authority, the municipality and all public and private officers, agencies and bodies shall have all the rights, powers, privileges and immunities which they have with respect to a redevelopment plan or redevelopment project, in the same manner as though all of the provisions of this subchapter applicable to a redevelopment plan or redevelopment project were applicable to an urban renewal plan or urban renewal project. In addition to the surveys and plans which the authority is otherwise authorized to make, the authority is hereby specifically authorized to make:

A. Plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements;

B. Urban renewal plans and preliminary plans outlining urban renewal activities for neighborhoods to embrace 2 or more urban renewal areas;

C. Plans for the enforcement of laws, codes and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition or removal of buildings and improvements;

D. To prepare plans for the relocation of persons, including families, business concerns and others, displaced by an urban renewal project, and to make relocation payments to or with respect to such persons for moving expenses and losses of property for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the Federal Government.

3. **Slums and urban blight.** To develop, test and report methods and techniques, and carry out demonstrations and other activities for the prevention and the elimination of slums and urban blight.

4. **Borrow money; assistance.** To borrow money and to apply for and accept advances, loans, grants, contributions and any other form of financial assistance from the Federal Government, the State, the municipality or other public body, or from any sources, public or private, for the purposes of this subchapter, to give such security as may be required and to enter into and carry out contracts in connection therewith; and the authority may include in any contract for financial assistance with the Federal Government for an urban renewal project, such condition imposed pursuant to federal law as the authority may deem reasonable and appropriate and which are not inconsistent with the purposes of this subchapter.

5. **Surveys, appraisals, studies and plans.** Within its area of operation, to make or have made by the planning board or other agency, public or private, all surveys, appraisals, studies and plans, including the preparation of a community renewal program for the municipality, necessary to the carrying out of the purposes of this subchapter, and

to contract or cooperate with any and all persons or agencies, public or private, in the making and carrying out of such surveys, appraisals, studies and plans.

1965, c. 244, § 2.

5-A. **Acquisition.** With the approval of the local governing body, prior to approval of an urban renewal plan, or approval of any modifications of the plan, to acquire real property, in an urban renewal area, demolish and remove any structures on the property, and pay all costs related to the acquisition, demolition or removal, including any administrative or relocation expenses.

1965, c. 220, § 1.

6. **Relocation of families.** To prepare plans and provide reasonable assistance for the relocation of families displaced from an urban renewal project area to permit the carrying out of the urban renewal project, to the extent essential for acquiring possession of and clearing such area or parts thereof.

7. **Expenditures.** To make such expenditures as may be necessary to carry out the purposes of this subchapter; and to make expenditures from funds obtained from the Federal Government, except insofar as conditions shall be prescribed for this purpose by the municipal officers.

§ 4805. Workable program

The authority for the purposes of this subchapter may formulate for the municipality a workable program for utilizing appropriate private and public resources to eliminate and prevent the development or spread of slums and urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of slum and blighted areas, or to undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the objectives of such workable program. Such workable program may include, without limitation, provision for: The prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning and occupancy controls and standards; the rehabilitation or conservation of slum and blighted areas or portions thereof by replanning, removing congestion, providing parks, playgrounds

and other public improvements, by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; and the clearance and redevelopment of slum and blighted areas or portions thereof.

§ 4806. Preparation and approval of renewal plans

The authority shall not acquire real property for a renewal project unless the municipal officers of the municipality have approved by resolution the renewal plan, as prescribed in this section.

1. **Comprehensive plan.** The authority shall not recommend an urban renewal plan to the municipal officers until a comprehensive plan in substance for the development of the municipality has been prepared as set forth in subchapter V.

1965, c. 244, § 3.

2. **Urban renewal plan.** The authority may itself prepare or cause to be prepared an urban renewal plan, or any person or agency, public or private, may submit such a plan to the authority. An urban renewal plan shall be sufficiently complete to indicate its relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements and the proposed land uses and building requirements in the urban renewal area, and shall include without being limited to:

- A. The boundaries of the urban renewal area, with a map showing the existing uses and conditions of the real property therein;
- B. A land use plan showing proposed uses of the area;
- C. Information showing the standards of population densities, land coverage and building intensities in the area after renewal;
- D. A statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, building codes and ordinances;
- E. A site plan of the area; and
- F. A statement as to the kind and number of additional public facilities or utilities which will

be required to support the new land uses in the area after redevelopment.

3. **Recommendations by planning board.** Prior to recommending an urban renewal plan to the municipal officers for approval, if such plan has not been prepared by the planning board, the authority shall submit the plan to the planning board for review and recommendations as to its conformity with the comprehensive plan. The planning board shall submit its written recommendations with respect to the proposed renewal plan to the authority within 45 days after receipt of the plan for review. Upon receipt of the recommendations of the planning board, or, if no recommendations are received within said 45 days, then without such recommendations, the authority may recommend the renewal plan to the municipal officers for approval.

1965, c. 244, § 4.

4. **Whether plan accomplishes certain purposes.** Prior to recommending an urban renewal plan to the municipal officers for approval, the authority shall consider whether the proposed land uses and building requirements in the renewal project area are designed with the general purpose of accomplishing, in conformance with the comprehensive plan, a coordinated, adjusted and harmonious development of said municipality which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity and the general welfare, as well as efficiency and economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage and other public utilities, schools, parks, recreational and community facilities and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, the prevention of the recurrence of insanitary or unsafe dwelling accommodations, slums or conditions of blight, and the provisions of adequate, safe and sanitary dwelling accommodations.

1965, c. 244, § 4.

5. **Recommendation by authority accompanied by recommendation of planning board.** The recom-

mendation of an urban renewal plan by the authority to the municipal officers shall be accompanied by the recommendations, if any, of the planning board concerning the renewal plan; a statement of the proposed method and estimated cost of the acquisition and preparation for redevelopment of the renewal project area and the estimated proceeds or revenues from its disposal to redevelopers; a statement of the proposed method of financing the urban renewal project; and a statement of a feasible method proposed for the relocation of families to be displaced from the urban renewal area.

6. Public hearing; notice. The municipal officers shall hold a public hearing on an urban renewal plan after reasonable public notice, but not less than 7 days, by publication in a newspaper having a general circulation in the area of operation of the municipality. The notice shall describe the time, date, place and purpose of the hearing, shall generally identify the renewal area covered by the plan and shall outline the general scope of the urban renewal project under consideration.

7. Approval of renewal plan; disapproval. Following such hearing, the municipal officers may approve by resolution a renewal plan, if it finds that said plan is feasible and in conformity with the comprehensive plan; provided that, if the planning board disapproves any renewal plan, the plan shall not be deemed approved except by 2/3 vote of the municipal officers. A renewal plan which has not been approved by the municipal officers when recommended by the authority may again be recommended to it with any modifications deemed advisable.

1965, c. 244, § 6.

8. Modification of renewal plan. An urban renewal plan may be modified at any time by the authority provided that, if modified after the lease or sale of real property in the redevelopment project area, the modification must be consented to by the redeveloper or redevelopers of such real property or his successor, or their successors in interest affected by the proposed modification. Where the proposed modification will substantially change the urban renewal plan as previously approved by the municipal officers, the modification must similarly be approved by the municipal officers.

§ 4806-A. General neighborhood renewal plans

Any authority authorized to perform planning work may prepare a general neighborhood renewal plan for urban renewal areas which may be of such scope that urban renewal activities may have to be carried out in stages. Such plan may include, but is not limited to, a preliminary plan which outlines the urban renewal activities proposed for the area involved, provides a framework for the preparation of urban renewal plans and indicates generally the land uses, population density, building coverage, prospective requirements for rehabilitation and improvement of property and portions of the area contemplated for clearance and redevelopment. A general neighborhood renewal plan shall conform to the comprehensive plan and the workable program of the municipality.

1965, c. 244, § 7.

§ 4807. Eminent domain

The authority shall have the right to acquire all or any part of the real property, or any interest therein, within the renewal project area by the exercise of the power of eminent domain, whenever it shall be judged by the authority that the acquisition of said real property, or the interest therein, is in the public interest or necessary for the public use.

The necessity for such acquisition shall be conclusively presumed upon the adoption by the authority of a resolution declaring that the acquisition of the real property, or interest therein, described in such resolution is in the public interest and necessary for the public use and that such real property, or interest therein, is included in an approved urban renewal project under this subchapter. Within 3 months after the adoption of such resolution, the authority shall cause to be filed in the registry of deeds for the county a copy of such resolution of the authority, together with a plat of the real property, or interest therein, described and a statement, signed by the chairman of the authority that such real property, or interest therein, is taken pursuant to this subchapter. Thereupon, the authority shall file in the Superior Court of the county a statement of the sum of money estimated by said authority to be just compensation for the real property taken.

Upon the filing of the copy of such resolution, plat and statement in said registry of deeds, the filing in the Superior Court of the statement and the depositing in said Superior Court, to the use of persons entitled thereto, of bonds with surety satisfactory to the clerk of said court in such amounts as the court shall determine to be amply sufficient to satisfy the claims of all persons interested in said real property, and the court may, in its discretion, take evidence on the question to determine the amounts of the bonds to be deposited, title to such real property, or interest therein, shall vest in the authority in fee simple absolute and said authority thereupon may take possession of said real property, or interest therein.

After the filing of such copy, plat and statement, notice of the taking of such real property, or interest therein, shall be served upon the owners of and persons having an estate in and interested in such real property by a sheriff or his deputies by leaving a true and attested copy of such description and statement with each of such persons personally or at their last and usual place of abode in this State or with some person living there. If any such persons are nonresidents of the State, a true and attested copy of the notice shall be sent by registered mail, return receipt requested, to such persons at their last known address. In the event that ownership or interest in the real property cannot be ascertained after due and diligent search, an award shall be made to persons unknown for the value of said property and bonds for said amount running to the treasurer of said county for the use of persons entitled thereto shall be deposited in said Superior Court. If, during the period of 2 years after the depositing of such bonds, no person has been able to prove ownership of such real property, or interest therein, the Superior Court shall order the bonds so deposited to be cancelled and delivered up to the authority. After the filing of such resolution, plat and statement, the authority shall cause a copy of such resolution and statement, which statement shall set forth the names of the persons having an estate in such real property and the amount awarded to them, to be published in some newspaper having general distribution in the county, at least once a week for 3 successive weeks. When any person shall agree with the authority for the price of the real property, or interest therein, so taken and the sum agreed upon

is paid by the authority, the court shall order the bond so deposited to be cancelled and delivered up to the authority.

Any owner of, or persons entitled to any estate in or interest in any part of the real property, or interest therein, so taken, who cannot agree with said authority for the price of the real property, or interest therein, so taken in which he is interested as aforesaid, may, within 3 months after personal notice of said taking, or, if he has no personal notice, may within one year from the first publication of the copy of such resolution and statement referred to in the preceding paragraph, apply by complaint to the Superior Court in and for the county, setting forth the taking of his real property, or interest therein, and praying for an assessment of damages by a jury. Upon filing of such complaint, the said court shall cause 20 days' notice of the pendency thereof to be given to such authority by serving the chairman of the authority with a certified copy thereof, and may proceed after such notice to the trial thereof. Such trial shall determine all questions of fact relating to the value of such real property, or interest therein, and the amount thereof, and judgment shall be entered upon the verdict of such jury and execution shall be issued therefor against the money so deposited in said court. In case the authority is in doubt as to conflicting ownership or interest, the authority may file a complaint in the said Superior Court for a determination of the various rights and amounts due. In case 2 or more conflicting plaintiffs make claim to the same real property, or to any interests therein or to different interests in the same parcel of real property, said court, upon motion, shall consolidate their several complaints for trial at the same time by the same jury, and may frame all necessary issues for the trial thereof. Appeal from the decision of the Superior Court may be made in like manner as provided for appeals in civil cases.

If any real property or interests therein, in which any infant or other person not capable in law to act in his own behalf is interested, is taken by such authority under this subchapter, said Superior Court, upon the filing therein of any such complaint by or in behalf of such infant or other person, may appoint a guardian ad litem for such infant or other person, and such guardian may appear and be heard in behalf of such infant or other person; and such guard-

ian may, with the advice and consent of said Superior Court and upon such terms as said Superior Court may prescribe, release to such authority all claims for damages for the real property of such infant or other person or for any such interests therein. Any lawfully appointed, qualified and acting guardian or other fiduciary of the estate of any such infant or other person, with the approval of the court of probate within this State having jurisdiction to authorize the sale of real property within this State of any such infant or other person, may, before the filing of any such complaint, agree with such authority upon the amount of damages suffered by such infant or other person by any taking of his real property or of his interests in any real property and may, upon receiving such amount, release to such authority all claims for damages of such infant or other person for such taking.

In any proceedings for the assessment of compensation and damages for real property, or interest therein, taken or to be taken by eminent domain by the authority, the following provisions shall be applicable:

1. Application to expedite further proceedings. At any time during the pendency of such action or proceedings, the authority or an owner may apply to said court for an order directing an owner or the authority, as the case may be, to show cause why further proceedings should not be expedited, and said court may upon such application make an order requiring that the hearings proceed and that any other steps be taken with all possible expedition.

2. Property devoted to a public use. If any of the real property or interest therein, included within the project, is devoted to a public use, it may nevertheless be acquired, and the taking shall be effective, provided that no real property, or interest therein, belonging to the municipality or to any government shall be acquired without its consent, and that no real property, or interest therein, belonging to a public utility corporation may be acquired without the approval of the Public Utilities Commission or other officer or tribunal having regulatory power over such corporation. Any real property or interest therein, already acquired by the authority, may nevertheless be included within such taking for the purpose of acquiring any outstanding interests in such real property.

3. Owner defined. The term "owner" as used in this section shall include a person having an estate, interest or easement in the real property to be acquired or a lien, charge or encumbrance thereon.

§ 4808. Acquisition and development of land

Upon a determination by resolution of the municipal officers that the acquisition and development of undeveloped vacant land, not within a slum or blighted area, is essential to the proper clearance or redevelopment of slum or blighted areas or a necessary part of the general slum clearance program of the municipality, the acquisition, planning, preparation for development or disposal of such land shall constitute an urban renewal project which may be undertaken by the authority provided that such area shall not be so acquired unless:

1. Residential uses. If the undeveloped vacant land is to be developed for residential uses, the municipal officers shall determine that a shortage of housing of sound standards and design which is decent, safe and sanitary exists in the municipality; that the need for housing accommodations has been or will be increased as a result of the clearance of slums in other areas, including other portions of the urban renewal area; that the conditions of blight in the area and the shortage of decent, safe and sanitary housing cause or contribute to an increase in and spread of disease and crime and constitute a menace to the public health, safety, morals or welfare; and that the acquisition of the area for residential uses is an integral part of and essential to the program of the municipality; or

2. Nonresidential uses. If undeveloped vacant land is to be developed for nonresidential uses, the municipal officers shall determine that such nonresidential uses are necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives, which acquisition may require the exercise of governmental action, as provided in this subchapter, because of defective or unusual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, economic disuse, unsuitable topography or faulty lot layouts, the need for the correlation of the area with other areas

of a municipality by streets and modern traffic requirements, or any combination of such factors or other conditions which retard development of the area.

Notwithstanding any other provisions of this subchapter, where the municipal officers certify that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm or other catastrophe respecting which the Governor of the State has certified the need for disaster assistance under Public Law 875, 81st Congress, or other federal law, the municipal officers may approve an urban renewal plan and an urban renewal project with respect to such area without regard to section 4807 and the sections requiring a general plan for the municipality and a public hearing on the urban renewal project.

§ 4809. Authorization to issue bonds

The authority may issue bonds to finance any undertakings authorized by this subchapter under the following conditions:

1. **Hearing held.** The municipal officers shall certify that the hearing required by section 4806 has been held;

2. **Approval of renewal plan granted.** The municipal officers shall certify that approval of the renewal plan as required by section 4806 has been granted;

3. **Copies of certificates filed.** Copies of said certificates shall be filed with the authority and with the municipal clerk;

4. **Reconsideration if no approval.** Failure of approval shall not prevent the municipal officers from again considering the renewal plan in the manner provided.

§ 4810. Bond issues

The authority shall have power to issue bonds from time to time in its discretion to finance the undertaking of any urban renewal project under this subchapter, including, without limiting the generality thereof, the payment of principal and interest upon any advances for surveys and plans, and shall have power to issue refunding bonds for the pay-

ment or retirement of such bonds previously issued by it. Such bonds shall be made payable, as to both principal and interest, solely from the income, proceeds, revenues and funds of the authority derived from or held in connection with its undertaking and carrying out of urban renewal projects under this subchapter, provided that payment of such bonds, both as to principal and interest, may be further secured by a pledge of any loan, grant or contribution from the Federal Government or other source, in aid of any urban renewal projects of the municipality under this subchapter, and by a mortgage of any such urban renewal projects, or any part thereof, title to which is in the municipality.

1. **Not municipal indebtedness; not taxable.** Bonds issued under this section shall not constitute a municipal indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and shall not be subject to any other law or charter relating to the authorization, issuance or sale of bonds. Bonds issued under this subchapter are declared to be issued for an essential public and governmental purpose and, together with interest thereon and income therefrom, shall be exempted from all taxes.

2. **General characteristics.** Bonds authorized under this section may be issued in one or more series and shall bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates, not exceeding 6% per year, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, with or without premium, be secured in such manner, and have such other characteristics, as may be provided by resolution or trust indenture or mortgage issued pursuant thereto.

3. **Price sold.** Such bonds may be sold at not less than par at public sales held after notice published prior to such sale in a newspaper having a general circulation in the area of operation and in such other medium of publication as the authority may determine or may be exchanged for other bonds on the basis of par, provided that such bonds may be sold to the Federal Government at private sale at

not less than par, and, in the event less than all of the authorized principal amount of such bonds is sold to the Federal Government, the balance may be sold at private sale at not less than par at an interest cost to the municipality of not to exceed the interest cost to the municipality of the portion of the bonds sold to the Federal Government.

4. Signatures of outgoing officers; negotiable. In case any of the officials of the authority whose signatures appear on any bonds or coupons issued under this subchapter shall cease to be such officials before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such officials had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this subchapter shall be fully negotiable.

5. Conclusively deemed issued for purpose recited. In any action or proceeding involving the validity or enforceability of any bond issued under this subchapter or the security therefor, any such bond reciting in substance that it has been issued by the authority in connection with an urban renewal project, as defined, shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located and carried out in accordance with this subchapter.

6. No personal liability; not debt of State or municipality. Neither the trustees of the authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds and other obligations of the authority, and such bonds and obligations shall so state on their face, shall not be a debt of the municipality nor the State, and neither the municipality nor the State shall be liable thereon, nor in any event shall such bonds or obligations be payable out of any funds or properties other than those of said authority acquired for the purposes of this subchapter.

§ 4811. Conveyance to Federal Government on default

In any contract for financial assistance with the Federal Government, the authority may obligate itself, which obligation shall be specifically enforceable and shall not constitute a mortgage, to convey

to the Federal Government possession of or title to the urban renewal project and land therein to which such contract relates which is owned by the authority, upon the occurrence of a substantial default, as defined in such contract, with respect to the covenants or conditions to which the authority is subject. Such contracts may provide that in case of such conveyance, the Federal Government may complete, operate, manage, lease, convey or otherwise deal with the urban renewal project in accordance with the terms of such contract, provided that the contract requires that, as soon as practicable after the Federal Government is satisfied that all defaults with respect to the renewal project have been cured and that the urban renewal project will thereafter be operated in accordance with the terms of the contract, the Federal Government shall reconvey to the authority the urban renewal project as then constituted.

§ 4812. Bonds as legal investments

All public officers, municipal corporations, political subdivisions and public bodies, all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business; all insurance companies, insurance associations and other persons carrying on an insurance business; and all executors, administrators, curators, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or other obligations issued by the authority pursuant to this subchapter, and such bonds and other obligations shall be authorized security for all public deposits. It is the purpose of this section to authorize any persons, political subdivisions and officers, public or private, to use any funds owned or controlled by them for the purchase of any such bonds or other obligations. Nothing contained in this section with regard to legal investments shall be construed as relieving any person of any duty or of exercising reasonable care in selecting securities.

§ 4813. Exemption from taxes and execution

All property, including funds of the authority, shall be exempt from levy and sale by virtue of an

execution, and no execution or other judicial process shall issue against the same nor shall judgment against the authority be a charge or lien upon its property. This section shall not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage of the authority or the right of obligee to pursue any remedies for the enforcement of any pledge or lien given by the authority on its rents, fees, grant or revenue.

The property of the authority is declared to be public property used for essential public and governmental purposes and such property and the authority shall be exempt from all taxes of the municipality, the State or any political subdivision thereof, provided that with respect to any property in a renewal project, the tax exemption provided herein shall terminate when the authority sells, leases or otherwise disposes of such property to a redeveloper for redevelopment.

Nothing contained in this section shall be construed to prohibit the authority from making payments in lieu of taxes to the municipality, and such payments are hereby authorized.

§ 4814. Transfer, sale or lease of real property in urban renewal area

The authority, for the purpose of this subchapter, may sell or lease for such sums as may be agreed upon the whole or any part of a renewal area to the redeveloper, or, if the property is to be used for public purposes, to any appropriate public agency. The consideration paid for the sale or lease of the property shall be such as is determined by the authority, and the municipality may appropriate and authorize the expenditure of money to compensate for any portion of the difference between the acquisition cost of such property and such sale or lease price of such property at a lesser consideration to the redeveloper, but in no case shall such sale or lease price be lower than the use value of such property. A sale or lease price may be lower than the use value of such property if the sale or lease is to a public agency to be used for public purposes. Each contract for sale or lease to a redeveloper shall provide, among other things, that the property transferred shall be developed and used in accordance with the renewal plan or such plan as modified with the approval of the authority, that the building of

the improvements shall be begun within a period of time which the authority fixes as reasonable and that all transfers of properties by the redeveloper shall be subject to the consent of the authority until construction or improvements are completed. Any contract for sale or lease shall be approved by the municipal officers before its final approval by the authority.

The authority may temporarily operate and maintain real property in a renewal project area pending the disposition of the property for renewal, without regard to the preceding paragraph, for such uses and purposes as may be deemed desirable even though not in conformity with the renewal plan.

Notwithstanding any other provisions of this subchapter, where the municipality is situated in an area designated as a redevelopment area under the Federal Area Redevelopment Act, Public Law 87-27, land in an urban renewal project area designated under the urban renewal plan for industrial or commercial uses may be disposed of to any public body or nonprofit corporation for subsequent disposition as promptly as practicable by the public body or corporation for redevelopment in accordance with the urban renewal plan, and only the purchaser from or lessee of the public body or corporation, and their assignees, shall be required to assume the obligation of beginning the building of improvements within a reasonable time. Any disposition of land to a public body or corporation under this paragraph shall be made at its fair value for uses in accordance with the urban renewal plan.

1965, c. 220, § 2.

The authority may arrange or contract for the furnishing or repair, by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities or other facilities for or in connection with a renewal project, and to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of a renewal project, and to include in any contract let in connection with such a project provisions to fulfill such of said conditions as it may deem reasonable and appropriate.

Within its area of operation, the authority may purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise or otherwise any real or personal property, or any interest therein, together with any improvements thereon, necessary or incidental to a renewal project; to hold, improve, clear or prepare for urban renewal any such property; to sell, lease, exchange, transfer, assign, subdivide, mortgage, pledge, hypothecate or otherwise encumber or dispose of any real or personal property or any interest therein; to enter into contracts with redevelopers of property containing covenants, restrictions and conditions regarding the use of such property for residential, commercial, industrial, recreational purposes or for public purposes in accordance with the renewal plan and such other covenants, restrictions and conditions as the authority may deem necessary to prevent a recurrence of slum or blighted areas or to effectuate the purposes of this subchapter; to make any of the covenants, restrictions or conditions of the foregoing contracts or covenants running with the land, and to provide appropriate remedies for any breach of any such covenants or conditions, including the right in the authority to terminate such contracts and any interest in the property created pursuant thereto; to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards, including the power to pay premiums on any such insurance; and to enter into any contracts necessary to effectuate the purposes of this subchapter.

The authority may invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement in property or securities in which saving banks may legally invest funds subject to their control; to redeem its bonds at the redemption price established therein or to purchase its bonds at less than redemption price, all bonds so redeemed or purchased to be cancelled.

Acting through one or more trustees or other persons designated by the authority, examinations and investigations may be conducted to hear testimony and take proof under oath at public or private hearings on any matter material for its information; to administer oaths and to issue commission for the examination of witnesses who are outside of the State or unable to attend before the authority, or excused from attendance; to make available to ap-

propriate agencies, including those charged with the duty of abating or requiring the correction of nuisances or like conditions or of demolishing unsafe or insanitary structures or eliminating slums or conditions of blight within its area of operation, its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, safety, morals or welfare.

The authority may exercise all or any part or combination of powers granted.

§ 4815. Cooperation by public bodies

For the purpose of aiding and cooperating in the planning, undertaking or carrying out of an urban renewal project, the municipality or any other public body, upon such terms as it may determine, with or without consideration, may:

1. **Property; use or disposal.** Dedicate, sell, convey or lease any of its interests in any property, or grant easements, licenses or any rights or privileges therein to the authority;

2. **Public works.** Cause public buildings and public facilities, parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished or repaired in connection with a redevelopment project;

3. **Streets and walks.** Furnish, dedicate, close, vacate, pave, install, grade, regrade, plan or replan streets, roads, sidewalks, ways or other places which it is otherwise empowered to undertake;

3-A. **Losses.** Assume the responsibility to bear any loss that may arise as the result of the exercise of authority under section 4804, subsection 5-A, in the event that the real property is not made part of the urban renewal project;

1965, c. 220, § 3.

4. **Administrative or other services.** Cause administrative and other services to be furnished to the authority of the character which the municipality or other public body is otherwise empowered to undertake or furnish for the same or other purposes;

5. **Expenses.** Incur the entire expense of any public improvement made by the municipality or other public body in exercising the powers granted in this section;

6. **Aid and cooperate.** Do any and all things necessary to aid and cooperate in the planning or carrying out of an urban renewal plan;

7. **Funds.** Lend, grant or contribute funds to the authority;

8. **Bonds or other obligations.** Employ any funds belonging to or within the control of the municipality or other public body, including funds derived from the sale or furnishing of property, service or facilities to the authority, in the purchase of the bonds or other obligations of the authority and, as the holder of such bonds or other obligations, exercise the rights connected therewith; and

9. **Agreements.** Enter into agreements, which may extend over any period, with the authority respecting action to be taken by the municipality or any such public body pursuant to any of the powers granted by this subchapter. If at any time title to, or possession of, any renewal project is held by any public body or governmental agency, other than the authority authorized by law to engage in the undertaking, carrying out administration of urban renewal projects, including any agency or instrumentality of the United States of America, such agreements shall inure to the benefit of and may be enforced by such public body or governmental agency.

Any sale, conveyance, lease or agreement provided for in this section may be made by the municipality or other public body without appraisal, public notice, advertisement or public bidding.

§ 4816. Encouragement of private enterprise

The authority, to the greatest extent it determines to be feasible in carrying out this subchapter, shall afford maximum opportunity, consistent with the sound needs of the municipality as a whole, to the rehabilitation or redevelopment of the urban renewal area by private enterprise. The authority shall give consideration to this objective in exercising its powers under this subchapter, including the formulation of a workable program, the approval of urban

renewal plans, the exercise of its zoning powers, codes and regulations relating to the use of land and the use and occupancy of buildings and improvements, the disposition of any property acquired, and the provision of necessary public improvements.

§ 4817. Grant of funds by municipality

The municipality may grant funds to the authority for the purpose of aiding the authority in carrying out any of its powers and functions under this subchapter. To obtain funds for this purpose, the municipality may levy taxes and may issue and sell its bonds. Any bonds to be issued by the municipality pursuant to this section shall be issued in the manner and within the limitations, except as otherwise provided, prescribed by the laws of this State for the issuance and authorization of bonds by the municipality for a public purpose.

§ 4818. Title of purchaser

Any instrument executed by the authority and purporting to convey any right, title or interest in any property under this subchapter shall be conclusive evidence of compliance with this subchapter insofar as title or other interest of any bona fide purchasers, lessees or transferees of such property is concerned.

§ 4819. Interest of public officials, trustees or employees

No public official or employee of a municipality, or board or commission thereof, and no trustee or employee of an authority which has been vested by a municipality with urban renewal project powers under this subchapter shall voluntarily acquire any personal interest, direct or indirect, in any urban renewal project, or in any property included or planned to be included in any urban renewal project of such municipality or in any contract or proposed contract in connection with such urban renewal project. Where such acquisition is not voluntary, the interest acquired shall be immediately disclosed in writing to the municipal officers and such disclosure shall be entered upon their minutes. If any such official, trustee or employee presently owns or controls, or owned or controlled within the preceding 2 years, any interest, direct or indirect, in any prop-