

Executive Summary

In recent years, industrial-scale warehousing for goods storage and distribution to businesses and retail customers has undergone rapid change with the growth of e-commerce and rising consumer expectations for same-day delivery services. In the past, travel associated with logistics was apportioned to freight, local delivery, and retail traffic, with the “last mile” of fulfillment delivery being a shopper. The age of online shopping (e-commerce) and direct-to-home shipping service has dramatically changed these relationships, particularly with the advent of online retailers and the decline of brick-and-mortar retail. The continuing evolution of logistics industries will have profound implications on the nexus between land use and the intermodal transportation network for years to come. What was once a less conspicuous land use relegated to industrial parks in peripheral areas, distribution warehouses have become a much more recognizable feature on the landscape in towns across New Jersey, as logistics companies pursue more and increasingly larger projects.

With its strategic geographic position, skilled workforce, major consumer markets, and robust transportation infrastructure, including freight rail lines, interstate highways, and the Port of New York and New Jersey that serves the entire Northeast, New Jersey is an ideal location for the warehousing and goods movement industries. These industries contribute significant economic activity, jobs, and taxables to the state.

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 Development and Redevelopment Plan—in State Smart Growth Areas and associated Centers, Suburban and Metropolitan State Planning Areas. It occurred in urban cores and nodes near major ports and highway interchanges, in designated redevelopment areas, contaminated sites, and Brownfields. It occurred in places where the reuse of previously developed, underutilized, blighted, or otherwise appropriately located land continues to be repurposed, providing many benefits to the hosting community and state, through job creation and returning unused land and stranded assets to the tax rolls in a sustainable manner.

It is also true that logistics industries have particular growth, location, and transportation needs that, unlike residential or other land uses, make them ill-suited to certain locations. Nor can they simply be located anywhere, particularly when options exist to locate them closer to major ports, highway interchanges, and State Smart Growth Areas, where industry-preference and land use compatibility remains the greatest.

According to a 2021 report by Costar, more than 100 warehouses totaling 26.5 million square feet of rentable space are due to be built in New Jersey over the next three years alone. Growth and traffic at New Jersey’s ports (including South Jersey ports in Camden, Paulsboro, and Salem) is growing. For example, at the Port of New York and New Jersey, container volume has increased by 19% since 2016.

It is the intent of the State Development and Redevelopment Plan (the “State Plan”) that the full amount of growth projected for the state, including logistics and warehousing, should be accommodated. However, with the current vacancy rate for warehouse/industrial space across all of New Jersey at less than 2%, with several key markets under 1% ([Cushman & Wakefield data](#)), and increasing by 30% in each of the last two years, it is clear the market is screaming for more supply in available space. Finding creative ways to accommodate this demand appropriately and cooperatively is of statewide economic importance and something which every municipality, county, State, and regional agency should keep in mind when balancing the following guidelines while also supporting New Jersey’s reputation as a logistics state.

According to the [2019 County Business Patterns \(CBP\) report](#), transportation and Warehousing led all business sectors with the largest rate of employment growth with an increase of 7.5% in the United States from 2018 to 2019, according to [U.S. Census Bureau economic statistics](#) released in 2021. Overall, employment in this sector grew from 5.0 million in 2018 to 5.4 million in 2019. In addition, annual payroll in Transportation and Warehousing ([NAICS 48-49](#)) grew 7.9% from \$262.5 billion in 2018 to \$283.2 billion in 2019, and the number of establishments grew 2.2% from 244,800 in 2018 to 250,080 in 2019. Indeed, nearly 12.2% of all jobs located in New Jersey, are in the wholesale trade or transportation and warehousing sectors of the economy, those that are devoted primarily to the storage and distribution of goods. This is the highest share among the 50 states. These sectors together are responsible for 15.7% of New Jersey’s total payroll and are the highest in the country.

At the same time, large-scale regional warehousing, can if not properly sited and scaled, result in significant negative impacts, from the intensive consumption of undeveloped land to the degradation of habitat, air and water resources, quality of life, public health, safety, infrastructure, and transportation networks. Traffic tends to be the most obvious impact that affected communities and the public raise concerns about. The hundreds, and sometimes thousands, of daily truck and passenger car trips that logistics warehousing generates, contribute to traffic jams and accidents, and the deterioration of road surfaces, in addition to harmful emissions of air pollutants. Put a large-scale project in the wrong place, and the negative impacts from a single intensive facility can have a significant regional impact.

The public health impacts of warehousing also tend to be concentrated in low-income and minority communities and neighborhoods that already suffer from disproportionate health impacts because of New Jersey’s long industrial legacy. For these communities, where residents are already disparately impacted by current and past environmental harms, proposals for new projects that will only worsen public health and safety raise environmental justice implications that clearly warrant a different approach and more immediate attention.

In New Jersey’s more rural and less developed areas where open space and farmland preservation efforts have been focused, large warehouse projects are encroaching deeper into remaining unprotected agricultural and forested areas. With only a finite amount of available land near major ports, highway interchanges, and accessible freight rail lines, warehouse development is occurring in outlying locations that have limited infrastructure and capacity to support them, particularly along local roads and related infrastructure that was not designed to handle heavy truck traffic. As large tracts of forested habitat and

productive farmland are replaced with intensive warehouse uses, communities may be changed forever. Should such trends in accelerating greenfield development continue unabated, and without adequate land use parameters to appropriately locate, scale, and design projects, the negative impacts to New Jersey's agricultural and natural land base, and associated communities, have the potential to be dramatic.

Wherever warehouse development happens, benefits and negative impacts will follow that must be carefully balanced and equitably considered. There is no shortage of solutions that are good for communities, the environment, and the economy. Guiding such development effectively will require a whole-of-government approach and commitment to long-range planning with a greater focus on the nexus between local and regional land use and transportation planning.

As land-use planning and development review occur predominantly at the local level in New Jersey, it is important to provide local governments with the technical resources and guidance necessary to assist them in developing land use plans, zoning, and project review procedures based on sound planning, information, and practice. Local development decisions should also be made in the context of a statewide plan and policy that balances competing needs – including protecting important resources and impacted communities, ensuring economic growth and viability, and meeting industry needs across labor, workforce safety, infrastructure, employee transit, and market needs.

To that end, the New Jersey State Planning Commission offers the following considerations and guidance in accordance with N.J.S.A. 52:18A-196 and 199, to facilitate greater cooperation and coordination among local governments, their counties, and their regions. The State Plan's Statewide Policies provide the principal source of this guidance and are reflected in each of the following sections.

The State Plan, including its State Plan Policy Map, is used to guide municipal, county, and regional planning, state agency functional planning, and public and private infrastructure investment decisions in a fair and equitable manner. While the State Planning Commission ("the Commission") does not possess regulatory authority over land use and zoning, when municipal, county and regional plans are updated, they should be modified to reflect compatibility or consistency with of the State Plan.

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 the logistics facilities.

These guidance documents and policy statements therein, describe how municipalities can achieve these aims across eleven related areas of focus. Each area of focus identifies a related State Plan Policy that provides a basis for inclusion. Local governing bodies and planners can utilize some or all of these areas holistically to 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 and Public Engagement
- Taking a Regional Approach
- Special Resource Area Considerations
- The Role of State Agencies

The Commission encourages the use of this guidance holistically to provide a balanced approach to warehouse siting that considers environmental and economic sustainability and benefits and public health. As technology advances, the recommendations included herein may become outdated or even obsolete. Warehouse developers are encouraged to take every opportunity to implement newer, cleaner technologies and methodologies as they become available, even if not specified in these guidance documents. Municipalities are likewise encouraged to plan and zone for the future, not just their current situation or the proposal before them.

In all cases, municipal and county authorities should consult with their land use attorneys before enacting or amending land use, planning, and zoning regulations.