



TESTIMONY

## Testimony on S3688 Senate Budget and Appropriations Committee

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16 W. Lafayette St.  
Trenton, NJ 08608  
p: (609) 393-0008  
f: (609) 360-8478  
w: njfuture.org

**Contact:** Tim Evans, Director of Research  
[tevens@njfuture.org](mailto:tevens@njfuture.org)

Chair Sarlo, Vice Chair Cunningham, and members of the Senate Budget and Appropriations Committee,

Thank you for considering this important legislation today, and thank you to Chair Singleton for introducing it. New Jersey Future was founded over 30 years ago to advance smart growth principles to tackle one of the most significant land use issues at that time: sprawling development. While housing sprawl has been sufficiently curbed, we are now confronted with warehouse sprawl. When inappropriately located, these massive structures contribute significantly to increased air pollution, local traffic, infrastructure costs, and loss of open space.

New Jersey Future supports the intent of S3688, specifically that it recognizes that, while goods distribution is an integral and growing component of New Jersey's economy, the industry's increasing demand for land is a threat to smart land use decision-making. The regional approach to project planning and development determinations, and expanded development notice requirements would increase transparency between municipalities, which are so interconnected in our dense state.

In particular, we applaud the bill for articulating a role for the State Planning Commission in coordinating developments with regional impacts. In fact, we recommend that the Commission be assigned the role of arbiter in all cases, not just those in which neighboring municipalities are located in a different county. The Commission and its staff exist to guide and coordinate land use planning and growth in the state and are well suited to such a role. Assigning sole responsibility for this role to the Commission would provide a more uniform and robust process for mediating regional concerns, streamline the process, and could in fact be used for other large developments with regional impacts.

Locating the arbiter function at the State Planning Commission would have the added benefit that staff could provide constructive feedback to municipal officials about how to align their zoning with current real estate demand without compromising environmental or quality of life issues. Such consultations would help to avert future conflicts with neighboring municipalities.

In anticipation of its role in advising municipalities on the location of warehouse developments, we recommend that the bill add to the duties it assigns to the State Planning Commission the development of a warehousing plan that identifies optimal sites for warehousing throughout the state, taking into consideration both the locational and transportation needs of the goods movement industry and the land-use types—including agriculture and wildlife habitat—potentially displaced by new warehouse development.

We recommend striking from the bill all language requiring a host municipality to assess a project's effects on retailers in neighboring municipalities. Protecting retailers from competition is not the role of state government, nor would it be the role of the State Planning Commission or a county planning board. As such, the "regional economic and land use impact report" as described in the bill could simply be renamed the "regional land use impact report" and could be shortened to include only items seven and eight from the list in the proposed law: master planning and vehicle miles travelled, respectively. It would be appropriate to include climate change resilience and racial and economic equity components as well.

It is good that the bill framers are looking to local municipalities to update their master plans. However, the time of application is not the time to do that. The bill could require warehouse developers to submit a pre-application. The municipality would then have 60 days to review the pre-application and revisit its master plan and zoning in light of this large proposed use, and then make changes as necessary. This concept would need to be examined in more detail before moving forward.

In summary, this bill with some modifications could help advance intermunicipal planning and decision making, rein in warehouse sprawl and redirect warehouse development to appropriate and efficient sites, and help towns align their master plans with desired outcomes that are better for the long-term prosperity of themselves, their neighbors, and the state's economy.