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Carl J. Richko Chairperson

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#### **DRAFT- FOR PUBLIC COMMENT**

#### Highlands Council Staff Recommendation Report Proposed Highlands Redevelopment Area Naughright and Sand Shore Roads Mount Olive Township, Morris County

Date:	June 16, 2025
Application Type:	Proposed Highlands Redevelopment Area Designation
Name:	Naughright and Sand Shore Road Highlands Redevelopment Area
Applicant:	Mount Olive Township
Location:	Mount Olive Township, Morris County
Properties:	Block 8300, Lots 5, 5.02, 6, 7, 8, 9, 11, 11.01; Block 8100, Lot 38;
	Block 8400, Lot 1
Highlands Act Area:	Preservation Area
LUCZ Designation:	Existing Community Zone (ECZ)/Existing Community-Environmentally
	Constrained Subzone (ECECZ)
Proposed Use:	Retail and Light Industrial/Warehousing

#### 1. PROJECT DESCRIPTION

Mount Olive Township is a municipality located at the western end of Morris County with lands in both the Highlands Planning and Preservation Areas. Mount Olive Township is conforming for only the Preservation Area, which accounts for 79% (15,861 acres) of the 19,992-acre municipality.

The Township has applied for a Highlands Redevelopment Area designation under the 70% existing impervious surface requirement (Highlands Act N.J.S.A 13:20-3). The proposed Highlands Redevelopment Area is located entirely within the Preservation Area and encompasses 47.61 acres. A plan for the proposed redevelopment is included as Appendix 1. Although the application incorporates 10 properties, only three (3) are proposed for additional development.

The details of the properties in the proposed Highlands Redevelopment Area are as follows:

Block 8300, Lots 11 and 11.01 (8.07 acres): These two vacant lots are within an existing industrial zone along Sand Shore Road. The properties are proposed to be included in the Highlands

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Redevelopment Area to allow a developable footprint of 300,445 sq. ft. The properties are located in the Preservation Area – Existing Community Zone (ECZ). Access is directly from Sand Shore Road, however the site is approximately 300 feet from Route 46. Development is currently proposed as a 92,000 sq. ft. warehouse/flex industrial building, with a total proposed impervious surface of 199,124 sq. ft. The end use of this site is unknown at this time, but concept plans indicate a potential warehouse or industrial end user. The project would be served by onsite wells and an onsite subsurface sewage disposal system.

**Block 8100, Lot 38 (30.42 acres)**: The property is currently developed with a commercial shopping center with an existing impervious surface area of 575,731 sq. ft. A vacant area to the rear of the developed portion of property is proposed to be placed into a Highlands Redevelopment Area to allow for the future expansion of the existing shopping center of up to an additional 174,022 sq ft. of impervious surfaces. No plans currently exist for this potential expansion. Any expansion would be serviced by onsite water and public wastewater service. This property is located within the Preservation Area-ECZ, with the proposed build-out portion within the ECZ-Environmentally Constrained Subzone.

Block 8400, Lot 1 (5.33 Acres): Existing car dealership (Johnson Dodge). No expansion is proposed.

Block 8300, Lots 5, 5.02, 6, 7, 8 and 9 (25.28 Acres): Six existing industrial flex space buildings. No expansion is proposed.

#### 2. ADMINISTRATIVE PROCESS & REVIEW SUMMARY

In accordance with the Highlands Council's adopted Redevelopment Area Designation Procedures (RMP Addendum 2019-1), the Township and Highlands Council staff held a Highlands Redevelopment Area pre-application meeting on December 2, 2022. The Township provided public notice of the Township's hearing on November 21, 2023, to property owners located within the proposed Highlands Redevelopment Area, at which time they adopted a resolution authorizing submission of the application to the Highlands Council. On February 12, 2024, Mount Olive Township submitted a complete Highlands Redevelopment Area Application. This redevelopment plan as proposed was tabled last year, due to litigation with an adjacent property owner. In May 2025, the Township requested that the Highlands Council renew the original redevelopment application to receive formal action from the Highlands Council. Highlands Council staff conducted a site visit on March 18, 2024, and again on June 9, 2025 to document current conditions and examine the area proposed for development. Site photographs from both occasions are included in Appendix 3.

The Highlands Council will present the Highlands Redevelopment Area application at a Council Meeting with public hearing following a 30-day public comment period. Should approval be granted by the Council, an application would be made to the NJDEP for a Highlands Preservation Area Approval (HPAA) with Highlands Redevelopment Area Waiver. The Highlands Council would consult with the NJDEP on that application. Either concurrently with the HPAA application or after its approval, the applicant would seek approval from the Township Planning Board. That application would be subject to review by the Highlands Council before any formal Planning Board action could take place. Any resolution of approval of the site plan by the Township Planning

Board would need to include all conditions related to the Highlands Redevelopment Area Approval and Consistency Determination.

### 3. RESOURCE ASSESSMENT FOR LOTS PROPOSED FOR FUTURE DEVELOPMENT

Block 8300, Lots 11 and 11.01 (8.07 acres) Proposed for 92,000 sq. ft. warehouse/flex industrial building (300,445 sq. ft area of disturbance).

Block 8300, Lots 11 and 11.01 Highlands Zones/Resources	Total (Acres)	Percent of Tract
Existing Community Zone (ECZ)	8.07	100.0%
Agricultural Resource Area (ARA)	8.07	100.0%
Important Farmland Soils	7.7	95.9%
Wellhead Protection – Tier 2	4.8	59.48%
Wellhead Protection – Tier 1	2.7	33.45%
Open Water Protection Area (see below)	0.7	8.7%
Total Forest Area	1.4	16.7%

#### Important Farmland Soils and Agricultural Resources

The property is designated as an Agricultural Resource Area (ARA) and is primarily covered with Important Farmland Soils which cover 95.9% of the tract, though these soils have been disturbed or covered in areas of existing development. The property is not in active agricultural use. As the property is designated Existing Community Zone, mitigation for the loss of farmland soils is not required.

#### **Other Highlands Environmental Resources**

- Block 8300, Lots 11 and 11.01 are largely unconstrained by environmental resources:
  - The site contains no Critical Habitat.
  - The site contains no Steep Slope Protection Areas.
  - o The site contains no Prime Groundwater Recharge Areas.
  - o There are no historic resources present on or adjacent to the site.
- A small area of Total Forest Area is located to the rear (northern portion) of the property. Although the area is proposed to be disturbed, the site currently shows evidence of past disturbance, including a pile of fill material in the northern portion of the parcel. No onsite mitigation will be required for the disturbance. However, the landscaping plan must include native, drought-resistant plantings and stormwater management basins should be naturalized and planted with native species.
- The Open Water Protection Area mapped on the property results from the adjacent manmade retention pond. As this project is part of a proposed Highlands Redevelopment Area, the Highlands Council is exercising its discretion, under RMP Policy 1D4, to reduce the required Highlands Open Water Buffer on lot 11.01. The Highlands Council finds that the retention pond on lot 9 functions as part of stormwater management system and the development on lot 11.01 will not impact this system.

#### Water & Wastewater Service:

- The total water and wastewater usage will be an estimated 1,500 gallons per day (gpd) of wastewater generation and 1,666 gpd of potable water demand. Both limits are under any NJDEP Water Allocation Permit or Water Quality Management Plan amendment requirements.
- Wastewater will be handled through an onsite individual subsurface sewage disposal system (septic system-not public sewer). Nitrate dilution limits will be set at 6 mg/L in accordance with NJDEP NJPDES Discharge to Groundwater standards for the Preservation Area with an approved Highlands Redevelopment Area waiver.
- Water use will be provided through onsite wells. A 10% consumptive use coefficient is applied for industrial use.
- The selected area is within the Mine Brook (Morris Co.) subwatershed (HUC14 02040105150090), which has a calculated Net Water Availability of -0.076 million gallons per day (MGD).
- The water mitigation target is 208 gpd (10% consumptive use coefficient \* 1,666 gpd of water demand \* 125% mitigation target). This small target can be achieved through indoor and outdoor conservation measures such as incorporation of low-flow fixtures and native drought-resistant plantings. No irrigation systems should be included in the development.
- In this case, the mitigation target is minimal and is expected to eliminate the consumptive use, therefore a municipal-wide Water Use and Conservation Management Plan is not required as a result of the proposed development.

#### **Transportation:**

• The proposed concept plan for Block 8300, Lots 11 and 11.01 shows an ingress and egress onto Sand Shore Road, which is a local roadway. Sand Shore Road connects directly to State Route 46, and the proposed project is adjacent to the interchange that allows access from Sand Shore Road onto State Route 46. Sand Shore Road is a single lane roadway, despite its location in an industrial zoned area.

**Block 8100, Lot 38 (30.42 acres).** The property is currently developed with a commercial shopping center with an existing impervious surface area of 13.22 acres. The total area within the existing shopping center demarcated for future development is 3.61 acres. Approximately 1.89 acres are existing impervious areas at the western part of the shopping center, adjacent to Naughright Road. The remaining 1.91 acres, located towards the east of the shopping center, is undeveloped. No plans currently exist for this potential expansion.

Block 8100, Lot 38 (future area) Highlands Resources	Total (Acres)	Percent of Future Development Area
Existing Community Zone (ECZ)	1.91	100%
Agricultural Resource Area (ARA)	1.91	100%
Important Farmland Soils	1.33	69.6%
Wellhead Protection – Tier 2	1.26	65.97%
Open Water Protection Area (see below)	0.7	36.65%

The table below reflects the resources of the undeveloped area.

Total Forest Area	0.39	56.54%
Prime Groundwater Recharge Area	1.18	61.79%

#### Important Farmland Soils and Agricultural Resources

The property is designated as an Agricultural Resource Area (ARA) and is primarily covered with Important Farmland Soils (69.6% of the tract). The property is not in active agricultural use. As the property is designated as Existing Community Zone, mitigation for the loss of farmland soils is not required.

#### **Other Highlands Environmental Resources**

- Block 8100 Lot 38 is largely unconstrained by environmental resources:
  - The site contains no Critical Habitat.
  - The site contains no Steep Slope Protection Areas.
  - There are no historic resources present on or adjacent to the site.
  - o The site contains no Open Water Protection Areas.
- A small area of Total Forest Area is mapped on the area set aside for future development. A site visit indicated that the forest area is not present. Mitigation will therefore not be required for the potential future disturbance.
- There is an area of Prime Groundwater Recharge Area on the area set aside for future development. To mitigate for the disturbance, there will be a requirement that improvements be made to the stormwater management system for the existing shopping center to improve both water quality treatment and groundwater recharge. As the shopping center was constructed prior to 2004, it was not subject to the current more stringent stormwater management measures and significant opportunities exist for improving the currently existing stormwater management facilities.

#### Water & Wastewater Service:

- Wastewater will be handled by connections to the existing Hackettstown MUA public sewer system.
- Water service will be provided by the existing onsite water system.
- The total water and wastewater usage is currently not known and will be subject to review at the time a site plan application is submitted. Given the current scale of the existing shopping center in comparison to the limited size of the potential expansion, it is unlikely that capacity limitations will be an issue.
- The selected area is in the Raritan River SB subwatershed (HUC14 02030105010040) which has a calculated net water availability of -0.344 MGD.
  - As the site is in a deficit HUC14, depending on the consumptive use, a Water Use and Conservation Management Plan may be required.
  - A site-specific water deficit mitigation plan may also be required to be submitted at time of site plan review.
  - Should the site-specific water deficit mitigation plan not completely address the consumptive use, then the need for a Water Use and Conservation Management Plan will be triggered.

#### Transportation

• Block 8100, Lot 38 does not include any concept plan and is located at the rear of an existing commercial shopping center. If this site were to be developed in the future, it would either maintain access within the existing shopping center site or would need a connection to State Route 46 through Block 8100, Lot 39. No transportation issues are anticipated as the existing site is already adequately designed to handle truck and passenger vehicle traffic.

#### 4.0 FINDINGS AND RECOMMENDATIONS

Highlands Redevelopment Area Procedures RMP Addendum 2019-1, Procedures for Highlands Redevelopment Area Designation, contain the following criteria that must be met for approval.

- 1) At least 70 % of the proposed Highlands Redevelopment Area is comprised of existing impervious surface.
  - a. Finding: Consistent.
  - b. The proposed Highlands Redevelopment Area was found to contain 70.0% impervious surfaces. (34.23 Acres existing impervious/48.90 Acres Highlands Redevelopment Area Boundary). The impervious surfaces within the proposed Highlands Redevelopment Area are included within the calculations and therefore cannot be used as the basis for an additional expansion of the Highlands Redevelopment Area in the future.
- 2) The proposed Highlands Redevelopment Area and proposed development will not result in or contribute to impairment of any Highlands Resource located on or adjacent to the Highlands Redevelopment Area. This may be accomplished either through exclusion of such areas, through conditions on the designation that ensures their protection, or substantial minimization of disturbance of those resources.
  - a. Finding: Consistent with Conditions.
  - b. Block 8300, Lots 11 and 11.01 and Block 8100, Lot 38: the two areas proposed for development contain very limited Highlands Resources
  - c. Mitigation for the loss of Prime Groundwater Recharge Area will be required for any future construction on Block 8100, Lot 38 and shall include improvements to the stormwater management system associated with the existing shopping center.
- 3) The proposed Highlands Redevelopment Area and proposed development are found to be consistent with the resource protection and smart growth standards of the Regional Master Plan and with the intent and purpose of the Highlands Act.
  - a. Finding: Consistent
  - b. The RMP includes the following as a goal: "Goal 6K: Concentrate residential, commercial, and industrial development, redevelopment, and economic growth in existing developed areas in locations with limited environmental constraints, access to existing utility, and transportation infrastructure."
  - c. Redevelopment opportunities are an appropriate vehicle for economic development within the Highlands Region, particularly within the Preservation Area. Redevelopment goals within the Highlands Regional Master Plan (RMP) permit infill development as long as the area meets the designation requirements. In particular, infill development is

appropriate, as long as it does not negatively impact environmental resources and is done so to promote smart growth and sustainability. As stated in the RMP, "appropriate patterns of compatible residential, commercial, and industrial development, redevelopment and economic growth...should be encouraged in certain areas of the Highlands, specifically in or adjacent to areas already utilized for such purposes."

- d. Given that redevelopment is a significant opportunity for sustainable economic development and smart growth in the Highlands Region, this proposed redevelopment project was reviewed regarding consistency with RMP policies and objectives relevant to smart growth and sustainable economic development. The RMP calls for economic development that is "sustainable over time," and not dependent on "development of undeveloped lands." The Highlands Act calls for the RMP to "promote compatible...uses and opportunities within the framework of protecting the Highlands environment." This proposed Highlands Redevelopment Area looks to redevelop areas that are adjacent to existing built uses and would be an extension of similar uses. Additionally, the proposed redevelopment would not negatively impact the Highlands environment due to the limited extent of resources on site. As the RMP intends to balance environmental protection with economic sustainability, this proposed redevelopment area promotes economic sustainability and vitality of the area, while limiting negative environmental impacts.
- 4) There is sufficient water supply and wastewater capacity to serve the proposed development.
  - a. <u>Finding: Consistent with Conditions.</u> There is sufficient onsite water supply and either on-site or regional wastewater capacity to serve the proposed development.
  - b. On-site mitigation of consumptive water losses associated with increased water demands are required.
- 5) Such other unique or mitigating criteria as required by the Highlands Council to comply with the Goals, Policies and Objectives of the Highlands Act and the RMP.
  - a. Finding: Consistent
  - b. The proposed development is of a similar scale to the surrounding properties. Despite being located in the Preservation Area, the resources on site are minimal and development would not result in excessive environmental degradation. Furthermore, the undeveloped commercial site would also extend, and most likely revitalize, an existing commercial shopping center.
  - c. There is a proposed 15-foot easement for continued connection of the Patriot's Path trail system. This supports the RMP regarding preserving important lands and promoting recreation.
- 6) The proposed Highlands Redevelopment Area and proposed development are compatible with existing municipal zoning, or the Highlands Redevelopment Area designation is conditioned upon municipal rezoning.
  - a. Finding: Consistent
  - b. The proposed Highlands Redevelopment Area parcels are compatible with existing municipal zoning. Block 8300, Lot 11 and 11.01 are currently zoned for Light Industrial (LI) and are surrounded by other industrial type buildings. Based on the proposed concept plan of a 92,000 square foot industrial building, this would be compatible with the zoning standards and the surrounding area. Block 8100, Lot 38 is currently in the Commercial (C-2) district. While there is no concept plan currently, it is anticipated that

the proposed development will be compatible with the adjacent shopping center.

Highlands Council Warehouse Guidelines The Highlands Council released policy guidance on warehouse development in the region in April 2023. These guidelines were adopted as an RMP amendment in April 2024. The guidance supplements the State Planning Commission's Warehouse Siting Guidance with RMP-based information and criteria for use in development of local transportation plans, land use plans, and governing ordinances on warehousing. This section provides recommendations only with respect to the consistency of the potential warehouse project on Block 8300 Lots 11 and 11.01. While the end user of the proposed redevelopment area is not known, the warehousing guideline standards should be reviewed, as the site proposes industrial type use, which could infer a warehouse use or user. The warehousing guidelines standards will be effective when a site plan is reviewed. Therefore, it is appropriate to include review of the Warehouse Guidelines during the redevelopment area designation stage. Based on the proposed size of the redevelopment area with a 92,000 square foot warehouse/industrial building, the site would be classified as a Last-Mile Fulfillment center, based on the Warehouse Guidelines. A last-mile fulfillment center is a smaller local or area fulfillment center/facility or station that primarily serves local markets, having a minimum gross floor area from 50,000 to 150,000 square feet.

- 1) Highlands Region Siting Locations Designated Highlands Redevelopment Areas are appropriate for warehouse development, subject to compliance with the siting standards and criteria of the Warehouse Siting Guidance.
  - The site is a proposed Highlands Redevelopment Area within the Existing Community Zone (ECZ).
- 2) Proximity and Access to Transportation –Warehouse and distribution facilities should be sited in accordance with aspects such as proposed size, intensity of use, and anticipated truck traffic generation. Larger facilities should be located within a short distance of major state and interstate highways. Less intensive facilities may be suited to locations on county roadways.
  - The site meets the proximity standard of the guidance document as the closest access driveway is approximately 315 feet from State Route 46.
- 3) Watershed Impervious Coverage Impervious coverage is recognized as the largest factor in degradation of water quality in most waterways.
  - In accordance with the Warehousing guidance, warehousing shall be permitted in a designated Highlands Redevelopment Area only where it will not increase HUC 14 watershed impervious coverage beyond 3%.
  - Block 8300, Lots 11 and 11.01 are located in HUC 14 0203015010040; the proposed development will increase the watershed impervious surface coverage to 8.46%.
  - As impervious surface levels will exceed 3% (Preservation Area standard), there will need to be mitigation for the increase. As a final engineered site plan has not been developed yet, the issue of how to effectuate the mitigation will be a condition of any approval as follows:
    - 1. As a condition of any approval the applicant shall be required to reduce an equal amount of impervious surfaces in the same HUC14 subwatershed.
    - 2. Alternatively, the applicant may look to retrofit existing stormwater management systems within the same HUC14 subwatershed to reduce water quantity and improve water quality in amount equal to the runoff that would be created by the excess impervious surface over the permitted 3%.

- 3. Any plan for the mitigation must be in place at the time the applicant submits an application for either local site plan review or for an HPAA with the NJDEP, whichever application is submitted first.
- Mitigation may be accomplished through various methods, including development of a mitigation plan to address stormwater management in the vicinity of the proposed Redevelopment Area.
- 4) Identifying Appropriate Sites All Highlands Redevelopment Areas should consider the following parameters in identifying appropriate sites for warehousing facilities and associated development:
  - Water and Sewer Infrastructure- adequate service exists or is proposed.
  - Highlands Resources- This report outlines the various Highlands resources on the affected parcels and the impacts of the proposed development. Based on the analysis, impacts to resources would be minimal.
  - Permitted Zoning Uses- The surrounding zoning of the proposed redevelopment area is for industrial use. Therefore, an industrial building at this location is consistent with surrounding zoning.
  - Site Specific Considerations- During formal site design, the applicant should review the Highlands Council's Warehouse Guidance document and incorporate applicable design standards into the formal site plan to mitigate for any associated nuisances or other impacts.
- 5) Warehouse Decommissioning- The Warehousing Guidance document proposes that when a warehouse is proposed, a plan for the end-of-life use of the warehouse shall be provided. At this time, the end user of this site has not been identified. However, should the end user be a warehouse, a Decommissioning Plan shall be submitted to the Highlands Council for review.

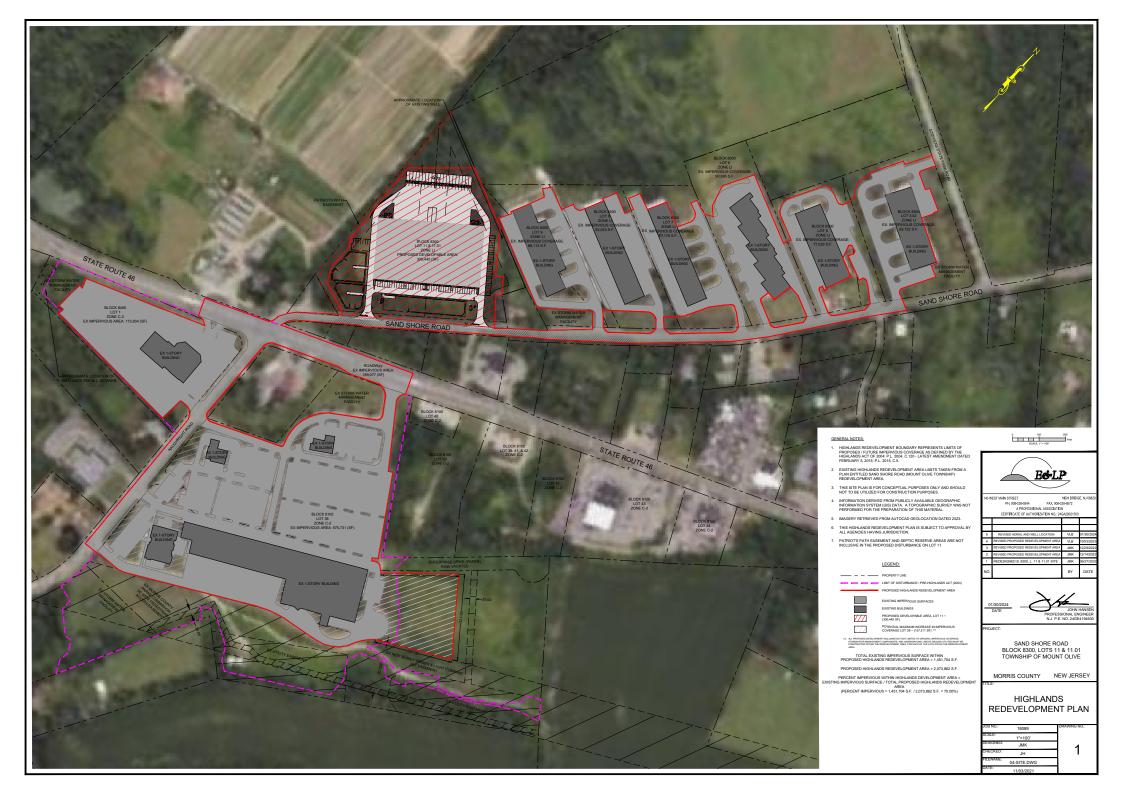
**RECOMMENDATION AND CONDITIONS:** The approval recommended herein is only for the Highlands Redevelopment Area designation. The site plan review for the proposed new building will be conducted subsequent to the submission of an application for development to the local Land Use Board. All conditions noted herein shall be followed during that review.

The proposed Highlands Redevelopment Area was found to contain 70.0% impervious surfaces. (34.23 Acres existing impervious/48.90 Acres Highlands Redevelopment Area Boundary) meeting the minimum required 70% impervious surface standard as set forth in the Highlands Act (N.J.S.A. 13:20-9.b). Based on this standard and the findings herein, it is the Highlands Council staff's recommendation that the Highlands Council approve the proposed Highlands Redevelopment Area with the following conditions:

- 1. A Water Use and Conservation Management Plan (WUCMP) shall be a condition of approval. The WUCMP is a municipal-wide plan developed by the Township as part of plan conformance. Mount Olive Township had started the plan, but the process has slowed. The Township should re-engage with the consultant preparing the plan and move towards its adoption.
- 2. Mitigation for the loss of Prime Groundwater Recharge Area will be required for any future construction on Block 8100, Lot 38, and shall include improvements to the existing stormwater management system associated with the existing shopping center.
- 3. A master plan amendment shall be required to be adopted by the Township indicating the extent of the Highlands Redevelopment Area and the maximum build out per parcel to inform any future development. The Highlands Redevelopment Area designation shall inform the municipal approving authority that any site plan, any subdivision, and any variance relief sought for any property within the Redevelopment Area in question shall not result in land development that exceeds this limit.
- 4. The applicant is proposing a 15 ft. wide easement for Patriot's Path along the western edge of the property. The easement shall be filed prior to the issuance of a certificate of occupancy for the site.
- 5. At the time a site plan is submitted for review under the municipal Highlands Land Use Ordinance, the applicant shall create a mitigation plan to address the increase in impervious surface coverage in the subwatershed, as outlined in the Highlands Warehousing Guidelines, under the Watershed Impervious Coverage Standards. The mitigation plan shall be submitted to the Highlands Council staff for review prior to site plan approval.
- 6. The development of the site shall incorporate design standards included in the Highlands Warehousing Guidance document.
- 7. Should the proposed development have a warehousing end user, a warehousing Decommissioning Plan shall be prepared and submitted to the Highlands Council.
- 8. An application for a Consistency Review/Determination shall be submitted to the Highlands Council staff for the development of Block 8100, Lot 38 in accordance with proper procedures for such consistency reviews. At that time, Highlands staff may require certain conditions based on the specific proposed site development and impacts to mapped Highlands resources.

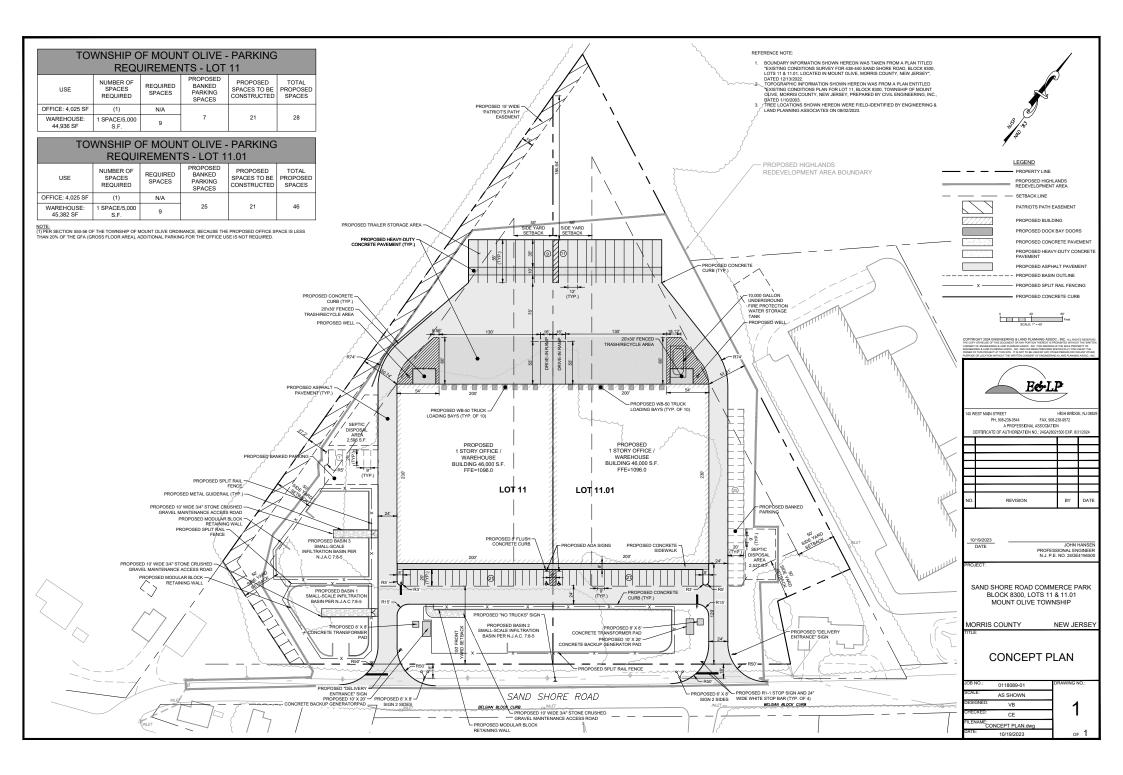
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### Appendix 1: Highlands Redevelopment Area Map



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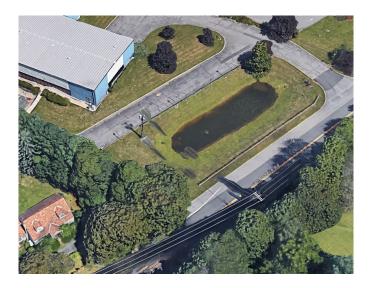
### Appendix 2: Concept Plan



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### Appendix 3: Site Photos

### Block 8300, Lot 11 & 11.01



Block 8300, Lot 9 Retention Pond





Lot 11.01 from edge of Lot 9

### Block 8300, Lot 11 & 11.01





Proposed Industrial/Warehouse Site

### Block 8300, Lot 11 & 11.01



Entrance to proposed industrial/warehousing site

## Block 8100, Lot 38





Edge of site-Existing Shopping Center Parking Lot

## Block 8100, Lot 38





Potential Future Expansion Area

# Surrounding Area



Date: June 9, 2025

## Surrounding Area



Date: June 9, 2025