

# Redevelopment Study & Preliminary Investigation Report

100 Schultz Drive (Block 1086, Lot 30)  
200 Schultz Drive (Block 1086, Lot 29)  
230 Half Mile Road (Block 1088, Lots 1)  
250 Half Mile Road (Block 1088, Lot 3)

**Prepared:**  
August 15, 2018

**Prepared for:**



Middletown Township  
Monmouth County, New Jersey

**Prepared by:**



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*The original of this document has been signed  
and sealed in accordance with New Jersey Law.*

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## Introduction

The purpose of this Redevelopment Study and Preliminary Investigation Report (hereinafter referred to as "the redevelopment study") is to determine whether the properties identified as Block 1086, Lots 29 and 30, and Block 1088, Lots 1 and 3 (hereinafter referred to as "the Study Area,") in Middletown Township qualify as an area in need of redevelopment, as defined in the Local Redevelopment and Housing Law, P.L. 1992, Chapter 79 (commonly and hereinafter referred to as the "LRHL"). The Study Area is shown on the accompanying municipal location map (Map 1) and aerial location map (Map 2).

This report is written pursuant to Section 6 of the LRHL (N.J.S.A. 40A:12A-6a), which states the following:

*No area of a municipality shall be determined to be a redevelopment area unless the governing body of the municipality shall, by resolution, authorize the planning 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 planning board of a municipality.*

The Middletown Township Committee adopted Resolution 18-78 on January 23, 2018 requesting that the Planning Board undertake a preliminary investigation of the Study Area to determine whether it qualifies as an area in need of redevelopment pursuant to the LRHL. This resolution is included in this report as Appendix A.

This report serves as the "statement setting forth the basis for the investigation," which is required by the LRHL [N.J.S.A. 40A:12A-6b(1)]. In accordance with N.J.S.A. 40A:12A-6b(5):

*After completing its hearing on this matter, the planning board shall recommend that the delineated area, or any part thereof, be determined, or not be determined, by the municipal governing body to be a redevelopment area. After receiving the recommendation of the planning board, the municipal governing body may adopt a resolution determining that the delineated area, or any part thereof, is in need of redevelopment.*

It is noted that in directing the Planning Board to undertake the preliminary investigation and redevelopment study, the Township Committee identified that the Study Area shall be subject to a **non-condemnation** redevelopment area designation. Pursuant to N.J.S.A. 40A, the redevelopment area designation shall **not** authorize the municipality to use the power of eminent domain.

**Map 1 - Regional Location**  
**Half Mile Road and Schulz Drive**  
**Middletown Township,**  
**Monmouth County, New Jersey**



- Study Area
- Municipal Boundary
- Open Water

**Roads**

- Interstate or Toll Route
- US or State Route
- County Route
- Henry Hudson Trail



Middletown Township,  
 New Jersey  
 1 Kings Highway  
 Middletown, NJ 07748

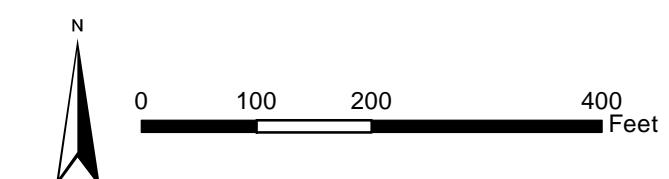
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Prepared by: JAC, 5/21/2018  
 Source: NJDEP; NJDOT; NJGIN;  
 Monmouth County; Middletown Township  
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 Map 1 - Regional Location.mxd

**NOTE:** This map was developed using New Jersey  
 Department of Environmental Protection Geographic  
 Information System digital data, but this secondary  
 product has not been verified by NJDEP and is not  
 State-authorized.



## **Map 2 - Aerial Location Half Mile Road and Schulz Drive Middletown Township, Monmouth County, New Jersey**



Middletown Township,  
New Jersey  
1 Kings Highway  
Middletown, NJ 07748

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Map 2 - Aerial Location.mxd

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## Study Area Description

The Study Area (see Map 2) is comprised of Block 1086, Lots 29 and 30 and Block 1088, Lots 1 and 3, all of which are owned by Mack-Cali. The Study Area properties comprising approximately 17.51 acres of land area, have frontage on Half Mile Road and Schultz Drive and are located just to the northeast of the Garden State Parkway Interchange 109, to the north of Newman Springs Road and the park and ride commuter parking lot. Each of the Study Area properties has an office building and associated off-street parking areas. Land uses as confirmed by the site visit and field analysis conducted on May 24, 2018 are depicted in the photos in Appendix B (corresponding photo numbers from Appendix B are indicated in the descriptions below) and described as follows:

### **Block 1086, Lot 30 (100 Schultz Drive):**

This property is approximately 5.78 acres in area, with frontage on Schultz Drive to the east. The property is developed with a four-story, 100,000 square foot office building known as River Centre 5 (see photos 100-1 through 100-5), which was constructed in 1988. There are also parking lots to the west and south of the building, and access to the south parking lot is chained off (see photo 100-7 and Map 2). As of the date of the site visit, the building on this property had no tenants utilizing the office space. The only active uses in the building include a cafeteria and fitness center on the first floor (see photos 100-16 through 100-18). The remaining office spaces were either completely gutted and empty, or furnished with office/cubicle furniture (see photos 100-22 through 100-34). There were no structural issues of concern apparent at the building, as confirmed by the building manager during the site visit. Tax records reveal that Mack Cali purchased this property on January 9, 2017.

### **Block 1086, Lot 29 (200 Schultz Drive):**

This property is approximately 5.68 acres in area, with frontage on Schultz Drive to the east. The property is developed with a four-story, 100,000 square foot office building known as River Centre 6 (see photos 200-1 through 200-3), which was constructed in 1990. There are also parking lots to the north and west of the building (see photos 200-4 through 200-7). As of the date of the site visit conducted as part of this redevelopment study, the building on this property had office tenants on the first, second, and fourth floor, and the third floor was vacant (see photos 200-10 through 200-17). There were no structural issues of concern apparent at the building, as confirmed by the building manager during the site visit. Tax records reveal that Mack Cali purchased this property on January 9, 2017.

### **Block 1088, Lot 1 (230 Half Mile Road):**

This property is approximately 5.48 acres in area, with frontage on Half Mile Road to the east and Schultz Drive to the north, west and south. The property is developed with a three-story, 75,345 square foot office building, which was constructed in 1983. There are also parking areas to the north, south, and west of the building, and access to the north parking lot and southernmost parking lot are chained off (see photos 230-9, 230-14, and 230-15, and Map 2). As of the date of the site visit, there was one tenant occupying the second floor of the building, which is in the process of moving operations towards the 200 building. The remainder of the second floor, and the

entirety of the first and third floors are completely vacant (see photos 230-16 through 230-30). There were no structural issues of concern apparent at the building, with the exception of some water damage to some of the ceilings, walls, and carpeting on the third floor (see photos 230-26, 230-27, and 230-30). Tax records reveal that Mack Cali purchased this property on January 9, 2017.

**Block 1088, Lot 3 (250 Half Mile Road):**

This property is approximately 0.57 acres in area, with frontage on Half Mile Road to the east and Schultz Drive to the South. The property is developed with a former residence that has been converted to three separate offices, which currently occupy the building (see photos 250-1 through 250-7 and 250-10 through 250-15). In the southwestern corner of the rear parking area, the storm drainage and paved area is undermined and is need of maintenance/repairs (see photo 250-8). The wooded area along the western perimeter of the property exhibited some debris (see photo 250-9). There were no structural issues of concern apparent at the building, as confirmed by the building manager during the site visit. Tax records reveal that Mack Cali purchased this property on October 18, 2017.

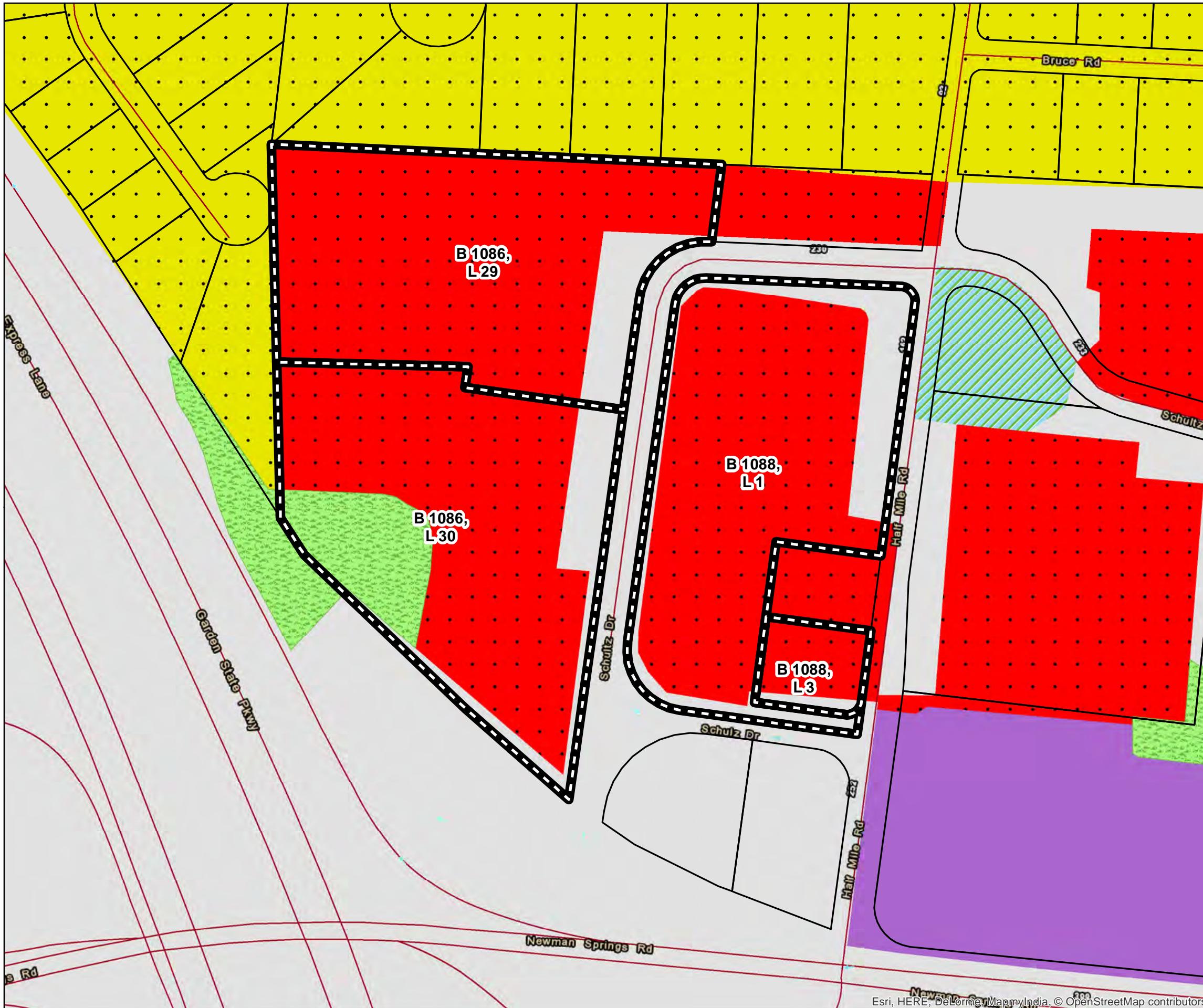
## **Land Use Analysis (Land Use Land Cover and MOD IV)**

Existing land uses at the Study Area were evaluated through investigation of MOD-IV land use classifications and land use/land cover data as mapped by the New Jersey Department of Environmental Protection (NJDEP) in 2012. Land uses were affirmed during the site visit and field analysis conducted on May 24, 2018.

According to NJDEP's land use/land cover (LULC) data, last updated in 2012, the land uses in the Study Area are primarily categorized as "commercial/services." There are also some "deciduous brush/shrubland" in the southwest corner of Block 1086, Lot 30, and "other urban or built-up" land on all Study Area properties along Schultz Drive and Half Mile Road.

The New Jersey Property Tax System, known as MOD-IV, provides for the uniform preparation, maintenance, presentation, and storage of statewide property tax information. MOD-IV is the mechanism to maintain and update all assessment records and produce all statutorily-required tax lists. The MOD-IV land values in 2018 for all Study Area properties are Class 4A – Commercial, as shown in Map 4 below. Map 4 also shows the MOD-IV classifications for the properties in the immediate vicinity of the Study Area.

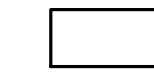
Land in the immediate vicinity of the Study Area is classified as either residential to the north and west (single family detached developments), commercial/services (offices and hotel uses) and transportation/roadway/other urban to the east across Half Mile Road, military to the southeast across Half Mile Road (the US Marine Corps Reserve Recruiting Center), and transportation/roadway/other urban to the south and south west (including the commuter parking lots, Newman Springs Road, and the Garden State Parkway).



Map 3 - Land Use Land Cover (2012)  
 Half Mile Road and Schulz Drive  
 Middletown Township,  
 Monmouth County, New Jersey



Study Area Property Boundary

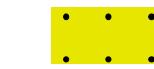


Parcel Boundary

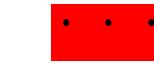


Roads

Land Use Land Cover (2012)



Residential



Commercial/Services



Military



Transportation/Roadway/Other Urban



Wooded



Stormwater Basin

0 100 200 400 Feet



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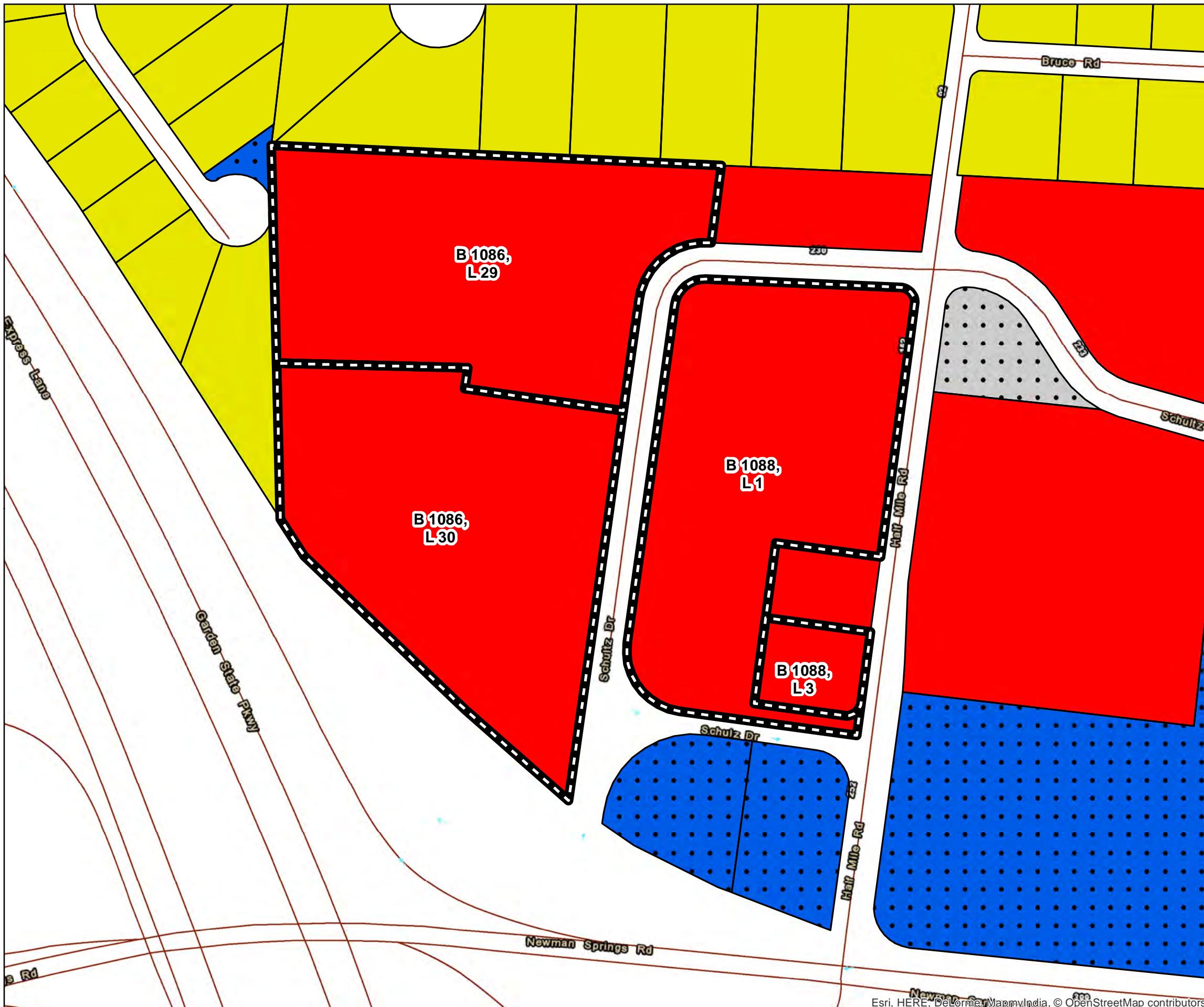
Source: NJDEP; NJDOT; NJGIN;

Monmouth County; Middletown Township

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Map 3 - Land Use Land Cover (2012).mxd

NOTE: This map was developed using New Jersey  
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 product has not been verified by NJDEP and is not  
 State-authorized.



Map 4 - MOD IV Land Use (2018)  
 Half Mile Road and Schulz Drive  
 Middletown Township,  
 Monmouth County, New Jersey

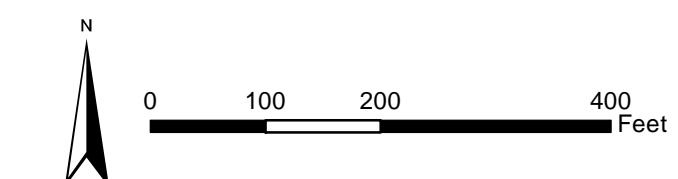
Study Area Property Boundary

Parcel Boundary

Roads

**MOD IV Land Use**

- Class 1 - Vacant
- Class 2 - Residential
- Class 4A - Commercial
- Class 15C - Public Property



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 Map 4 - MOD IV Land Use (2018).mxd

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## Zoning and Relationship to Zoning Ordinance

The Study Area properties are all located in the BP Business Park zone district, as shown in Map 5.

Land use regulations as outlined in §540-902B of the Township's Planning and Development Regulations are detailed below. Use requirements for the BP Business Park Zone are as follows:

### **1. Accessory**

#### **a. Accessory Uses:**

- i. Commercial accessory storage building
- ii. Fences and hedges
- iii. Garage, commercial
- iv. Home occupation
- v. Indoor storage/display of goods sold on-site
- vi. Off-street parking
- vii. Outdoor storage/display of goods sold on-site
- viii. Signs

#### **xi. Computer programming and consulting**

#### **xii. Credit reporting and service**

#### **xiii. Data processing service**

#### **xiv. Dentist**

#### **xv. Driving school**

#### **xvi. Employment service**

#### **xvii. Engineering service**

#### **xviii. Family counseling**

#### **xix. Financial service**

#### **xx. Government office and facility**

#### **xxi. Insurance agency**

#### **xxii. Legal service**

#### **xxiii. Medical office**

#### **xxiv. News syndication service**

#### **xxv. Planning service**

#### **xxvi. Professional consultant**

#### **xxvii. Real estate agency**

#### **xxviii. Security/commodity broker**

#### **xxix. Surveying service**

#### **xxx. Travel agent**

#### **xxxi. Tutoring service**

#### **xxxii. Veterinarian office**

#### **b. Conditional Uses:**

##### **i. Hospitals**

##### **ii. Performance commercial development**

### **4. Business Services**

#### **a. Permitted Uses:**

##### **i. Printing and photocopy service**

### **5. Educational**

#### **a. Permitted Uses:**

##### **i. Acting school**

##### **ii. Animal training school**

### **3. Business Office**

#### **a. Permitted Uses:**

- i. Accounting
- ii. Advertising service
- iii. Animal hospital
- iv. Architectural service
- v. Artist/art studio
- vi. Banking
- vii. Blood bank
- viii. Business management
- ix. Clinic
- x. Collection Agency

- iii. Daycare
- iv. Music school
- v. Nursery school
- vi. Senior day care
- vii. Special training school

- b. **Conditional Uses:**
  - i. Private or parochial school

## 6. Light Industrial

- a. **Permitted Uses:**
  - i. Scientific research laboratory

## 7. Recreational

- a. **Permitted Uses:**
  - i. Athletic academy
  - ii. Athletic fields
  - iii. Athletic fields, privately owned
  - iv. Basketball court (public)
  - v. Batting cage
  - vi. Golf driving range
  - vii. Ice skating rink
  - viii. Miniature golf course
  - ix. Movie theater
  - x. Nature area/reservation
  - xi. Park
  - xii. Playhouse
  - xiii. Playground
  - xiv. Roller-skating rink
  - xv. Swimming pool (commercial)
  - xvi. Tennis court (commercial)

- b. **Conditional uses:**
  - i. Golf course

- c. **Accessory uses:**
  - i. Fairground (temporary)
  - ii. Gym, health spa and athletic club

## 8. Residential

- a. **Permitted Uses:**
  - i. Hotels and motels

## 9. Service Organizations

- a. **Permitted Uses:**
  - i. Garden club
  - ii. Library

- iii. Places of worship

- b. **Conditional Uses:**
  - i. Cemeteries

## 10. Transportation

- a. **Permitted Uses:**
  - i. Commercial parking lot
  - ii. Commuter parking lot
  - iii. Highway and street right-of-way
  - iv. Railroad right-of-way

- b. **Accessory Uses:**
  - i. Heliport

## 11. Utility

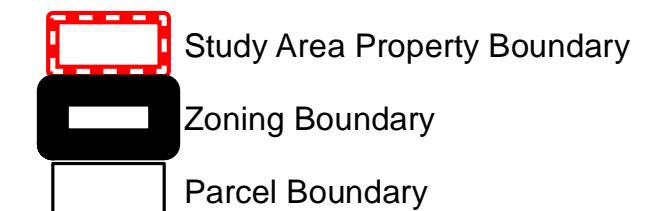
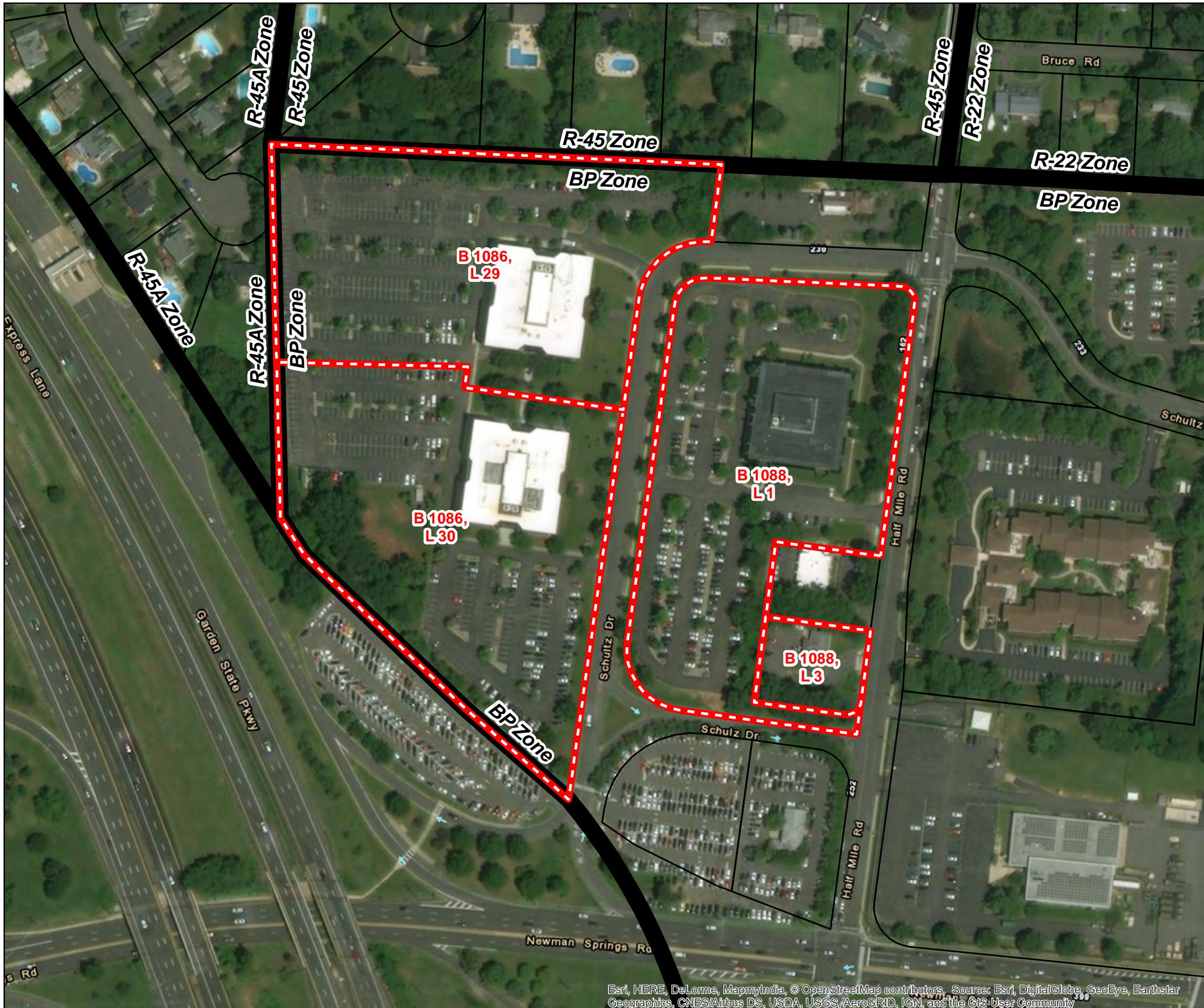
- a. **Permitted Uses:**
  - i. Electric, gas, water, and sewer line
  - ii. Utility equipment building (under 100 sf)

- b. **Conditional Uses:**
  - i. Commercial communication antenna or tower
  - ii. Public utility office or substation
  - iii. Radio communication center
  - iv. Telephone communication center
  - v. Television communication center

## 12. Wholesale and Retail Trade

- a. **Permitted Uses:**
  - i. Floral shop
  - ii. Recording studio
  - iii. Video rental

- b. **Accessory Uses:**
  - i. Bakery, pizzeria, or other food retail
  - ii. Bar
  - iii. Book and stationary store
  - iv. Cafeteria
  - v. Delicatessen
  - vi. Newsstand
  - vii. Restaurant
  - viii. Variety store



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G:\Projects\MIDD\10867GIS\Projects\  
Map 5 - Existing Zoning.mxd

**Redevelopment Study & Preliminary Investigation Report**  
**Middletown Township**

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Table 1 outlines the lot and bulk standards of the BP Business Park Zone, pursuant to §540-923 of the Planning and Development Regulations:

**Table 1: Lot and Bulk Standards of the BP Zone**

<b>Standard</b>	<b>Requirement</b>
Minimum gross lot area	3 acres
Minimum buildable lot area	2.5 acres
Minimum front yard setback	75 feet
Minimum side yard setback	50 feet
Minimum street side setback	37.5 feet
Minimum rear yard setback	50 feet
Minimum street rear setback	75 feet
Minimum lot frontage	200 feet
Minimum gross floor area	5,000 square feet
Minimum first floor area	5,000 square feet
Maximum lot coverage*, one-story building	70%
Maximum lot coverage*, two or more stories	60%
Maximum floor area ratio	22%
Maximum building height	3 stories, 40 feet

\* Lot coverage for all improvements (impervious or pervious) including all parking areas and automobile access driveways and internal roadways, whether covered by an impervious or pervious material, patios associated with an in-ground or above-ground swimming pool, and all other impervious surfaces

Additionally, pursuant to §540-923C(2), wherever any BP zone boundary line abuts a residential zone boundary line, the building setback requirement shall be 100 feet along the entire length of such common zone boundary line.

## Planning Context

### Middletown Township Master Plan – 2004

The 2004 Middletown Township Master Plan establishes objectives, principles, and policies for major land use categories, of which the following are relevant to the redevelopment of this area of the Township:

#### **Objectives:**

1. To encourage municipal actions which will guide the long range appropriate use, development and preservation of lands within Middletown Township in a manner designed and intended to promote the public health, safety, morals, and general welfare of present and future residents.
2. To provide adequate light, air, and open space.
3. To ensure that development with the Township does not conflict with the development and general welfare of neighboring municipalities, the County, the Region, and the State as a whole.
4. To provide sufficient space in appropriate locations within the Township for agricultural, residential, business, office, industrial, mixed use, and public and quasi-public uses in a manner which will provide for balanced Township growth and development.
5. To promote and enhance access to and utilization of all forms of public and mass transportation, including promoting the use of shuttles to link transit centers with each other, as well as with residents and businesses.
6. To enhance the various neighborhoods throughout the Township by providing for appropriate redevelopment, reinvestment, revitalization and capital improvements, designed to strengthen and improve the fabric of each area.
7. To encourage and promote a cooperative approach to economic development and revitalization through new investment, maintenance and reinvestment in existing commercial and industrial activities within the Township in areas suitable for such development.

#### **Principles:**

1. Locating public, commercial, industrial, professional office and agricultural uses at sites and in locations which are suitable for their use environmentally, economically, and geographically, and are compatible with existing uses, public facilities, roadways, and natural features.
2. Encouraging a development pattern which will protect and enhance the long term economic, social, and welfare interests of present and future residents of the Township.
3. The Township should continue to monitor commuter parking and access to all modes of mass transportation.

#### **Policies:**

1. Land use planning will provide for a variety of residential and nonresidential uses and will encourage continuation of and enhancement of Middletown Township as a quality suburban/rural residential community. This includes a

- continued strong commitment to providing housing opportunities for families and individuals of all income levels.
2. The Township will encourage office, research, and light industrial development in appropriate locations within the Township that will provide employment for present and future residents and contribute to a balanced and stable economic base for the Township.

The Land Use Element and Circulation Plan Element have additional goals which are relevant to this Redevelopment Study. The major focus of the Land Use Element of Middletown Township's Master Plan is the enhancement and re-invigoration of neighborhoods.

### **Master Plan Reexamination Report – 2009 and 2011**

The 2009 and 2011 Master Plan Reexamination Reports do not make any specific references or recommendations related to the properties subject to this redevelopment study report or to the existing uses found on the Study Area properties.

### **Master Plan Reexamination Report – 2014**

The following recommended changes to the Master Plan and Development Regulations from the 2014 Master Plan Reexamination Report are relevant to this Redevelopment Study:

1. **Economic Element** – The Master Plan should include an Economic Element that considers all aspects of economic development and sustained economic vitality in the Township. The Plan would include an inventory of the Township's current employers and overall labor characteristics. An analysis would be completed of the types of employment to be expected by the economic development to be promoted with the characteristics of the labor pool resident in the Township and nearby areas. An analysis of the stability and diversity of the economic development to be promoted would be completed.
2. **Office Professional Zones** – Further examination of permitted uses in the Business Professional zone to foster increased occupancy at numerous vacant office buildings.

Additionally, the 2014 Master Plan Reexamination Report also identifies that the entirety of the Township was designated as an "Area in Need of Rehabilitation" in the late 1970s. However, due to changes to the LRHL at that time, the 2014 Master Plan Reexamination Report recommended the Township assesses the viability of the prior designation and to initiate specific rehabilitation area investigations for certain areas of the Township.

## **Redevelopment Designation Statutory Requirements**

Pursuant to Section 5 of the LRHL (N.J.S.A. 40A:12A-5), an area may be determined to be in need of redevelopment if it 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 untenantable.
- 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 adoption of the resolution, and that by reason of its location, remoteness, lack of means of access to developed sections or portions of the municipality, or 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 the real properties therein or other similar conditions which impede land assemblage or discourage the undertaking of improvements, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to and serving the public health, safety, and welfare, which condition is presumed to be having a negative social or economic impact or otherwise being detrimental to the safety, health, morals, or welfare of the surrounding area or the community in general.
- F. Areas, in excess of five contiguous acres, whereon buildings or improvements have been destroyed, consumed by fire, demolished or altered by the 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, c. 441 (C.40A:21-1 et seq.). The municipality shall not utilize any other redevelopment powers within the urban enterprise zone unless the municipal governing body and planning board have also taken the actions and fulfilled the requirements prescribed in P.L. 1992, c.79 (C.40A:12A-1 et al.) for determining that the area is in need of redevelopment or an area in need of rehabilitation and the municipal governing body has adopted a redevelopment plan ordinance including the area of the enterprise zone.

H. The designation of the delineated area is consistent with smart growth planning principles adopted pursuant to law or regulation.

Furthermore, the LRHL permits the inclusion of parcels that do not meet the statutory criteria if they are 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 preparing this report, the project team analyzed and considered the applicability of the aforementioned statutory criteria for redevelopment on the Study Area, pursuant to Section 5 of the LRHL (N.J.S.A. 40A:12A-5). A description of the site conditions existing in the Study Area, as well as discussion as to how the properties in the Study Area meet the relevant statutory criteria of the LRHL, is outlined in the following sub-sections.

The project team utilized the following resources and documentation in preparing this redevelopment study:

- Tax records (Middletown Township tax maps, Middletown Township Tax Assessor and Tax Collector office, MOD IV data, and historical assessment data);
- Middletown Township Building/Code Enforcement records;
- GIS records (NJDEP, NJDOT, NJGIN, FEMA, Monmouth County);
- Historic aerials ([www.historicaerials.com](http://www.historicaerials.com)); and,
- Site visit (conducted on May 24, 2018). Photos from the site visit are located in Appendix B.

## **“A” Criterion – Deterioration of Buildings**

A property meets the “A” criterion for redevelopment if the following applies:

“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.”

During the site visit conducted on May 24, 2018, the project team assessed the site/layout and physical building conditions of the Study Area properties in order to review the applicability of the “A” criterion to the Study Area. This redevelopment study finds that the generality of the building in the Study Area does not exhibit any of the conditions stated above to the extent to produce an unwholesome working environment. As such, **this redevelopment study finds that none of the Study Area properties meet the “A” criterion for redevelopment.**

## **“B” Criterion – Abandoned Commercial and Industrial Buildings**

A property meets the “B” criterion for redevelopment if the following applies:

“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 untenantable.”

The buildings on the study area properties are currently used as offices. Though the properties exhibit qualities of underutilization, they are not vacant or abandoned and have not fallen into a state of disrepair as to be untenantable. As such, **none of the Study Area properties meet the “B” criterion for redevelopment.**

## **“C” Criterion – Public and Vacant Land**

A property meets the “C” criterion for redevelopment if the following applies:

“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 adoption of the resolution, and that by reason of its location, remoteness, lack of means of access to developed sections or portions of the municipality, or topography, or nature of the soil, is not likely to be developed through the instrumentality of private capital.”

The Study Area properties are not owned by the municipality, the county, a local housing authority, redevelopment agency, or redevelopment entity, and are not unimproved vacant land. As such, **none of the Study Area properties meet the “C” criterion for redevelopment.**

## **“D” Criterion – Obsolete Layout and Design**

A property meets the “D” criterion for redevelopment if the following applies:

“Areas with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or lack of 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.”

During the site visit conducted on May 24, 2018, the project team assessed the site/layout and building conditions of the Study Area properties in order to review the applicability of the “D” criterion to the Study Area. The structures in the Study Area properties do not exhibit any of the conditions mentioned above, and do not serve as detriments to the safety, health, morals, or welfare of the community. As such, **this redevelopment study finds that none of the Study Area properties meet the “D” criterion for redevelopment.**

## **“E” Criterion – Condition of Title and Diverse Ownership**

A property meets the “E” criterion for redevelopment if the following applies:

“A growing lack or total lack of proper utilization of areas caused by the condition of the title, diverse ownership of the real properties therein or other similar conditions which impede land assemblage or discourage the undertaking of improvements, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to and serving the public health, safety, and welfare, which condition is presumed to be having a negative social or economic impact or otherwise being detrimental to the safety, health, morals, or welfare of the surrounding area or the community in general.”

It is noted that this redevelopment study identifies no issues with the Study Area property related to the condition of its title that would impede land assemblage or discourage the undertaking of improvements, and as such there is no stagnant or unproductive condition of the land apparent. For these reasons, **none of the Study Area properties meet the “E” criterion for redevelopment.**

## **“F” Criterion – Fire and Natural Disasters**

A property meets the “F” criterion for redevelopment if the following applies:

“Areas, in excess of five contiguous acres, whereon buildings or improvements have been destroyed, consumed by fire, demolished or altered by the 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.”

There are no records of impacts on properties in the Study Area from fire events, storms, cyclone, tornado, earthquake, or other casualty that would warrant

application of the “F” criterion. As such, **none of the Study Area properties meet the “F” criterion for redevelopment.**

### **“G” Criterion – Urban Enterprise Zone**

The “G” criterion for redevelopment under the LRHL relates to municipalities designated as an Urban Enterprise Zone under the Urban Enterprise Zone Act of 1983. It is noted that Middletown Township is not located within an Urban Enterprise Zone. For this reason, **none of the Study Area properties meet the “G” criterion for redevelopment.**

### **“H” Criterion – Smart Growth Consistency**

A property meets the “H” criterion for redevelopment if the following applies:

“The designation of the delineated area is consistent with smart growth planning principles adopted pursuant to law or regulation.”

Smart growth is an approach to planning that directs new growth to locations where infrastructure and services are available, limits sprawl development, protects the environment, and enhances and rebuilds existing communities. The New Jersey Office for Planning Advocacy has developed the definition of a “Smart Growth Area” to include an area classified as one of the following:

1. Metropolitan Planning Area (PA1) in the State Plan;
2. Suburban Planning Area (PA2) in the State Plan;
3. A designated center in the State Plan;
4. An area identified for growth as a result of either an initial or advanced petition for plan endorsement that has been approved by the State Planning Commission;
5. A smart growth area designated by the New Jersey Meadowlands Commission; or,
6. A Pinelands Regional Growth Area, Pinelands Village, or Pinelands Town as designated by the New Jersey Pinelands Commission.

This Redevelopment Study recognizes that the Study Area properties are located in the Metropolitan Planning Area (PA-1) in the New Jersey State Plan; as such, item 1 above applies to the Study Area. However, the location of a site in the PA-1 without furthering other smart growth principles does not qualify a property under the “H” criterion. It is further noted that the Middletown Township Master Plan does not specifically call out the Study Area properties as areas suitable for mixed-used, walkable, or transit-oriented development, all of which are pillars of smart growth planning.

For the reasons stated above, the Study Area properties are not located in areas that have been developed in a manner consistent with smart growth planning principles. The designation of the properties within the Study Area as an area in need of redevelopment would not be consistent with smart growth planning principles, and for this reason, **none of the Study Area properties meet the “H” criterion for redevelopment.**

## Needed for Effective Redevelopment

The LRHL permits the inclusion of parcels that do not meet the statutory criteria in a redevelopment area if they are necessary for the effective redevelopment of the 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 conditions, for the effective redevelopment of the area of which they are a part (N.J.S.A. 40A:12A-3).”

It is noted that while the statute permits a property to be deemed needed for the effective redevelopment of an area, this in and of itself does not qualify any one property for a redevelopment designation. As such, this Redevelopment Study finds that **none of the Study Area properties are needed for the effective redevelopment of the Study Area.**

## Redevelopment Analysis and Conclusions

Based on the assessment discussed above, this analysis finds that none of the statutory criteria for redevelopment apply to any of the Study Area properties.

## Rehabilitation Designation Statutory Requirements

In addition to the redevelopment designation criteria discussed above, the LRHL at N.J.S.A. 40A:12A-14a also permits a municipality to designate an area in need of **rehabilitation** if the governing body of the municipality determines by resolution that the area exhibits one of the following conditions, as outlined below:

*A delineated area may be determined to be in need of rehabilitation if the governing body of the municipality determines by resolution that a program of rehabilitation, as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3), may be expected to prevent further deterioration and promote the overall development of the community; and that there exist in that area any of the following conditions such that*

- (1) *A significant portion of structures therein are in a deteriorated or substandard condition;*
- (2) *More than half of the housing stock in the delineated area is at least 50 years old;*
- (3) *There is a continuing pattern of vacancy, abandonment or underutilization of properties in the area;*
- (4) *There is a persistent arrearage of property tax payments on properties in the area;*
- (5) *Environmental contamination is discouraging improvements and investment in properties in the area; or,*
- (6) *A majority of the water and sewer infrastructure in the delineated area is at least 50 years old and is in need of repair or substantial maintenance.*

The Study Area properties were reviewed for their compliance with the six rehabilitation area criteria outlined above. This report's findings as it relates to each of the rehabilitation area criteria are detailed in the following sub-sections.

### (1) Deteriorated or Substandard Structures

The structures in the Study Area properties do not exhibit any deterioration or substandard conditions. As such, **this rehabilitation criterion does not apply**.

### (2) Age of Housing Stock

There are no residential properties or housing units in any of the Study Area properties. As such, **this rehabilitation criterion does not apply**.

### (3) Vacancy, Abandonment, or Underutilization

As previously noted, Mack Cali purchased all four of the Study Area properties in 2017. In assessing patterns of vacancy and underutilization for the Study Area properties, the project team acquired vacancy trends and leasing records for the office spaces dating back to August 2016, one year before the current property owner acquired the properties.

Redevelopment Study & Preliminary Investigation Report  
Middletown Township

Table 2 below outlines the vacancy trends for 100 Schultz, 200 Schultz, and 230 Half Mile for August 2016 and June 2018, as provided by the current property owner. The summary of these findings are as follows:

1. **100 Schultz:** In August 2016, the building at 100 Schultz had three occupied units and two vacant units, with approximately 57 percent of the tenantable floor area occupied for office space. By June 2018, all of the units were vacant.
2. **200 Schultz:** In August 2016, the building at 200 Schultz had four occupied units and eight vacant units, with approximately 51 percent of the tenantable floor area being occupied for office space. By June 2018, eight units were occupied, representing approximately 72 percent of the tenantable floor area, and two units were vacant.
3. **230 Half Mile:** In August 2016, the building at 230 Half Mile had three occupied units and 11 vacant units, with only approximately 25 percent of the tenantable floor area being occupied for office space. By June 2018, one unit was occupied, representing 27 percent of the tenantable floor area, and 12 units were vacant.

**Table 2: Vacancy Trends, 2016-2018**

Property	Vacant/ Occupied	8/3/2016			6/4/2018		
		Number of Units	Area (Sq Ft)	Percentage of Area	Number of Units	Area (Sq Ft)	Percentage of Area
100 Schultz	Occupied	3	57,364	57.36%	0	0	0.00%
	Vacant	2	42,636	42.64%	5	100,000	100.00%
200 Schultz	Occupied	4	52,104	50.56%	8	73,867	71.77%
	Vacant	8	50,950	49.44%	2	29,074	28.24%
230 Half Mile	Occupied	3	19,184	24.77%	1	2,732	3.50%
	Vacant	11	58,270	75.23%	5	74,722	96.50%
Overall	Occupied	10	128,652	45.86%	9	76,599	27.32%
	Vacant	21	151,856	54.14%	12	203,796	72.68%
	Total	31	280,508	100.00%	21	280,395	100.00%

Table 3 below shows the active office tenant leases for 100 Schultz, 200 Schultz, and 230 Half Mile Road for August 2016 and June 2018, as provided by the current property owner. The summary of these findings are as follows:

1. **100 Schultz:** In August 2016, the building at 100 Schultz Drive had just one active tenant, with a lease expiring in March 2018. By June 2018, 100 Schultz had no active tenants leasing office space, which was confirmed during the site visit conducted on May 24, 2018.
2. **200 Schultz:** In August 2016, the building at 200 Schultz Drive had three active tenants, with leases to expire in October 2016, November 2018, and June 2023. As of June 2018, there were seven active tenants (including the same three tenants from August 2016), with two leases expiring in November 2018, and the remaining leases expiring no sooner than 2022.
3. **230 Half Mile:** In August 2016, the building at 230 Half Mile Road had three tenants. By June 2018, there was one remaining tenant at this building, whose

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lease expires at the end of June, and who has a new lease for office space at 200 Schultz valid through October 2024.

**Table 3: Leasing Records, 2016-2018**

	8/3/2016				6/4/2018			
	Tenant	Rent Start	Expiration	Area (Sq Ft)	Tenant	Rent Start	Expiration	Area (Sq Ft)
100 Schultz	Qualcomm Inc	8/1/2011	3/31/2018	57,364	-	-	-	-
200 Schultz	Innocor, Inc.	6/14/2016	6/30/2023	37,500	Innocor, Inc.	7/6/2016	7/31/2023	37,500
	The Curchin Group LLC	12/1/2008	11/30/2018	12,706	The Curchin Group, LLC	12/1/2008	11/30/2018	12,706
	North American Risk Services	10/29/2013	10/31/2016	1,898	North American Risk Services	11/1/2016	11/30/2018	1,898
	-	-	-	-	Wells Fargo Bank	6/1/2018	5/31/2022	11,758
	-	-	-	-	Nippon Life Insurance Co.	7/1/2017	10/31/2024	2,962
	-	-	-	-	Phoenix Aromas & Essential Oils	8/1/2018	11/30/2028	4,177
	-	-	-	-	Piper Jaffray & Co.	1/19/2018	5/31/2024	2,866
230 Half Mile	Nippon Life Insurance Co.	4/6/2015	9/30/2020	2,732	Nippon Life Insurance Co.	4/6/2015	6/30/2018	2,732
	Eagle Home Mortgage	8/1/2016	1/31/2017	6,380	-	-	-	-
	Wells Fargo Home Mortgage	3/1/2013	3/31/2018	10,072	-	-	-	-

As shown by the vacancy trends and leasing records shown in Tables 2 and 3 above, this report finds that 100 Schultz Drive and 230 Half Mile Road have clear patterns of vacancy that have been apparent since at least 2016, and that have rendered the office buildings on both properties vacant and with no tenants by the end of the first and second quarter of 2018, respectively. Additionally, when 100 Schultz, 200 Schultz, and 230 Half Mile are looked at collectively, it is noted that in August 2016 approximately 54 percent of the tenantable floor area was vacant, which increased to approximately 73 percent by June 2018. It is also noted that these patterns of vacancy exist despite the fact that these three properties are actively marketed by the property owner as tenantable office spaces for lease.

In addition to the tenancy/vacancy information related to 100 and 200 Schultz Drive and 230 Half Mile Road shown in Tables 2 and 3 above, the property owner also reports a pattern of vacancy at the building on 250 Half Mile Road. This building is a former single-family detached structure that has since been converted to three small office spaces. Per the property owner's records, one of the three offices in this building is currently vacant, and has remained vacant since the property was purchased in 2017.

Apart from the pattern of vacancy that Study Area properties exhibit, these properties all simultaneously exhibit a pattern of underutilization, as they are all being used below their potential use. This is exhibited by the following on-going conditions that have either stayed the same or have been intensified since at least 2016: lack of tenants; lack of occupied but tenantable office space floor area; lack of utilized lot area for parking space, which could potentially be used for another productive use; and lack of revenue-generating and profitable uses for the property owner.

For the reasons stated above, this redevelopment study finds that the buildings and activities taking place within the Study Area properties collectively exhibit a continuing pattern of vacancy and underutilization of properties in the area, and as such, **all Study Area properties meet this rehabilitation criterion.**

#### **(4) Property Tax Arrearage**

The Middletown Township Tax Collector's office identifies that none of the Study Area properties have a history of tax liens or tax arrearage. As such, **this rehabilitation criterion does not apply.**

#### **(5) Environmental Contamination**

There is no record of any environmental contamination on any of the Study Area sites. As such, **this rehabilitation criterion does not apply.**

#### **(6) Age of Water and Sewer Infrastructure**

Records from the Township of Middletown Sewerage Authority (TOMSA) indicate that the sanitary sewer infrastructure on Schultz Drive was constructed around 1970, and the sanitary sewer infrastructure on the portion of Half Mile Road along the Study Area properties was constructed in the late 1980s or early 1990s. Additionally, Township Engineer records indicate that the roadway sections along the Study Area properties were reconstructed in 1998. At that time, most of the storm sewer infrastructure was also reconstructed. It follows that this study finds that none of the water and sewer infrastructure in the delineated area is at least 50 years old, and as such **this rehabilitation criterion does not apply.**

### **Rehabilitation Analysis and Conclusions**

Based on the assessment discussed above, this analysis finds that of the rehabilitation criteria, the only criterion that applies is the third criterion. This criterion applies to the Study Area properties, as they exhibit a continuing pattern of vacancy and underutilization.

## **Appendix A: Township Committee Resolution 18-78**

**RESOLUTION NO. 18-**

**TOWNSHIP OF MIDDLETOWN  
COUNTY OF MONMOUTH**

**RESOLUTION AUTHORIZING AND DIRECTING THE PLANNING BOARD TO UNDERTAKE A  
PRELIMINARY REDEVELOPMENT INVESTIGATION TO DETERMINE WHETHER THE DELINEATED  
AREA OF BLOCK 1088, LOTS 1 AND 3 (230 AND 250 HALF MILE ROAD), AND BLOCK 1086, LOTS  
29 AND 30 (100 AND 200 SCHULZ DRIVE) SATISFIES THE CRITERIA FOR DESIGNATION AS AN  
AREA IN NEED OF REDEVELOPMENT FOR NON-CONDEMNATION PURPOSES**

**WHEREAS**, N.J.S.A. 40A:12A-1, et seq., the Local Redevelopment and Housing Law (“LRHL”), sets forth the criteria for a determination of whether a delineated area may be designated as an area in need of redevelopment; and

**WHEREAS**, N.J.S.A. 40A:12A-6 authorizes the Township of Middletown (“the Township”) to adopt a resolution directing its Planning Board to conduct a preliminary investigation to determine whether a delineated area is an area in need of redevelopment (“Redevelopment Area”) according to the criteria set forth under N.J.S.A. 40A:12A-5; and

**WHEREAS**, the Township Committee desires to authorize one of its pre-qualified Redevelopment Planners to assist the Planning Board in its preliminary investigation of Block 1088, Lots 1 and 3 (230 and 250 Half Mile Road), and Block 1086, Lots 29 and 30 (100 and 200 Schulz Drive) to determine if the delineated areas qualify as an area in need of redevelopment for non-condemnation purposes pursuant to the criteria set forth under N.J.S.A. 40A:12A-5 and 40A:12A-3.

**NOW, THEREFORE, BE IT RESOLVED** by the Township Committee of the Township of Middletown in the County of Monmouth, State of New Jersey that:

1. The Planning Board is hereby authorized and directed to undertake a preliminary redevelopment investigation of Block 1088, Lots 1 and 3 (230 and 250 Half Mile Road), and Block 1086, Lots 29 and 30 (100 and 200 Schulz Drive) to determine whether the delineated areas of investigation constitute being designated as an “area in need of redevelopment” according to the criteria set forth in N.J.S.A. 40A:12A-5 and 40A:12A-3 for non-condemnation purposes.
2. The Township Administrator and Township Planner are hereby authorized and directed to solicit one of the Township’s pre-qualified Redevelopment Planners to assist the Planning Board in its preliminary investigation of the delineated area of investigation, and to begin preparation of a Redevelopment Plan in the event the Planning Board recommends that all or some of the delineated area of investigation constitutes an “area in need of redevelopment.”
3. The Township Administrator, Township Planner and Township Attorney are each hereby authorized and directed to take any necessary and appropriate actions in connection with the preliminary investigation of the delineated area of

investigation, and are hereby authorized and directed to take such actions, including but not limited to, the negotiation of any and all documents necessary to undertake the investigation as being hereby ratified and confirmed.

4. This Resolution shall become effective immediately upon adoption.

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## **Appendix B: Site Visit Photos**

# 100 Schultz Drive Block 1086, Lot 30



100-1

Appendix B Page 2



100-2



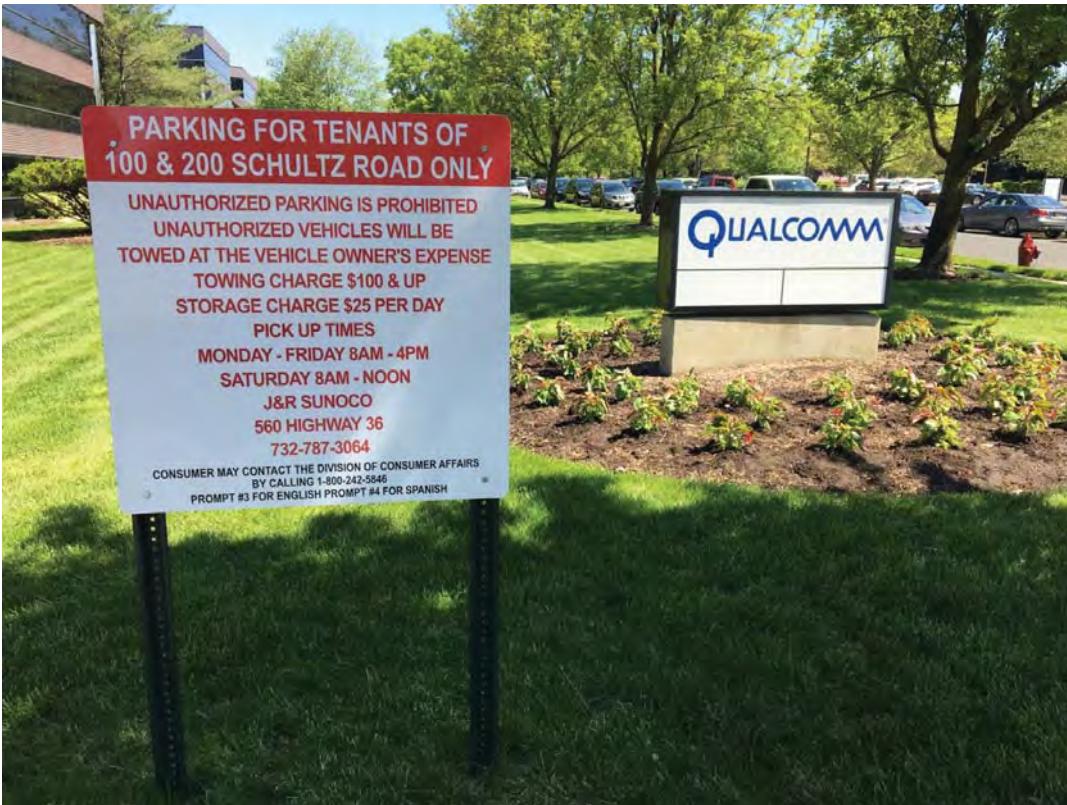
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100-4



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100-12



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100-14



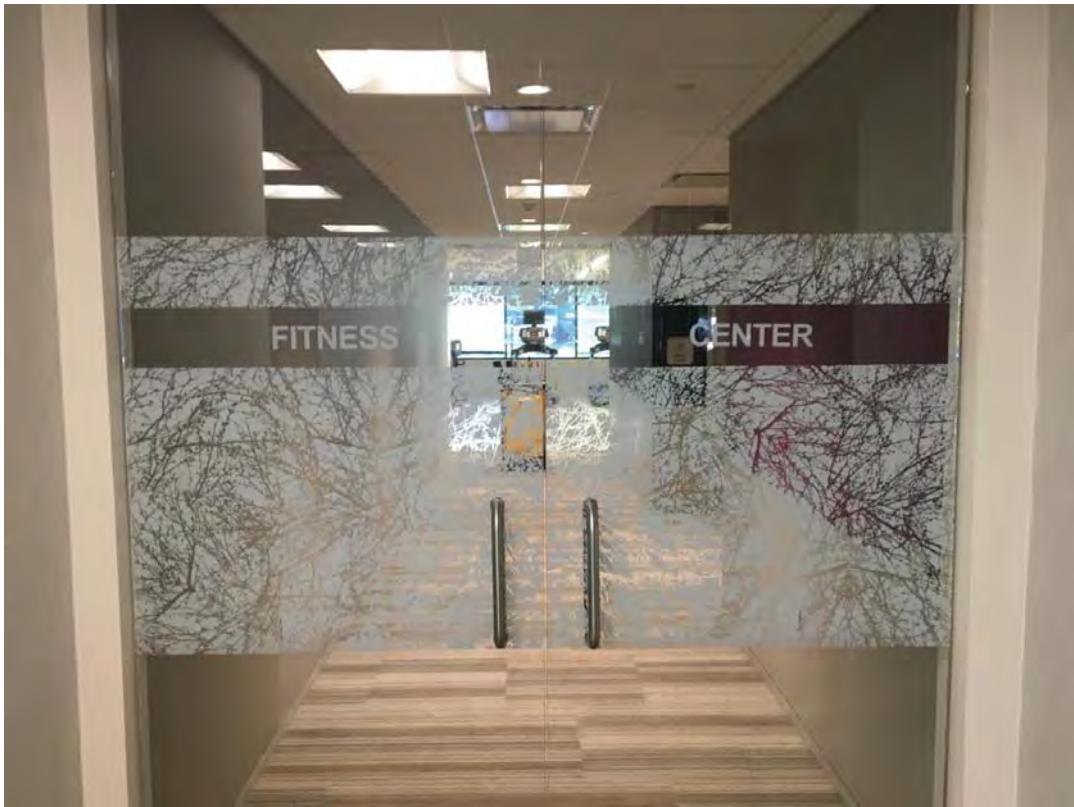
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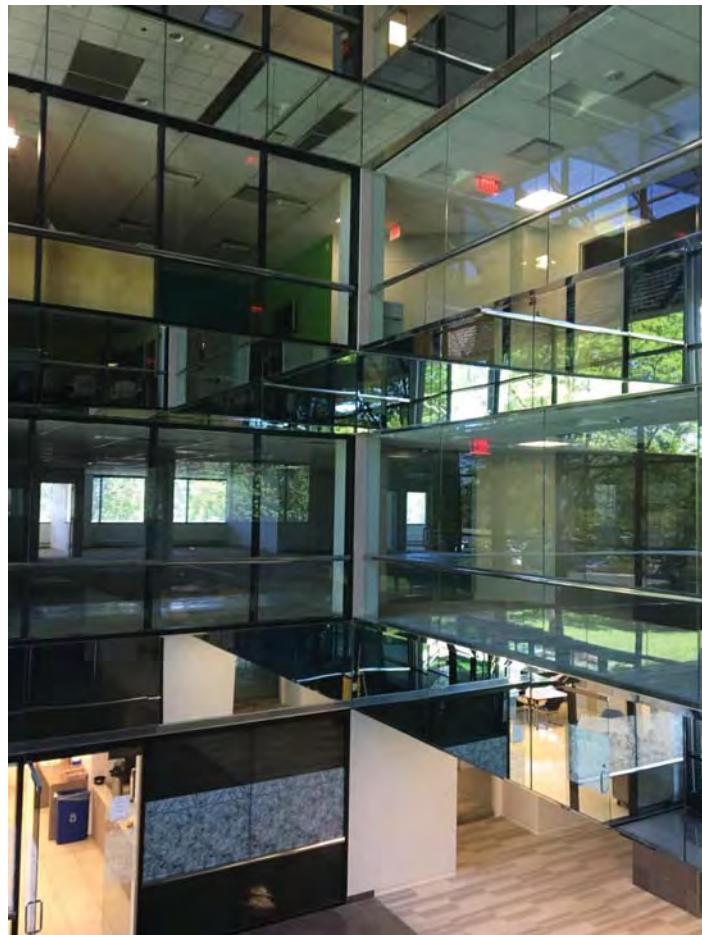
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100-18



100-19



100-20



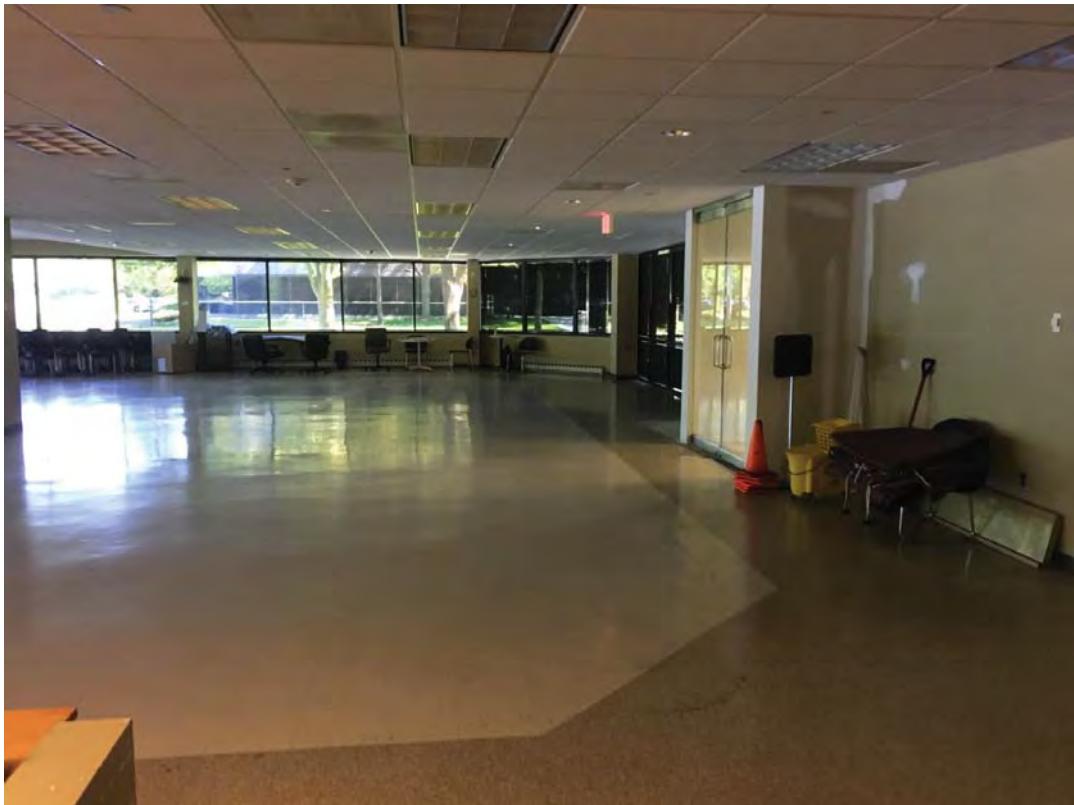
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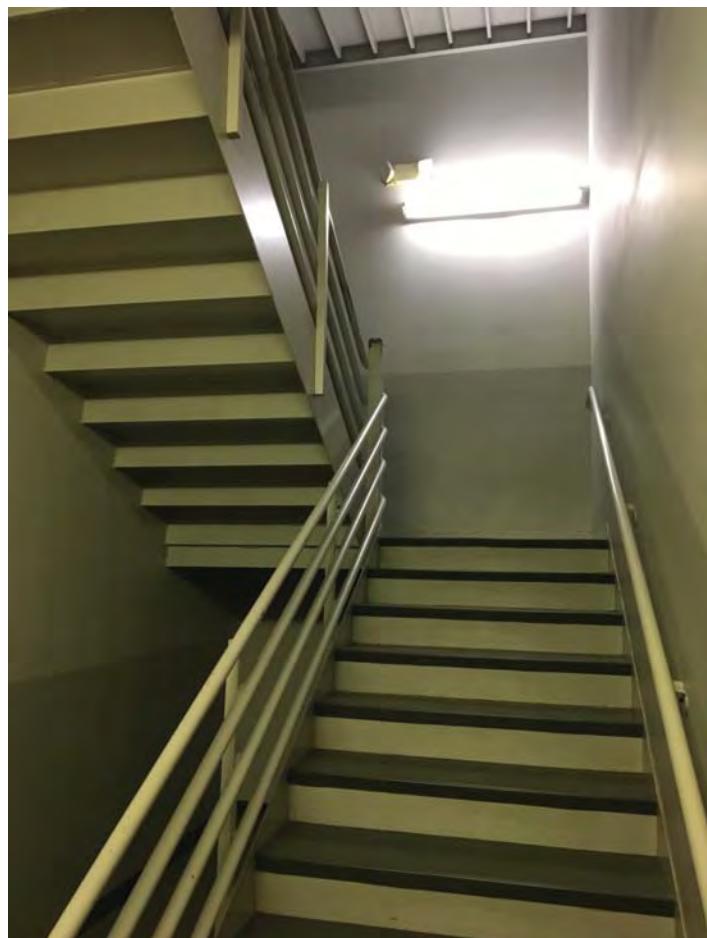
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100-34

**200 Schultz Drive  
Block 1086, Lot 29**



200-1



200-2



200-3



200-4



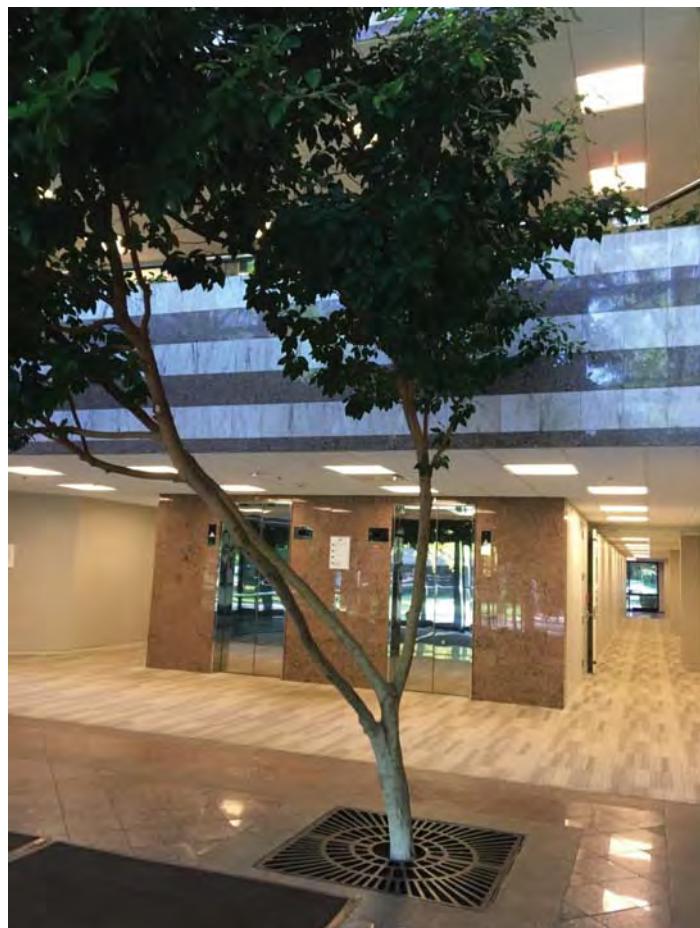
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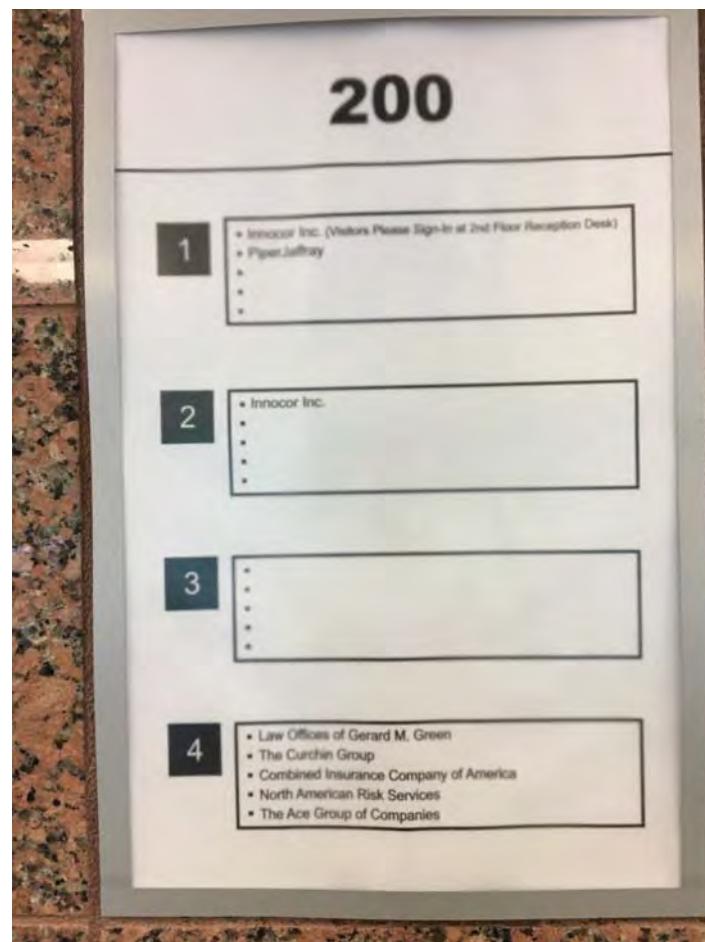
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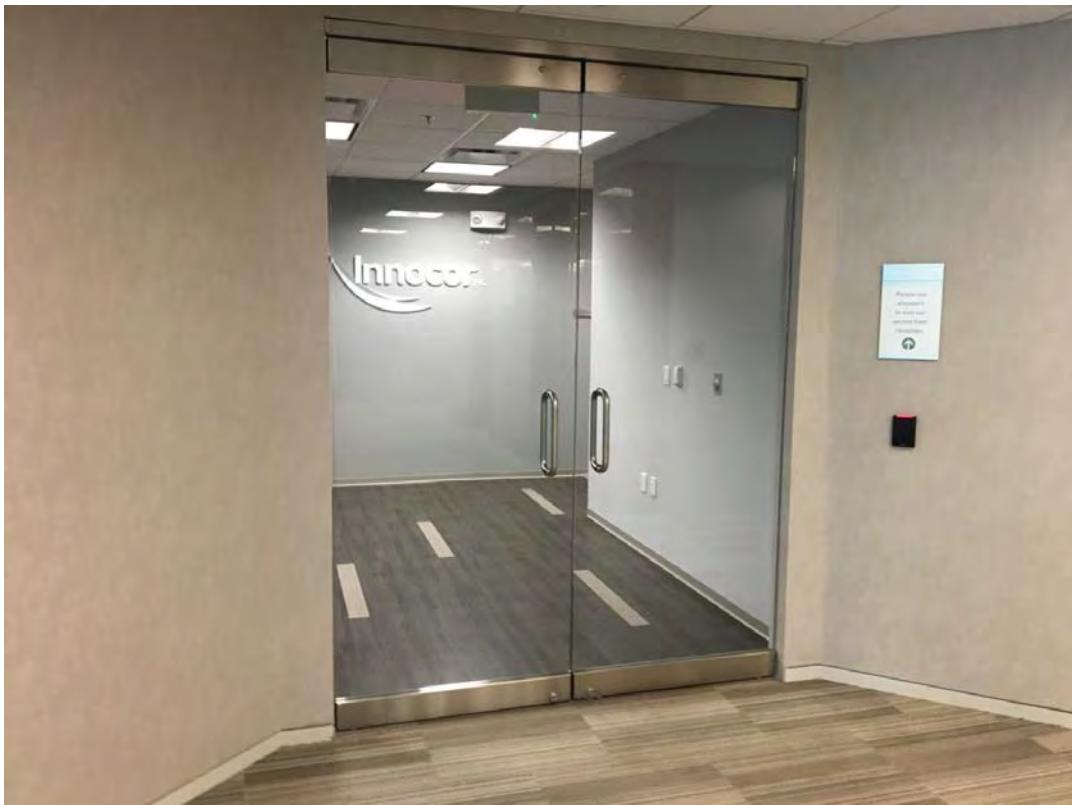
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200-11



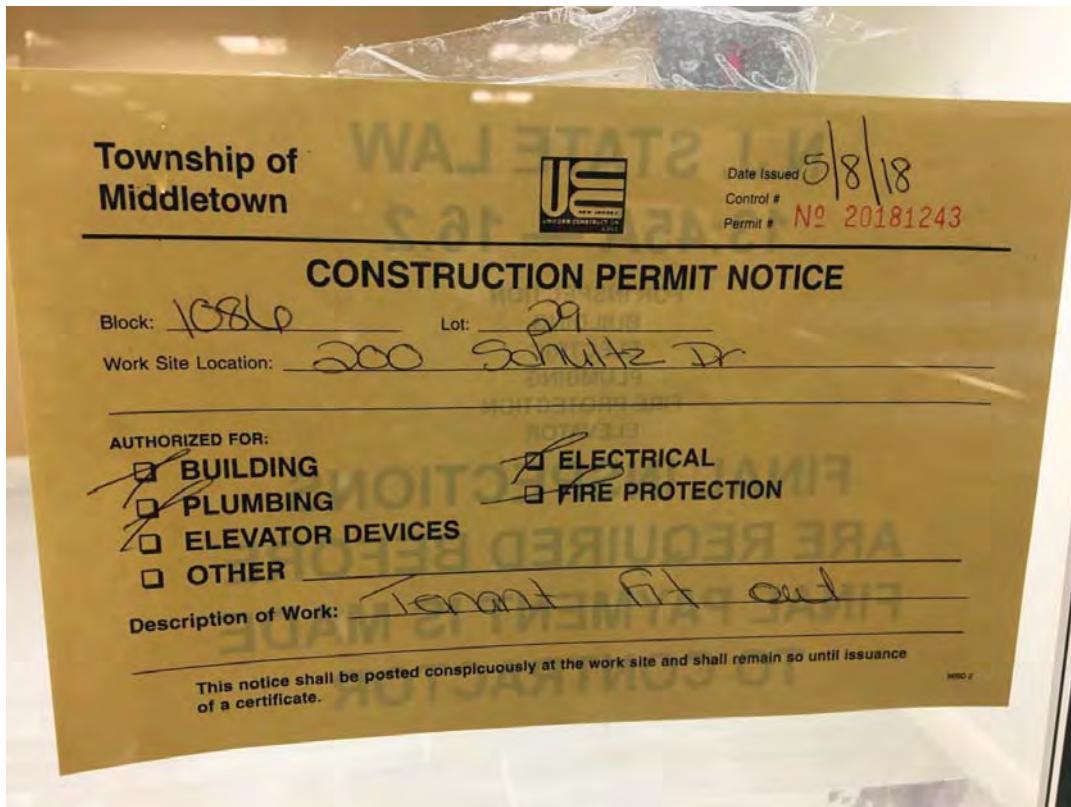
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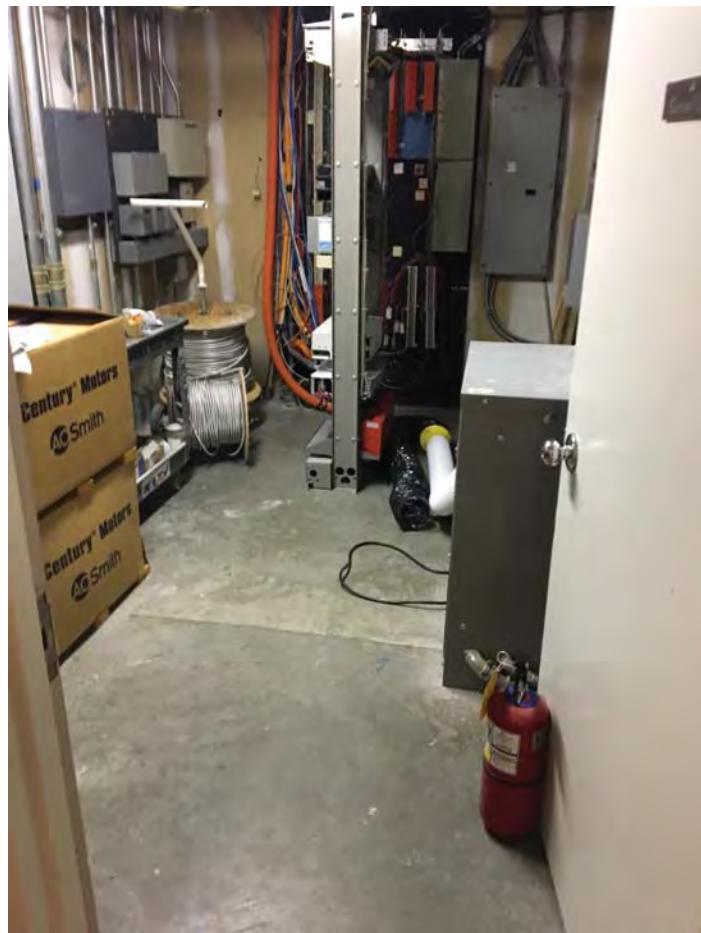
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200-15



200-16



200-17

**230 Half Mile Road  
Block 1088, Lot 1**



230-1



230-2



230-3



230-4



230-5



230-6



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230-18



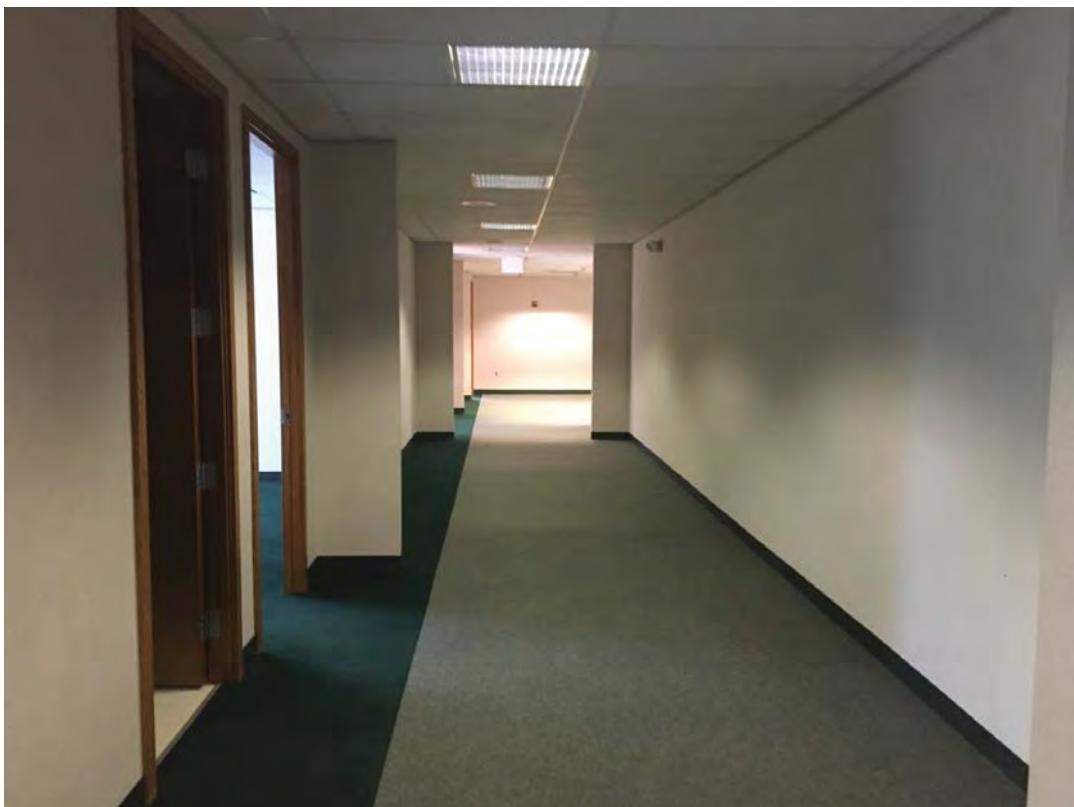
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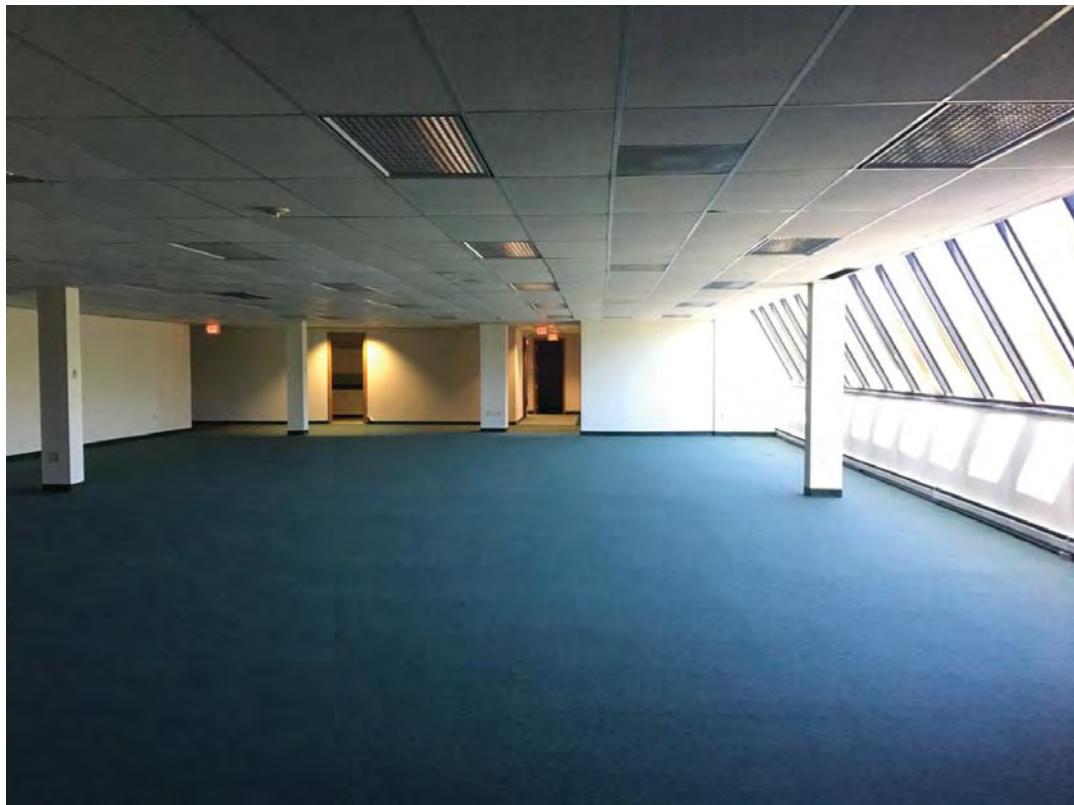
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230-23



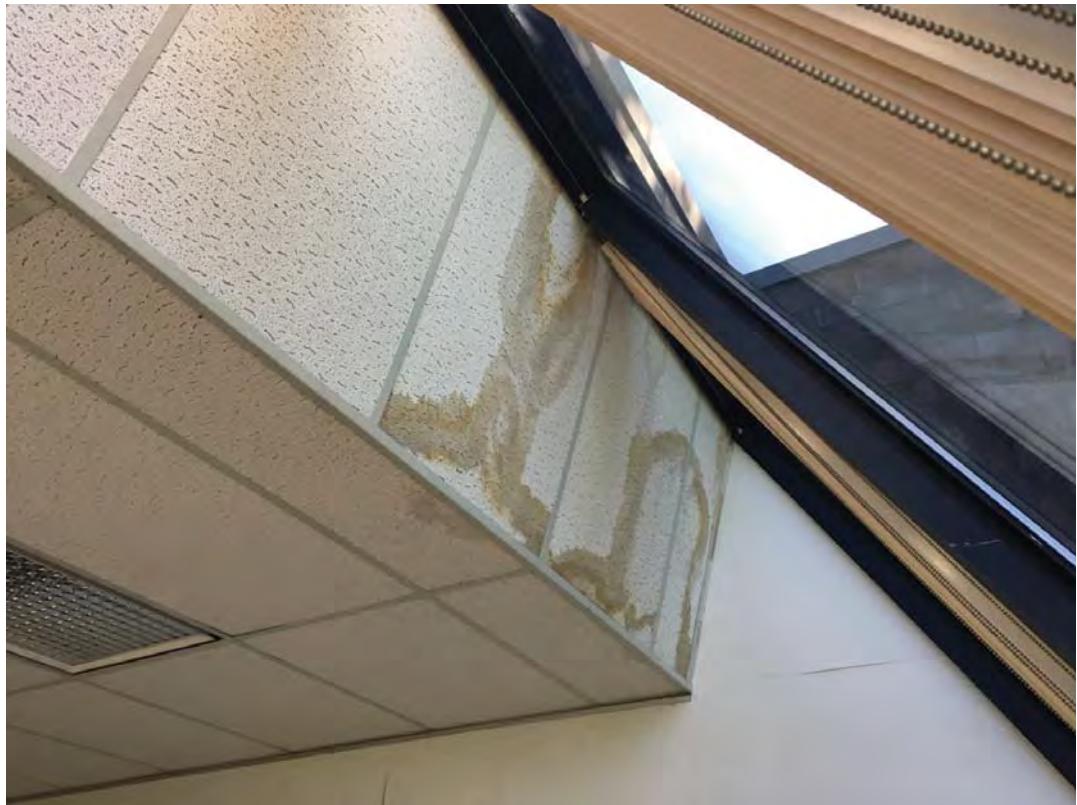
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230-28



230-29



230-30

# 250 Half Mile Road Block 1088, Lot 3



250-1

Appendix B Page 44



250-2



250-3



250-4



250-5



250-6



250-7



250-8



250-9



250-10



250-11



250-12



250-13



250-14



250-15