



State Planning Commission Warehouse Guidance

Department of State

Lt. Governor Tahesha Way, Secretary

NJ Business Action Center

Melanie Willoughby, Executive Director

NJ Office of Planning Advocacy

Donna Rendeiro, Executive Director

Colleen McGurk, Senior Planner

About the NJ Business Action Center

Mission

To provide exceptional technical assistance, customer service, resources, and information as advocates and mentors for New Jersey businesses and municipalities of all sizes, categories, and diversity.

Vision

We envision a flourishing business community, in which all stakeholders – entrepreneurs, business owners, business leaders, exporters, municipalities, state agencies, elected officials, and organizations – are able to access the vital resources that ultimately strengthen every aspect of doing business in New Jersey.

About the NJ Business Action Center

Provides free, confidential, reliable assistance

- Office of Business Advocacy – Explore
- Office of Export Promotion – Expand
- Office of Small Business Advocacy - Explain
- Office of State Planning - Enhance
- Cannabis Training Academy - Educate

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State Planning Commission Warehouse Guidance



STATE PLANNING COMMISSION/ OFFICE OF PLANNING ADVOCACY

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

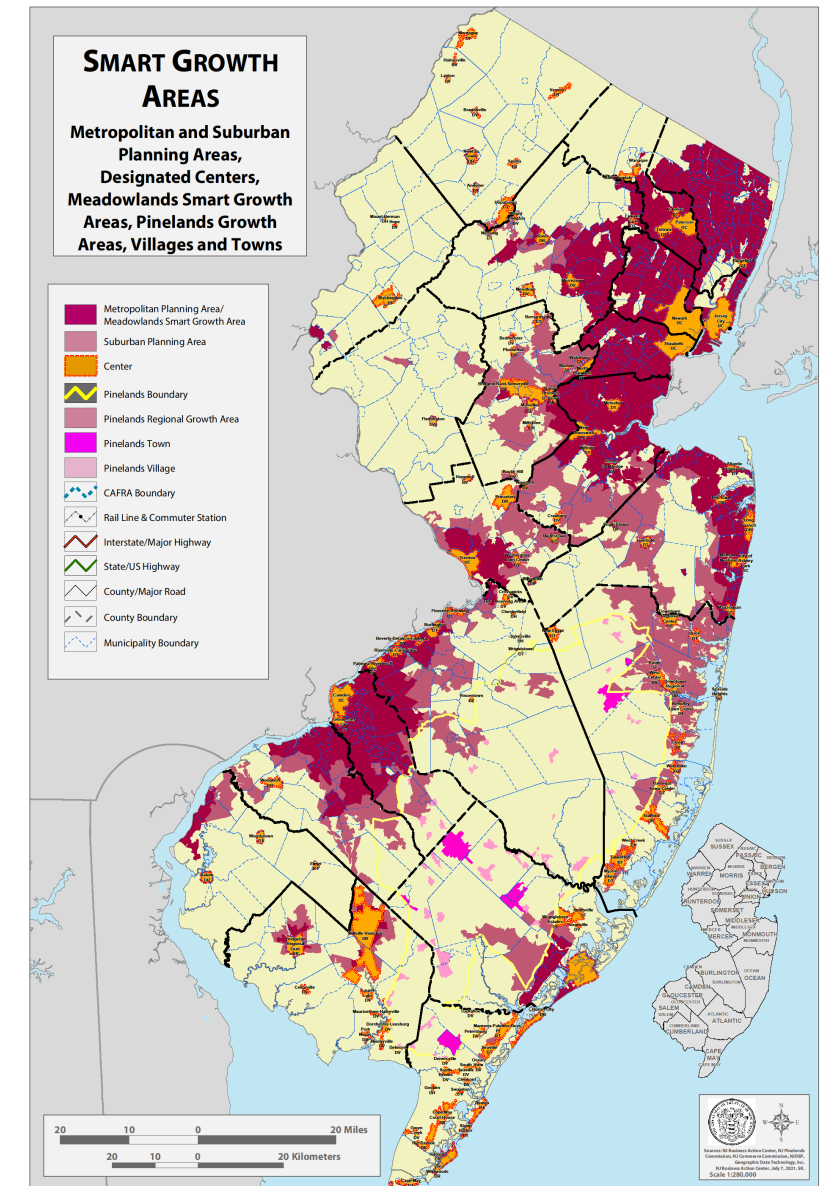
- Coordinates statewide planning to protect the environment and guide future growth into compact, mixed-use development and redevelopment;
- Implements the goals of the State Development and Redevelopment Plan (“The State Plan”) to achieve comprehensive, long-term smart-growth/sustainable planning; and
- 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 Warehouse Guidance

- Until recently, most large warehouse development in New Jersey occurred in places 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
 - Larger projects sought cheaper available land further from Smart Growth Areas, on farmland and forested sites in rural areas
 - Sites in suburban and urban areas, that are poorly suited for large-scale projects.



STATE PLANNING COMMISSION WAREHOUSE GUIDANCE

The logistics industry is extremely important to New Jersey's economy,

- BUT...if not properly sited and scaled, it can result in negative impacts on the 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.

- Rural and urban areas of the State are feeling the pressure for different reasons
 - overburdened communities
 - valuable farmland
 - environmentally sensitive areas

Location, Location, Location...

- Near residential areas, overburdened communities, or other sensitive receptors expose people to air pollution, noise, traffic congestion, and other environmental impacts
- An otherwise ideal location can result in substantial detriment to the transportation network if its intensity is out of scale with roadway capacity infrastructure.

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The Guidance 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.
- 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 WAREHOUSE GUIDANCE

- Many public commenters felt that the State should take a more active role in regulating warehouse development
 - Provide the SPC or counties with the authority to ensure that large projects that have the potential for regional impacts, can be appropriately reviewed?
- The State Planning Act does not provide the SPC with jurisdiction to regulate land use in New Jersey.
- The SPC does have the authority to develop Statewide policies, and 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.

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The guidance aims to:

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

These guidance documents and policy statements describe how municipalities can utilize some or all of these areas to holistically address the challenges they face.

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

Each area of focus identifies one or more related policy statements – all of which reflect policies within the State Plan.

STATE PLANNING COMMISSION

WAREHOUSE GUIDANCE

Types of Warehouses

According to the Geography of Transport Systems, 5th Edition, 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 is 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 the market area served. The 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.



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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 greater than 500,000 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 an HCW is dedicated to the rapid removal of goods. HCWs 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 -- If this effort is not completed prior to receipt of an application, it may be too late to mitigate many offsite impacts that could have been avoided through proactive planning.

- 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.
 - Local governing bodies can ensure that they clearly define and distinguish between uses and 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.

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Areawide Siting Considerations

- 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 State regulated areas and natural resources of local, regional, and state significance
 - aquatic resources, flood hazard areas, freshwater wetlands, riparian zones, transition areas, steep slopes, and threatened and endangered species habitats;
 - areas identified for preservation and/or protection under local, county, regional, or state programs and plans,
 - any portion of land or site within a designated Agricultural Development Area;
 - Larger properties (e.g., 10 or more acres) comprising a prevalence of Primary Soils
- Avoid the disproportionate location of large warehouse distribution facilities in Overburdened Communities, Urban Cores, and Clusters that serve a regional market
 - 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 – 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 should be considered.

Cost-Benefit Analysis – Towns should also request or conduct their own cost-benefit analysis to weigh projected revenues against costs related to municipal services and impacts.

- Consider municipal wages, benefits, and employment demand to provide and maintain municipal services, facilities, and infrastructure.
- Impacts on local businesses, 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 should also be considered.

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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 tools that can incentivize revitalizing distressed and potentially contaminated sites and avert sprawl.
- Tools include the ability to choose and designate redevelopers and execute redevelopment agreements that can provide incentives in return for certain public improvements, negotiate payments in lieu of taxes (PILOTs), allow the issuance of bonds secured by project revenues, and the powers of eminent domain 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.
- However, the LRHL requires that a site meet certain statutorily mandated criteria and that designation requires a statutorily mandated process.

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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.
- 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.
 - 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.

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Sustainable Design

- Design must not undermine or overwhelm valued community characteristics or the carrying capacity of physical and natural infrastructure.
 - Adequate buffers for neighboring uses
 - Provide sufficient landscaping to soften and screen dominating structural features
 - Reduce noise, dust, odors, and visual impacts.
- Design standards should also address a building's shape, scale, color, pattern, texture, and space,
 - Architectural elements, accent features, styles, and materials break up the 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.
- 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.

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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 staff 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 the authority to review all local development applications affecting any county roads/property and/or drainage facilities
- 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 of 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.

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What's next?

- Draft Model Warehouse Ordinance language 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.
- Please give us your feedback and input so we may enhance and improve the guidance.

THANK YOU!

For more information contact:

Office of Planning Advocacy

609-292-7156 (office)

<https://nj.gov/state/planning/index.shtml>



Questions??? And Thanks!

