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New Jersey Legislature Considers Sweeping New Warehouse Bill

Recently, a Senate committee approved a pending bill (S3688) that would have a material impact on future warehouse development throughout New Jersey.

In the bill, co-sponsored by New Jersey Senate President Steve Sweeney and Senator Troy Singleton, all "large warehouse" applications (a term to be defined by the State Planning Commission) would be delayed at the municipal level and evaluated based on regional impacts.

Under this bill, immediately after a new land use application is filed for a large warehouse, the "hosting municipality" (the municipality in which the application was filed) must provide notice to all adjoining municipalities, and depending on whether the hosting municipality is located adjacent to another county, must also provide notice to the county planning board or the State Planning Commission. Not only will any adjoining municipalities have 20 days to decide whether to adopt a resolution of regional concern regarding the pending warehouse application, but the county planning board or State Planning Commission, as the case may be, also will hold a regional impact hearing and have authority to prohibit the application from moving forward at the municipal level.

At the regional impact hearing, an applicant will need to appear and convince the county planning board or State Planning Commission that a municipal approval to construct the warehouse would not cause (A) substantial detriment to the general welfare of an adjoining municipality or the overall region, (B) substantial detriment to the economic and fiscal impact of an adjoining municipality or the overall region, or (C) substantial impairment of the intent and purpose of the master plan or zoning ordinance of any adjoining municipality.

Prior to the regional impact hearing, the hosting municipality, at the applicant's expense, must prepare and submit a regional economic and land use impact report, which is to include an assessment of how the proposed warehouse will affect retail sales, supply and demand for retail space, wages and benefits for employees, and public services, among other items.

The legislation also tolls all applicable statutory time frames, including the number of days that a municipal land use board has to schedule a hearing and to act on an application, for the duration of the regional concern process. This legislation, at a minimum, would significantly delay the development timeline for any industrial project and serve as an obstacle in the path of much-needed industrial development in New Jersey.

The bill was reported favorably out of the Senate Budget and Appropriations Committee and is now before the full state Senate for a vote.

If you have any questions concerning the development of this legislation or real estate matters in general, please contact the authors of this alert or any of the Day Pitney Real Estate team.

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