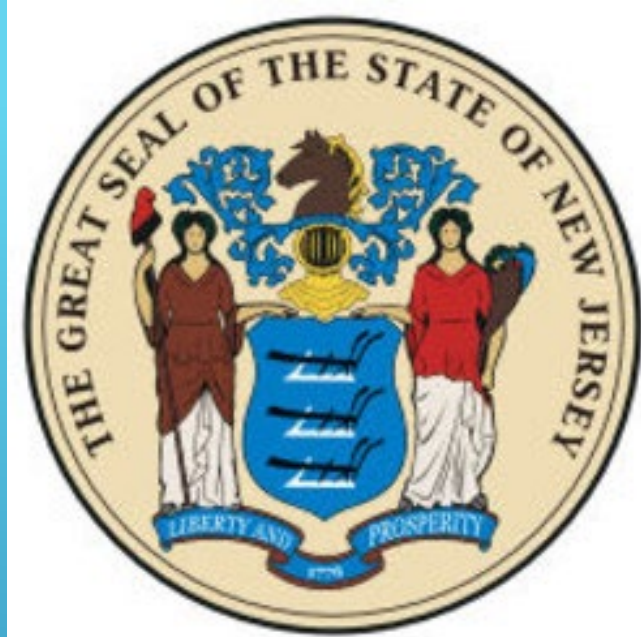


# State Planning Commission/Office of Planning Advocacy



## **Department of State**

Tahesha Way, Secretary

## **NJ Business Action Center**

Melanie Willoughby, Executive Director

## **NJ Office of Planning Advocacy**

Donna Rendeiro, Executive Director



# STATE PLANNING COMMISSION/ OFFICE OF PLANNING ADVOCACY

## Office of Planning Advocacy

Within the Business Action Center in the Department of State, and as administrative support to the State Planning Commission, the Office of Planning Advocacy:

- Coordinates statewide planning to protect the environment and guide future growth into compact, mixed-use development and redevelopment;
- Implements the goals of the State Development and Redevelopment Plan (“The State Plan”) to achieve comprehensive, long-term smart-growth/sustainable planning; and
- Integrates State planning priorities (e.g., climate resilience, renewable energy, and environmental justice) with programmatic, policy, and regulatory land-use decisions among our state agency partners and at all levels of government.
- As land-use planning and development review occur predominantly at the local level in New Jersey, OPA’s approach has been to provide technical assistance and guidance within the context of sound planning and policy that balances competing needs – including protecting important resources and impacted communities, while ensuring continued economic growth and viability.

# STATE PLANNING COMMISSION/ OFFICE OF PLANNING ADVOCACY

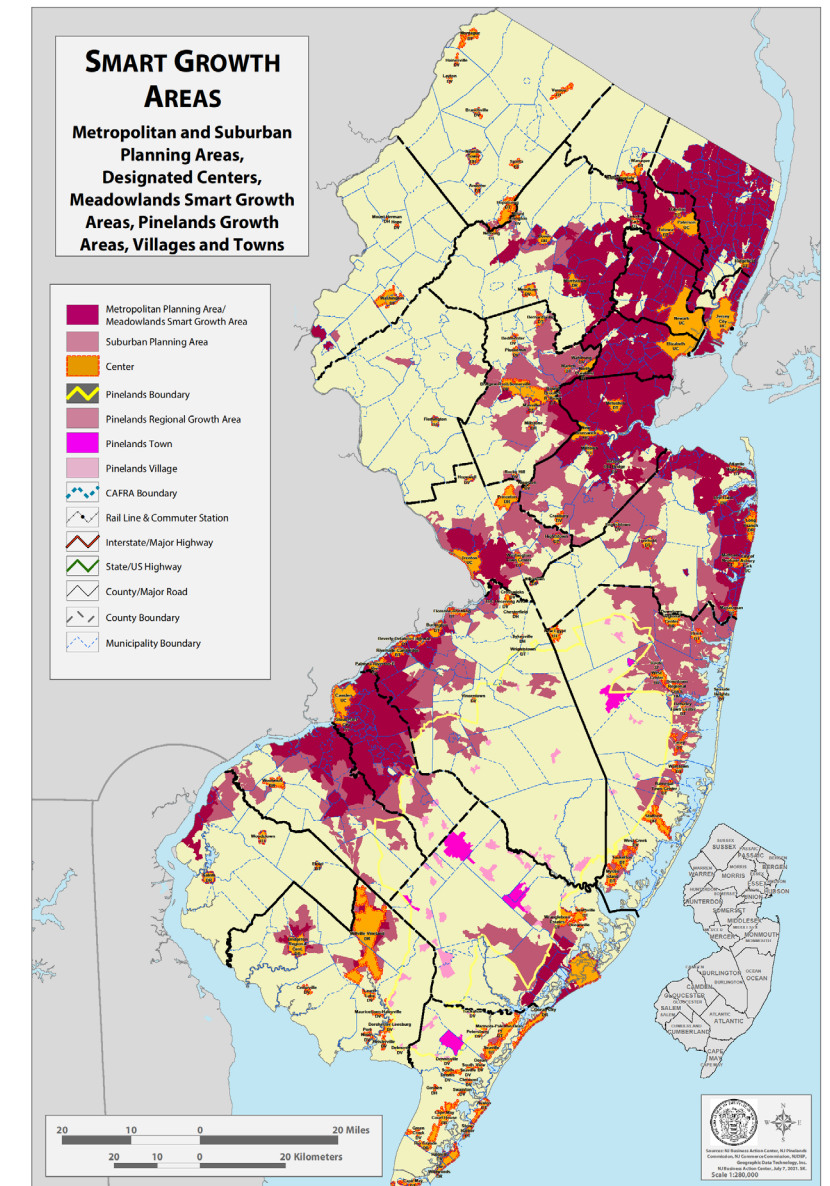
## Logistics in New Jersey

- The logistics industry is extremely important to New Jersey's economy,
  - BUT...if not properly sited and scaled, it can result in negative impacts affecting both host and adjacent communities, and transportation infrastructure that lacks adequate capacity.
  - Wherever warehouse development happens, benefits and negative impacts will follow that must be carefully balanced and equitably considered.
- With demand for warehouse space at an all-time high, both rural and urban areas of the State are feeling the pressure, as are New Jersey's overburdened communities, valuable farmland, and environmentally sensitive areas.
- The most important consideration when planning a logistics facility is its location.
  - Large warehouses located near residential areas, overburdened communities or other sensitive receptors expose people to air pollution, noise, traffic congestion, and other environmental impacts they generate.
- Even a warehouse located in an otherwise ideal location, can result in substantial detriment to the transportation network if its intensity is out of scale with roadway capacity infrastructure.
- Once a property is zoned for warehousing, a local land use board has little authority to deny a compliant application based on off-site conditions such as traffic.

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## Logistics in New Jersey

- Until recently, most (but not all) of the large warehouse development in New Jersey occurred in places both specifically envisioned and encouraged in the State Plan in State Smart Growth Areas.
  - Urban Cores, Nodes
  - Near major ports and highway interchanges
  - Designated redevelopment areas, contaminated sites and brownfields
- That trend changed over the past decade, as larger projects sought cheaper available land further from Smart Growth Areas, on farmland and forested sites in rural areas, as well as sites in suburban and urban areas, poorly suited for large-scale projects.



# STATE PLANNING COMMISSION/ OFFICE OF PLANNING ADVOCACY

## The Warehouse Guidance

- The document was developed by the Office of Planning Advocacy to create comprehensive guidance for local and county governments to use when updating their master plans, zoning and development standards, and when reviewing development applications.
- The guidance represents the collaborative efforts and input of many state agencies, counties, communities and interests, including what we heard from the public.
- On September 7, 2022, following months of research, listening sessions, and a 50-day public comment period, which closed on July 29, the New Jersey State Planning Commission adopted its Warehouse Siting Guidance.
- **DISCLAIMER:** MUNICIPALITIES SHOULD CONSULT WITH THEIR LAND USE ATTORNEY TO ENSURE THAT LAND USE DECISIONS ARE CONSISTENT WITH THE MUNICIPAL LAND USE LAW AND LOCAL GOALS AND PRIORITIES

# STATE PLANNING COMMISSION/ OFFICE OF PLANNING ADVOCACY

## The Warehouse Guidance

- Many public commenters felt that the State should take a more active role in regulating warehouse development and/or provide either the SPC or counties with authority to ensure that largescale projects that have the potential for regional impacts, can be appropriately reviewed; and where necessary, modified or denied, to mitigate and avoid adverse effects on adjacent communities, local roads, and resources of regional or State importance.
- While OPA shares many of the concerns that were expressed during this process with respect to incidents of poorly planned development in general, it is important to keep in mind that the State Planning Act, does not provide the SPC with jurisdiction to regulate land use in New Jersey.
- The SPC does have authority to develop Statewide policies, guidance and provide technical assistance, which it has exercised in developing and adopting the guidance.
- We believe the guidance gives communities the tools they need to proactively plan for and locate desired warehouse development in a manner that makes for good neighbors and avoids negative impacts.

# STATE PLANNING COMMISSION/ OFFICE OF PLANNING ADVOCACY

## The guidance aims to:

- Facilitate a proactive, rather than a reactive approach; and
- Provide municipal factors to consider and balance when developing or updating a master plan and reviewing applications, land use, and development requirements; and
- Encourage a regional approach to planning, siting, and facilitating logistics facilities.

These guidance documents and policy statements describe how municipalities can achieve these aims across eleven related areas of focus. Each area of focus identifies a one or more related policy statements – all of which reflect policies within the State Plan.

Local governing bodies and planners can utilize some or all, of these areas to **holistically** address the challenges they face. The detailed guidance documents consider:

Types of Warehouses

Municipal Considerations

The Role of Redevelopment and Brownfields

Public Health and Overburdened Communities

Transportation, Traffic, and Road Safety

Sustainable Design

Mitigation Best Practices

Community Involvement/Public Engagement

A Regional Approach

Special Resource Areas

The Role of State Agencies

## Types of Warehouses

- According to the Geography of Transport Systems, 5th Edition, warehouses are essentially freight facilities used to support freight transportation and distribution systems. Warehouse development comes in many forms, types and intensities, serving a combination of three standard functions, including Fabrication, Storage, and Distribution. Based on these functions, warehouses can be considered within 5 categories:
  - Manufacturing facilities: Essentially a factory involving light or heavy industrial uses and fabrication (i.e., assemblage, packaging and labeling) of goods and materials, and associated freight inputs and outputs.
  - Terminal facilities: Involved with the transfer (i.e., transloading) of cargo from one mode to another between air, land, water or vice versa. Storage for container terminals usually less than 7 days, and longer for bulk terminals where storage is a service.
  - Storage facilities: A standard or traditional warehouse. Holds inventory, including bulk materials stored in bags or drums. Different storage models include racks and pallets, highly automated racking structures (e.g., high cube), and general-purpose warehouses serving multiple tenants.
  - Distribution facilities: Temporary storage and high levels of throughput for market area served. Primary purpose is to fulfill orders in a timely fashion. A cross-docking facility is an example of a pure distribution facility with no (or very little) storage function. Includes cold storage and urban logistics depots.
  - Parcel facilities: Primarily e-commerce fulfillment and last-mile centers designed to handle a high volume of online orders put in parcels. Are storage-based, holding a very high range of goods, but also relies on a high level of throughput.

## Types of Warehouses

- Difference between traditional and distribution warehouse functions relates to the time the inventory spends within a facility.
  - Traditional warehouse stores materials and goods in inventory for lengthier periods of time and release on demand.
  - Distribution warehouse centers see much greater product loading and unloading flow velocity (usually less than a few days), especially at fulfillment centers, which deliver goods in real-time, direct to customers within less than 48 hours in high throughput facilities.
- Following recent updates to its Trip Generation Manual, 11th Edition Supplement, the Institute of Traffic Engineers (ITE) now lists six different categories of warehousing designations. For simplicity, these can be aggregated into three main types of distribution and fulfillment warehouses, each carries out a somewhat distinct activity.
  - Distribution facilities
  - Fulfillment centers
  - Last-mile fulfillment facilities or stations

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## Warehouse types: size matters

From the standpoint of a warehouse distribution center/facility's size, the following may be used:

- Major Distribution center – large-scale regional and/or interstate distribution facility having a minimum gross floor area from 500,000 to more than 1.5 million square feet.
- Large Fulfillment center – a large format regional fulfillment facility having a minimum gross floor area from 150,000 to more than 500,000 square feet. In this category, a medium-sized fulfillment center would average between 250,000 to 350,000 square feet.
- Last-mile Fulfillment center – a smaller local or area fulfillment center/facility or station that primarily serves local markets (roughly the same function as retail shopping centers) having a minimum gross floor area from 50,000 to more than 150,000 square feet. This category could include micro/small fulfillment centers of 3,000 to more than 25,000 square feet.
- High Cube warehouse (HCW) - Instead of the standard model of storing goods on one ground floor, nearly all the space within a HCW is dedicated to the rapid and removal of goods. HCW's involve highly automated racking systems designed to reduce human labor while dramatically increasing vertical storage capacity (i.e., project density), loading, and unloading speeds. The resultant efficiencies translate to more trucks moving products onto roadways.
  - ▶ HCWs can be 10-to-14 stories (a story generally being 14 feet) in height.
  - ▶ Heavy truck traffic
  - ▶ Emergency Services concerns (equipment, training)
  - ▶ Possible adverse impact on community character, viewsheds, air quality, health, safety, and transportation, BUT less land consumptive!



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## Update Master Plan and Zoning first

- Warehouse development comes in many shapes and sizes, and zoning should evolve to keep up with the changing variety of uses and trends.
  - These differences could mean dramatically different impacts and outcomes, and whether a project is compatible with a site and beneficial to a community.
  - Land use regulations should not simply lump “general industrial” or “warehouse” together, as they can be profoundly different, entailing different impacts. Local governing bodies can ensure that they clearly define and distinguish between more traditional industrial-commercial uses and a variety of warehouse types.
  - Include greater specificity as to appropriate siting and design standards where permitted.
- At a minimum, communities should conduct a Master Plan reexamination and update their zoning ordinances, relevant redevelopment plans, and land development policies.
  - Municipalities seeing greater pressure for larger and/or multiple projects should consider undertaking comprehensive updates to their Master Plans and associated land use and circulation elements.
- If this effort is not completed prior to receipt of an application for a new project, it may be too late to mitigate many offsite impacts that could have been avoided through proactive planning.

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## Areawide Siting Considerations

- Should be organized in a compact form and located in State-designated Smart Growth Areas, Centers, Nodes, State-approved sewer service areas, and other appropriate areas proximate to the State and regional highway network and rail lines/yards.
- Exclude, adequately buffer, and protect areas and/or avoid sites comprising a prevalence of State regulated areas and natural resources of local, regional, and state significance, including:
  - aquatic resources, flood hazard areas, freshwater wetlands, riparian zones, transition areas, steep slopes, and threatened and endangered species habitats as identified under NJDEP's Landscape Project.
- Areas and sites identified for preservation and/or protection under local, county, regional, or state programs and plans, including any portion of land or site within a designated Agricultural Development Area, should be excluded from warehouse development. Larger properties (e.g., 10 or more acres) comprising a prevalence of Primary Soils should likewise be avoided.
- Avoid the disproportionate location of large warehouse distribution facilities in Overburdened Communities, Urban Cores and Clusters that serve a regional market and are characterized by a preponderance of diesel-powered tractor-trailers, particularly where air quality is categorized as chronically 'Unhealthy' by USEPA's Air Quality Index (AQI).

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## Other Planning and Zoning Tools

**Impact Analysis**-Land development ordinances should include requirements for impact studies so communities can make more informed decisions on warehouse proposals

- Land use, traffic, truck and employee routes, the transportation network, supporting infrastructure, wetlands, floodplains, stormwater drainage, habitats, site remediation, cultural and historic resources, proximity/impacts to residential areas and other sensitive receptors, as well as economic and employment factors, and potential effects on public and emergency services and facilities.

**Cost-Benefit Analysis**-Towns should also request or conduct their own cost-benefit analysis to weigh projected revenues against costs

- Municipal services and impacts, including wages, benefits, and employment demand.

Asking these important questions will help ensure that a community doesn't mistakenly focus on projected job creation, wages, and tax revenue, without fully understanding whether such benefits justify the potential costs in terms of providing and maintaining municipal services, facilities, infrastructure, local businesses, and potential loss of value in surrounding real estate, diminished community character, quality of life, public health and safety over the construction and lifetime of the project.

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## Special Exceptions and Conditional Uses

- Large-scale distribution warehouses are not benign uses and can have substantial health, air quality, noise, traffic, and inequitable impacts based on their intensity and siting.
  - Rather than allowing uses that are more intensive by right as part of the local land-use regulations, municipalities can exert greater control over the site plan review process by permitting them as special exceptions and conditional uses.
- Usually reserved for those land uses that are almost certain to have a significant impact on the zoning district or the community and region, special exception areas and conditional uses are for those uses that warrant additional safeguards, such as landfills, telecommunications towers, asphalt plants, and quarries.
  - An applicant could be required to meet certain criteria regarding design, intensity/scale, bulk, landscaping/screening, and/or circulation standards.

Municipalities must take care, however, to ensure the zoning ordinance provision for conditional uses satisfies the State law and requires that the standards be specific and clear enough that applicants for conditional use permits know the “limit and extent” of the conditions, as some local ordinances with vague generalities have been declared invalid.

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## Redevelopment and Brownfields

- The New Jersey Local Redevelopment and Housing Law (Redevelopment Statute or LRHL), NJSA 40A:12A-1 et seq., gives municipalities access to powerful tools that are proven agents in making transformative redevelopment projects happen.
  - Designed to revitalize distressed urban areas and avert sprawl by incentivizing the redevelopment of blighted, abandoned, or underutilized sites such as Brownfields that suffer from real or perceived contamination.
- Tools include the ability to choose and designate redevelopers, negotiate, and execute redevelopment agreements that can include offsite improvements.
- Redevelopment Agreements can provide incentives in return for certain public improvements, negotiate payments in lieu of taxes agreements (PILOTs), and issue bonds secured by project revenues to finance offsite infrastructure improvements/upgrades/needs, as well as negotiate the sale of public property without bidding, and exercise the powers of condemnation to acquire property.
- The Statute removes certain constraints under the MLUL, allowing greater control over performance standards (such as those to minimize and mitigate public and environmental impacts), including a much higher level of specificity concerning physical site planning, and necessary infrastructure improvements.

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## Transportation, Traffic, and Road Safety Planning

- Truck traffic can present substantial safety issues. A detailed analysis of all such traffic and road safety aspects should be a requirement of the developer and specified by ordinance.
  - The traffic study analysis should include information regarding upgrades and costs needed to address project impacts and necessary improvements to conflict points, diminished levels of service, and other related transportation capacity concerns along identified/anticipated routes.
- Reviewing boards should ensure that proposed truck routes can be identified that are away from downtown commercial-retail centers, main streets, residential areas, school zones, recreational parks, daycare centers, overburdened communities and other sensitive receptors.
- Municipalities are limited in what kind of “off-site” improvements they can require of developers, including improvements to roads or other infrastructure.
  - It is best to study traffic-intensive uses as part of a regional transportation plan, targeted corridor study, or update the land use and circulation plan in coordination with NJDOT, county, and regional agency partners, as part of an inclusive public planning process.
  - Ideally, this effort should be done as part of a comprehensive review of the municipality’s Master Plan and land use ordinance update process.

# STATE PLANNING COMMISSION/ OFFICE OF PLANNING ADVOCACY

## Sustainable Design

- Design must not undermine or overwhelm valued community characteristics or the carrying capacity of physical and natural infrastructure.
  - Municipalities should ensure adequate buffers to neighboring uses and provide sufficient landscaping and buffer requirements, including the use of adequately sized berms, solid walls, and larger plant/tree materials to soften and screen dominating structural features, while reducing noise, dust, odors, and visual impacts.
- Design standards should also address a building's shape, scale, color, pattern, texture, and space, using a variety of architectural elements, accent features, styles, and materials to articulate and break up a structure's monotony and line of site in a manner that reduces both visual and environmental impacts.
  - Defined entry features, columns, awnings, adequate windows, lighting, and a variety of durable materials, all provide relief from flat facades, fragmenting large, and otherwise spaces, masses, or volumes.
- Municipalities should encourage developers of new warehouse construction to meet enhanced green infrastructure standards that go beyond the state's minimum requirements in the Stormwater Management Rules.
  - Enhanced green infrastructure improvements can make a tremendous quality of life improvement to overburdened communities, many of which experience chronic and disproportionate flooding.

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## Community Engagement

- Early and consistent community engagement is central to establishing good relationships between communities, lead agencies, warehouse developers, and tenants.
  - Access to community residents' on-the-ground knowledge and information about their concerns,
  - Build community support for projects, and
  - Develop creative solutions to ensure new logistics facilities are mutually beneficial.

## A regional approach

- If impacts are regional, planning should be as well. Given the undeniable importance of the warehousing and goods movement industries to the economy of New Jersey, its unique land use and transportation needs, and significant growth projections, a regional approach can help municipalities more **comprehensively** address and plan for the locating, review, and accommodation of larger projects..
- County Planning staffs can play a vital role in these regional planning efforts and provide technical expertise and assistance to municipalities during the planning process. They can assist municipalities with warehouse siting/traffic issues and may be well suited to addressing the issue on a wider scale.

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## **County subdivision and site plan review**

- As part of any regional approach, it is important to recognize that counties have an extremely important, albeit limited, role to play in the review and approval of proposed warehouses and other development projects within their jurisdiction. The New Jersey County Planning Act N.J.S.A. 40: 27-1 et seq., provides County Planning Boards with authority to review all local development proposals (i.e., subdivision and site plan applications), affecting any county roads/property and/or drainage facilities for which it is responsible that would be adversely affected.
- The statute further empowers County Planning Boards to adopt subdivision and site plan standards and procedures, including the authority to assess land development projects for their proportionate share (i.e. developer contributions, including performance guarantees and maintenance bonds for improvements) if necessary, related infrastructure improvements to county roads and drainage facilities which are the direct result of, or bear, a rational nexus to the development, to reduce hazards to the general public caused by unsafe traffic conditions and/or flooding.

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## Establish Technical Advisory Committees

- Under a regional approach, a county, or regional planning agencies could, with the assistance and support of their constituent municipalities, establish and administer Technical Advisory Committees (TACs). Appropriate State agencies are encouraged to participate.
  - The TAC could be most advantageous during the master planning process and for large-scale projects that have the potential for significant regional impacts.
- The role of a county or regional TAC would be advisory. Its purpose would be to provide interested and affected municipalities with the means and technical support, necessary to meaningfully participate in the wider review and analysis of proposed master plan updates and warehouse projects that meet certain established threshold criteria.
- The county, or regional planning agency, and appropriate state agency representatives and staff, could also support the TAC and constituent municipalities, by undertaking long-range regional planning studies and providing technical assistance in the development of local plans and ordinances.

# State Planning Commission/ Office of Planning Advocacy

## What's next?

- OPA is currently working to establish a TAC Working Group structure that will tackle larger statewide issues related to warehouse siting and assist regional TACs were requested.
- Draft a Model Warehouse Ordinance and other tools for municipal consideration.
- Continue to collaborate, meet with, and provide technical assistance to interested municipalities, counties, MPOs, and other entities.
- Continue to share this presentation with others upon request.
- Continue to improve the guidance as new information becomes available; including adding a case study section.
- Other partnerships and opportunities?
- Please give us your feedback and input so we may enhance and improve the guidance.

THANK YOU!

**For more information contact:**  
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**<https://nj.gov/state/planning/index.shtml>**