

**The Borough of Allendale  
Bergen County  
New Jersey**

DRAFT!!

**Redevelopment Investigation Report**

A study to assist the Allendale Land Use Board as well as the Mayor and Council in determining whether certain properties located in the Borough of Allendale along W. Crescent Avenue-satisfy the statutory criteria of the New Jersey Local Housing and Redevelopment Law as an Area in Need of Redevelopment (ANR).

June 12, 2018

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Date of Land Use Board Hearing: June 20, 2018.

**Disclaimer-Please Read:**

*This Report has been prepared to assist the Allendale Land Use Board and the Allendale Borough Council in their deliberations regarding the potential area in need of redevelopment. It is in the sole and exclusive governmental discretion of these public bodies to determine if it is in the best interest of the public to make such a redevelopment determination. Notwithstanding the foregoing, if this report includes background and evidence that the indicated properties qualify to be included in an area in need of redevelopment the Land Use Board must adopt the requisite resolution confirming that the properties satisfy the statutory conditions of an area in need of redevelopment, unless evidence is presented to the contrary.*

*This report is in draft form as of the date printed on the cover and will not be made final until the scheduled date of the Allendale Land Use Board public hearing on this matter. This will allow the investigation of the area to continue so as much pertinent evidence may be gathered respecting the properties which may be included in the potential redevelopment area.*

*The work of the Land Use Board regarding this investigation is narrow. The board must decide if the properties satisfy the statutory criteria as outlined in Section 3 of this report, or, in the alternative, if the criteria are applicable to the properties under study.*

**1-Background-The Redevelopment Study.**

In April 26, 2018, the Borough Council of the Borough of Allendale, Bergen County, adopted Resolution Number 18-117 entitled: "Resolution Authorizing and Directing the Allendale Land Use Board to Undertake a Preliminary Investigation of two Properties in the D-1 Industrial Zone for Potential Redevelopment". These properties are situated along W. Crescent Avenue." Specifically, Block 1005, Lots 3 and Lot 20 having street addresses of 230 W. Crescent Avenue and 220 W. Crescent Avenue.

This Resolution authorizes the undersigned to study the identified area and prepare a report for the Allendale Land Use Board and Mayor and Council to determine if the preliminarily identified properties qualify as an area in need of redevelopment ("ANR"). This is our report.

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STUDY AREA (LOCATION): The April 2018 Council Resolution identified two (2) properties in the industrial zoning district (zone: D-1) of the Borough that appear to be stagnant and are to be repurposed to satisfy certain public uses as well as to provide an attractive gateway to Allendale. The Borough of Allendale governing body authorized the Allendale Land Use Board (Land Use Board) to determine if the properties qualify as an area in need of redevelopment for not subject to eminent domain condemnation pursuant to N.J.S.A. 40A:12-5.

On January 26, 2017 the Borough Council adopted ordinance 17-02 appropriating \$14,350,000 to acquire 220 W. Crescent Avenue and 230 W. Crescent Avenue in the Borough. Short term notes in the amount of \$13,650,000 were issued to provide sufficient cash to acquire the property. The Borough now seeks to redevelop (or repurpose) the properties to meet the goals and objectives stated in the April 2018 resolution.

The property at 220 W. Crescent has a 35,000 square foot building on 2.5 acres. The building was built in 1974. The annual estimated property tax payment is \$74,383. The property at 230 W. Crescent Avenue has 9.79 acres of which .94 acres is in a flood plain. The building has 106,048 square feet of interior space. The annual estimated property tax payment is \$205,920. We will be submitting the New Jersey property database sheet identifying this property.

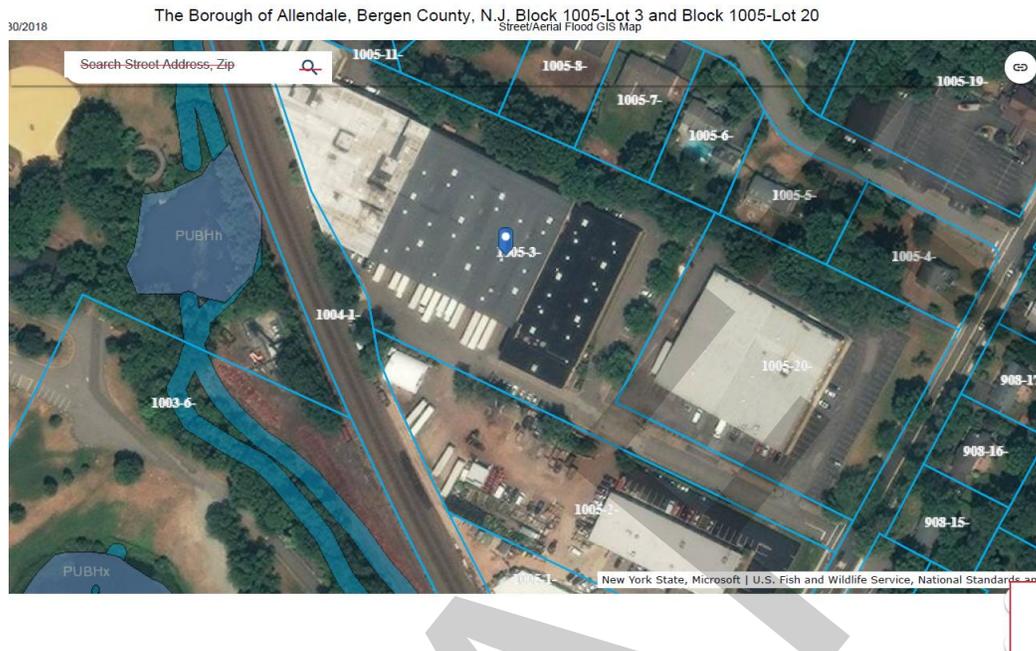
These properties are located along a major artery of the Borough and are either partially fallow or will be vacated in the near future. The existing uses involve heavy truck traffic, beginning early in the morning on most weekdays. The two parcels in the study area are situated adjacent to the central business area, they are generally obsolete, proven by the point that the property at lot 3, the larger property, has its lease terminating on March 31, 2019. Before we delve further into the specifics of the properties and the details of the study area we must provide a foundation for our work.

The Borough of Allendale, Bergen County, New Jersey, has a population of approximately 6,505 according to the 2010 Census. in its approximate 3.1 square miles. It lies generally to the south of Route 17. The Borough is a suburban community in an urban/suburban county, Bergen County. The Borough has a discreet pleasant arterial district along W. Crescent Avenue and has environmentally sensitive area immediately to the west of the property.

The area under study has several formative land use issues which provide a foundation for considering it an ANR. These issues will be discussed in detail. We begin with the location map of the study area. In addition, attached hereto is a site survey showing the outline of the property.

Figure 1.

A view of the subject property along W. Crescent Avenue.



2-The Specific Properties under Study-Block 1005, Lots 3 and 20. The April 2018 Borough Council Resolution authorizing this report further directs the Borough of Allendale Land Use Board to study and determine whether certain properties at included in the following figures satisfy the statutory criteria found in the Local Redevelopment and Housing Law (“LRHL”), N.J.S.A. 40A:12A-1 et seq.

The LRHL permits the exercise of eminent domain where the condition of the property is so untenable that the public health and safety are jeopardized by allowing the property conditions to persist. adding certain situated properties located in an ANR which are necessary to foment redevelopment. While these untenable conditions are not apparent at these properties, therefore, the Borough Council is not seeking to invoke eminent domain condemnation in this redevelopment study area. Moreover, the Borough, as the potential condemning agent owns the property.

It should be noted that the April 2018 Council Resolution and state law use the term “preliminary investigation” to describe this report. This is because the investigation may only be concluded upon providing notice to the affected property owners, conducting a Land Use Board hearing and considering all pertinent evidence and other factors regarding this potential ANR. With this background, the Borough of Allendale is conducting a preliminary investigation to determine if the two properties previously identified and located along W. Crescent Avenue qualify as an area in

need of redevelopment (ANR) as defined by the State of New Jersey Local Redevelopment and Housing Law (LRHL), N.J.S.A. 40A:12A-1 et seq.

Over the past three months evidence has been gathered as to the condition of the potential redevelopment area through site visits to the properties including in May 2018. Our investigation included inspecting the properties, taking photographs of the exteriors of the properties, reviewing tax assessment and property maintenance records and informally speaking to the property owners (municipal representatives). We have also researched the zoning ordinances and the master plan of the Borough of Allendale.

The work of the Land Use Board regarding this investigation is narrow. The board must decide if the properties satisfy the statutory criteria as outlined in Section 3 of this report, or, in the alternative, if the statutory criteria are applicable to the properties under study. In addition to this report, additional testimony and photographic evidence will be submitted at the public hearing on this matter. Further, the Land Use Board members are encouraged to visit the properties under study. Finally, a hearing will be held regarding the proposed area in need of redevelopment to provide an opportunity for the municipal representatives as property owners to be heard and provide input.

The following chart gives the pertinent tax and property data regarding these properties.

Figure 2.

The Potential Redevelopment Area Data Base.

The Borough of Allendale, New Jersey			
Scope of Potential W. Crescent Avenue ANR			
BI-LOT	PROPERTY OWNER	Lot Size	Property Location
1005-3	Borough of Allendale	9.79	220 W. Crescent Avenue
1105-20	Borough of Allendale	2.50	230 W. Crescent Avenue
	Total	12.29	

This Redevelopment Investigation Report has been prepared and written to assist the Allendale Land Use Board in meeting its obligations of Section 6 of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-6a, which requires, in part, the following:

*“No area of a municipality shall be determined a redevelopment area unless the governing body of the municipality shall, by resolution, authorize the Land Use Board to undertake a preliminary investigation to determine whether the proposed area is a redevelopment area according to the criteria set forth in Section 5 of P.L. 1992. C.79 (C.40A:12A-5) .... The governing body of a municipality shall assign the conduct of the investigation and hearing to the Land Use Board of a municipality.”*

The April 2018 Borough Council Resolution satisfies this requirement. Further, as required by the LRHL the Borough Council must identify those parcels which may be subject to condemnation. To this end the Borough Council has determined that these properties shall NOT be subject to condemnation.

3-The Local Redevelopment and Housing Law (LRHL). The LRHL permits the inclusion of parcels in an area in need of redevelopment (ANR) that do not meet the statutory criteria if the property is necessary for effective redevelopment of the proposed redevelopment area:

*“A redevelopment area may include land, buildings or improvements which of themselves are not detrimental to the public health, safety or welfare, but the inclusion of which is found necessary with or without change in their condition, for the effective redevelopment of the area of which they are a part.” (N.J.S.A. 40A:12A-3.)*

In September 2013 Governor Christie signed legislation intended to codify controlling New Jersey case law and make redevelopment a more politically viable tool to spur economic development. Prior to the enactment of Assembly Bill 3615 all area in need of redevelopment designations made pursuant to the Local Redevelopment and Housing Law carried the threat of condemnation—by identifying those properties to potentially be condemned. In the Borough of Allendale, the authorization of condemnation for redevelopment purposes must be taken extremely seriously.

In *Gallenthin Realty Development, Inc. v. Borough of Paulsboro*, 191 N.J. 344 (2007), the New Jersey Supreme Court clarified that an area in need of redevelopment designation can only be supported by a finding that the property suffers from conditions evidencing actual blight, including stagnation and lack of productivity. The Court rejected prior municipal practice of designating a property as being in need of redevelopment based on a finding that the property’s use was not optimal, or that the property could be used more productively or valuably utilized.

In the proposed Allendale W. Crescent Avenue Redevelopment Area the properties are clearly obsolete, moreover, sound land use principles indicate that a less impactful use will promote the health and welfare of the community. The larger property is a deleterious influence on the arterial street system due to heavy truck traffic—with navigation of the local street system very difficult.

These conditions are formally described as poor and deteriorating, lack of proper property access, gross underutilization currently the property is not fully occupied {and a long-term vacant situation will occur within one year} and satisfy the conditions considered for designation of an area in need of redevelopment.

The enactment of these 2013 changes to the Local Redevelopment and Housing Law was designed to make the redevelopment process more user-friendly for both municipalities and property owners. Both participants can embrace redevelopment as a tool for mutual economic benefit, overcoming the past obstacles of the stigma of eminent domain, ambiguous redevelopment criteria, and confusion regarding notice requirements.

THE STATUTORY CRITERIA: The determination as to whether, or not, the properties should be included in a redevelopment area is the responsibility of the Allendale Land Use Board and ultimately the Borough Council. Should the Land Use Board determine that the properties should be included in a redevelopment area because the statutory criteria are satisfied, the Borough Council would make the final determination by declaring the properties to be in need of redevelopment. This includes making the determination that a property may be subject to condemnation.

Section 5 of the LRHL, N.J.S.A. 40A:12A-5 specifies that an area may be determined to be in need of redevelopment, if after investigation, notice, and hearing as stipulated in Section 6 of N.J.S.A. 40A:12A, provided the area meets one or more of the following statutory criteria:

- a. The generality of buildings are substandard, unsafe, unsanitary, dilapidated or obsolescent, or possess any of such characteristics or are so lacking in light, air or space, as to be conducive to unwholesome living or working conditions.
- b. The discontinuance of the use of buildings previously used for commercial, manufacturing or industrial purposes; the abandonment of such buildings or the same being allowed to fall into so great a state of disrepair as to be untenable.
- c. Land that is owned by the municipality, the County, a local housing authority, redevelopment agency or redevelopment entity, or unimproved vacant land that has remained so for a period of ten years prior to the adoption of the resolution, and that by reason of its location, remoteness, lack of means of access to developed sections or portions of such municipality, topography or nature of the soil, is not likely to be developed through the instrumentality of private capital.
- d. Areas with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals or welfare of the community.
- e. A growing lack or total lack of proper utilization of areas caused by the condition of the title, diverse ownership of real property therein or other conditions, resulting in a stagnant and a not fully productive condition of land potentially useful and valuable for contributing to and serving the public health, safety and welfare.
- f. Areas, in excess of five contiguous acres, whereon buildings or improvements have been destroyed, consumed by fire, demolished or altered by action of storm, fire, cyclone, tornado, earthquake or other casualty in such a way that the aggregate assessed value of the area has been materially depreciated.
- g. In any municipality in which an enterprise zone has been designated pursuant to the "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et seq.) the execution of the actions prescribed in that act for the adoption by the municipality and approval by the

New Jersey Urban Enterprise Zone Authority of the zone development plan for the area of the enterprise zone shall be considered sufficient for the determination that the area is in need of redevelopment pursuant to Sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax exemptions within the enterprise zone district pursuant to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or the adoption of a tax abatement and exemption ordinance pursuant to the provisions of P.L.1991.

- h. The designation of the delineated area is consistent with smart growth Land Use principles adopted pursuant to law or regulation.

4-Analysis of Properties Included in the proposed area In Need Of Redevelopment (ANR). This 2018 Redevelopment Investigation Report includes the parcels at Block 1005 Lots 3 and 20. These lots comprise approximately 12.25 acres and are located along the W. Crescent Avenue artery. An analysis of this area indicates that the condition of these related, contiguous properties is in such a condition that the property is partially vacant, is not conducive to good working conditions (criteria “a”—truck activity as an example), has been abandoned and vacant for an extended period of time (criteria “c”—partially vacant for an extended period and for certain in the future, 2019) and is obsolete (criteria “b” and criteria “d”). These properties are considered one unique redevelopment parcel.

THE MASTER PLAN AND ZONING: We refer to the April 26, 2018 resolution, attached hereto, as the foundation for consistency with the Borough Master Plan. It is important to remember that this Report is not a plan. Rather, this Report has a narrow purpose which is to determine whether these two Borough owned properties satisfy the statutory criteria to designate an area in need of redevelopment (ANR).

The total area recommended to be designated as an ANR is 12.25 acres. The two (2) properties present typical conditions of redevelopment recited in the LRHL. Accordingly, Block 1005, Lots 3 and 20, located in this narrow study area situated along W. Crescent Avenue. The properties have conditions that are consistent with, and satisfy the statutory criteria specified in Section 5 of the LRHL, N.J.S.A. 40A:12A-5. Therefore, the properties may be found and be determined to be an area in need of redevelopment.

CONCLUSION: Based on the substantial evidence presented in this report the two properties, Block 1005, Lots 3 and 20, may be designated as an area in need of redevelopment by the Land Use Board and the Allendale Borough Council, pursuant to N.J.S.A. 40A:12A-5 a with b combined as well as c, and d inclusive. The redevelopment designation may only be accomplished after considering all other pertinent testimony and evidence, and upon a finding by the governing body that the public health and welfare will best be served by such a redevelopment designation.

The Allendale W. Crescent Avenue Redevelopment Area may, upon designation of the area as an ANR, be included in an adopted redevelopment plan.

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June 12, 2018

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