

PROJECT UPDATE

SPRING 2002

CASE STUDIES EXPLORE FREIGHT RELATED BROWNFIELDS REDEVELOPMENT

The North Jersey Transportation Planning Authority, Inc. (NJTPA) and New Jersey Institute of Technology (NJIT) are finalizing case studies that explore the opportunities for freight related redevelopment of brownfield sites near the port, airport and rail terminals in northern New Jersey.

Phase I of the study, completed in Spring 2001, found that the large number of brownfields sites in northern New Jersey are potentially valuable resources for helping the region accommodate and benefit from the huge expected growth in freight business activity over the next decade.

With the assistance of a consulting team led by Schoor-DePalma, Phase II of the study has been taking an in-depth look at four case study sites (see list below) ranging in size from 12 to 130 acres. A more limited analysis is being conducted on three additional sites.

One of the in-depth case studies has focused on a former landfill in Carteret adjacent to Exit 12 of the Turnpike and the Rahway River. Working with town officials, the project team has helped develop conceptual plans for a truck stop, hotel and distribution center at the site.



The study assessed clean up requirements, real estate market potential and options for linking the site to the Turnpike interchange, which is slated for redesign.

In another case study, the project team provided the owner of a 13-acre property in Newark – the former home of Albert Steel Drum – with technical reports and advice for redeveloping the site into a modern warehouse using the nearby port.

In all the case studies, the project team has found that giving sustained attention to the sites and offering technical assistance

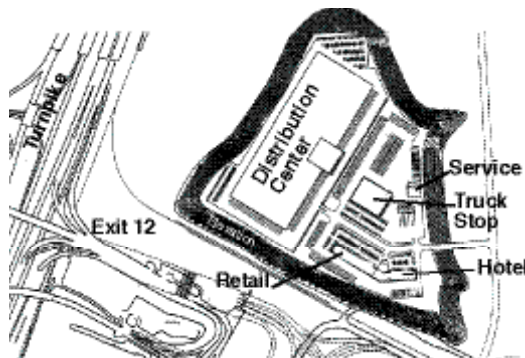
PROJECT PURPOSE

NJTPA and NJIT are conducting an innovative project to explore the opportunities for freight related redevelopment of abandoned industrial brownfield sites. The project is funded under the federal Transportation and Community and System Preservation Pilot program which is administered by the Federal Highway Administration.

The project seeks to harness a major economic development opportunity brought about by the huge projected growth of freight traffic through the port, airport and rail terminals in northern New Jersey. Port volume alone is expected to double in 10 years and increase as much as sixfold by 2040.

The increase in freight will create thousands of new jobs – including many in trucking, warehousing, packaging and assembly – as well as stimulating local service economies. However, the region could face increased roadway congestion, loss of precious open space and deterioration in air quality if freight businesses locate on the fringes of the region far from the port.

The NJTPA-NJIT project seeks to encourage freight related redevelopment of brownfield sites near the port and airport. The project is developing a comprehensive analysis, methodology and set of recommendations that will facilitate efforts by government and the private sector to this end. Benefits of the project will be to reclaim brownfield sites, reduce congestion, protect the regional environment, provide new jobs to urban residents and achieve efficient goods movement.



Aerial photo and conceptual plan for the Carteret site

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CASE STUDY SITES

- Newark – The former site of Albert Steel Drum. Wilson Ave. 13 acres.
- Carlstadt – The former site of Arsynco. Route 17. 12 acres.
- Carteret – Former landfill. Near Turnpike Exit 12. 130 acres.
- Elizabeth – Former site of Reichold Chemical. Near Turnpike Exit 13. 20 acres.
- Partial case studies being conducted at sites in Jersey City and Kearny.

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Case Studies continued

can help move the sites towards redevelopment – in some cases, after many years of stagnation. This suggests that the State of New Jersey should consider creating new mechanisms and policies for promoting freight related brownfields reuse as a way to safeguard economically vital port commerce.

This and other recommendations were discussed at a project Steering Committee meeting on March 20, 2002 in Trenton. A key topic was exploring options for financing needed transportation improvements in the port district, possibly drawing upon approaches used in California, Seattle and elsewhere.

The project team will be issuing its findings in a project report and at briefings in coming months. Further information is on the project website (accessed through www.njtpa.org).

STRONG MARKET FOR BROWNFIELDS

A *State of the Market* report prepared as part of Phase II of the NJTPA-NJIT study (available through www.njtpa.org) finds that, despite the effects of the short term recession, market trends point to potentially strong demand for freight related facilities developed on brownfields near the port, airport and rail terminals.

The Port of New York and New Jersey realized an 8.1 percent increase in cargo movements in the first half of 2001 compared to the previous year, even while overall



One of the numerous brownfield sites in the port district.

Trans-Atlantic/South American trade declined 3.4 percent. This strength, the report notes, reflects “the emergence of the port as a hub port on the east coast.” The deepening of channels and a program of ongoing maintenance dredging will greatly accelerate trade to the port in coming years (see chart).

To make room for expanded container traffic, the port is being forced to eliminate warehouse space

adjacent to the docks. Combined with limited space for expansion of cargo operations at Newark International Airport, this will mean increased demand for building “specialized maritime and air cargo facilities” on nearby brownfields.

Adding to the demand is a trend towards “value-added customization of import cargo” performed at facilities within a short trucking distance from the port.

A recent analysis in the Urban Land Institute’s *Future* magazine confirmed the trend. It found that while developers continue to build “big box” warehouses on the outskirts of metropolitan areas (such as at Exit 8A of the NJ Turnpike and eastern Pennsylvania), a growing new market for industrial space involves smaller, more flexible facilities oriented toward performing value added work and meeting “just-in-time” delivery schedules.

Tenants of such “high velocity” facilities, according to the magazine, “place a high premium on quick access to a large customer base and proximity to ports and airports” – exactly the features offered by many northern New Jersey brownfield sites.

CONSULTANT TEAM

The principal consultant for Phase II is **Schoor DePalma**. Subconsultants are **Beacon Realty** and **Anne-Strauss Wieder**. **Bruce Mackie** is the independent evaluator.

IITC COORDINATION

The NJTPA-NJIT Brownfields Project is being closely coordinated with the International Intermodal Transportation Center at NJIT. The Center is a federally funded effort to facilitate public and private cooperation to develop an economic corridor of interlinked businesses served by efficient goods movement infrastructure. Staff and technical resources are being shared and stakeholder outreach (including an Advisory Committee) are also being coordinated. The IITC website is at www.transportation.njit.edu/iitc.

STEERING COMMITTEE

NJ Department of Transportation; NJ Department of Environmental Protection; NJ State Employment Training Commission; NJ Commerce and Economic Growth Commission; NJ Redevelopment Authority; NJ Transit; NJ Department of Labor; NJ Economic Development Authority; NJ Office of Maritime Resources; NJ Brownfields Redevelopment Task Force; Port Authority of NY & NJ; U.S. EPA, Region 2; Federal Highway Administration.

Projected Increase in Freight
Port Authority of NY-NJ Terminals

