

# Peter G. Steck

Community Planning Consultant  
P. O. Box 306, 80 Maplewood Avenue, Maplewood, New Jersey 07040  
(973) 762-6568  
Fax 762-5457  
[Steckplan@AOL.COM](mailto:Steckplan@AOL.COM)

September 16, 2013

## PLANNING EVALUATION

**TO: Robert Simon, Esq. & Citizens for Health, Safety & Welfare**

**RE: Ordinance No. 2013:28 Creating the RCR Overlay District  
Waterview Site, Block 421, Lot 29  
Route 46, Waterview Boulevard & Intervale Road  
Parsippany – Troy Hills Township**

### INTRODUCTION

On behalf of the Citizens of Health, Safety & Welfare, a Planning Evaluation was conducted of proposed Ordinance No. 2013:28 which is scheduled for public hearing by the Parsippany – Troy Hills Township Council on September 17, 2013. Upon review, this Planning Evaluation concludes that Ordinance No. 2013:28 has procedural defects, is capricious, arbitrary and unreasonable, and constitutes improper spot zoning. The foundation for these conclusions is contained in the remainder of this report.

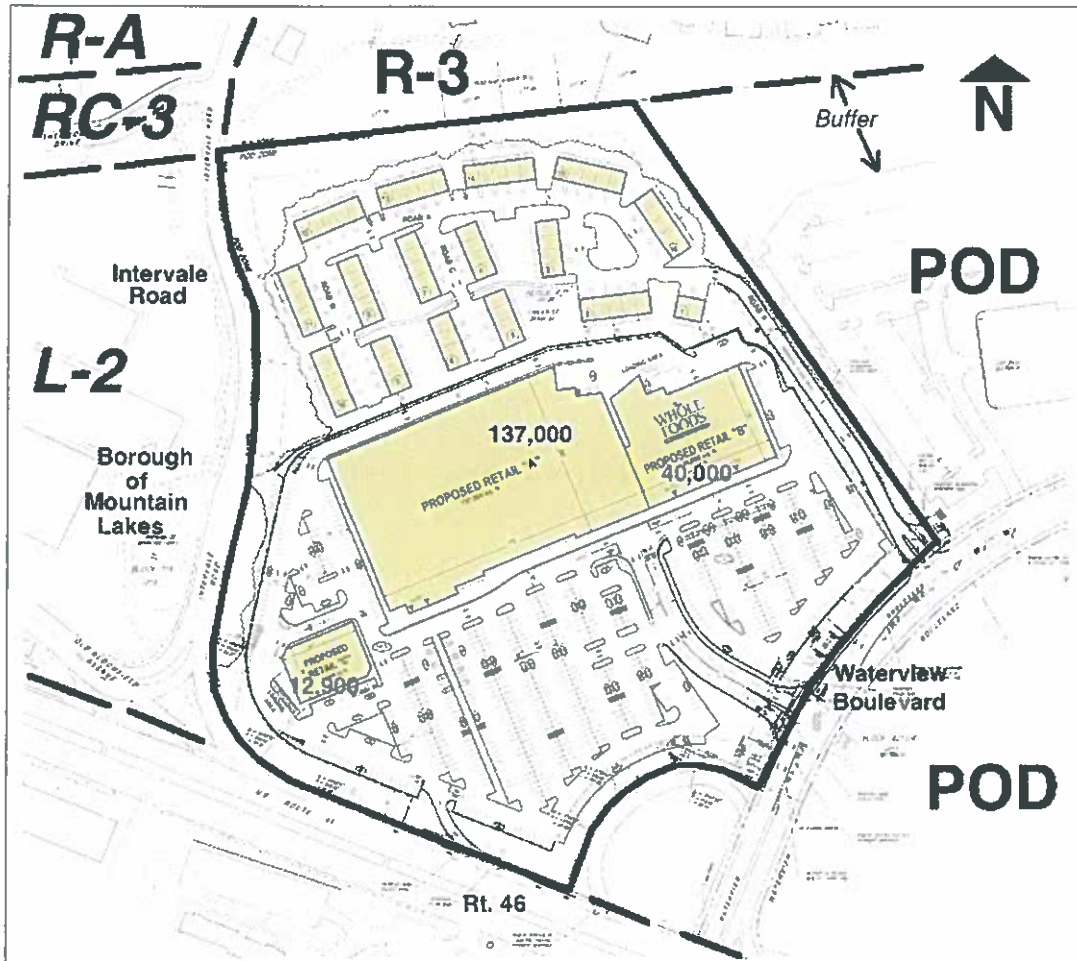
### BACKGROUND INFORMATION

Lot 29 in Block 421 is a wooded 26.63 acre parcel that is part of the POD Planned Office Development Zone as shown below in Plate I.



RD Realty, LLC has contracted with Bellemead Development Corporation to purchase the lot and develop it with townhouses and a shopping center. To accommodate the project, RD Realty, LLC has requested that the Township Committee rezone a portion of the POD Planned Office Development Zone. One of the concept plans presented by RD Realty, LLC is reproduced below on Plate II that displays 72 townhouses, 190,000 square feet of commercial space and 1,213 parking spaces.

**PLATE II**  
**CONCEPT PLAN PRESENTED BY RD REALTY, LLC**



In support of the rezoning effort, the Township has directed its consulting planner, Edward Snieckus, Jr., to prepare, a draft zoning amendment, a fiscal impact analysis, and a master plan consistency report. The Edward Snieckus draft amendment has been formalized as proposed Ordinance No. 2013:28. The September 5, 2013 fiscal impact analysis claims the Township will gain a net surplus of \$142,000 to \$182,800 per year for municipal services and a net surplus of \$593,100 to \$698,000 per year for the schools. The September 5, 2013 Consistency with Master Plan report states that despite some inconsistencies with the Township Master Plan, Ordinance No. 2013:28 has safeguards and that on balance represent "a compelling alternative to the underlying Planned Office Development that is currently prescribed."

## MASTER PLAN CONSIDERATIONS

The May 10, 2004 Periodic Reexamination Report of the Master Plan & Land Use Plan for the Township of Parsippany-Troy Hills reinforced the planning policies of the prior 1987 Land Use Plan supporting a planned office development for the subject property. Plate III shows excerpts from the 2004 Reexamination Report recommending corporate and professional offices for the subject property and mandating buffering.

PLATE III  
PORTION OF THE 2004 REEXAMINATION REPORT



### Goal 4

To encourage and provide buffer zones to separate incompatible land uses.

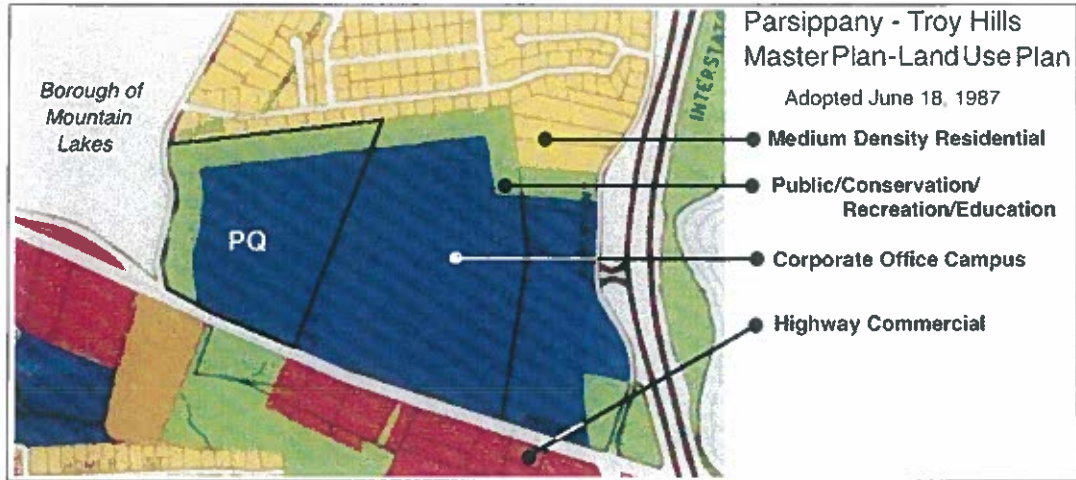
*Policy Statement: The Township recognizes the need to reinforce the delineation of boundaries separating residential and non-residential uses. Appropriate buffer/screening devices are to be encouraged to separate incompatible land uses in order to minimize adverse impacts on residential and other properties. This should be accomplished primarily within the framework of appropriate open space buffer widths containing suitable planting elements (incorporating such elements as multiple rows of plant material, planting clusters, etc. as a means to provide suitable buffer protection), with supplemental (aesthetically pleasing) fencing when appropriate.*

**10. Office, Corporate/Professional:** A variety of professional and administrative office areas are denoted on the plan. This category includes planned office areas, research/office/laboratory districts, and professional office districts, which in selected areas may be appropriately limited to two stories. It is also recommended that assisted living facilities be permitted in the various O-1 Districts located in the Township. [Page 40]

**17. Buffers.** A primary objective of this plan is to ensure the provision of appropriate buffer area and screening elements to separate incompatible land uses, and intensities-of-use. It is recommended that minimum buffers, from ten to twenty feet, be imposed on those areas characterized by modest lot sizes and dimensions, where additional acreage is not available to accommodate broader buffer dimensions. A landscaped buffer of fifty to one hundred feet should be considered in those instances where a substantive change in land use character occurs, such as where industrial or large-scale office use adjoins a residential area, or where a substantive change in intensity-of-use occurs. [Page 41]

The prior 1987 Land Use Plan also recommended that the subject property be part of a corporate office campus as documented on Plate IV. This 1987 document explained the rationale behind the POD Planned Office Development Zone. This older land use policy document emphasizes the consistency in policies for the subject property over the last 25 years.

**PLATE IV  
PORTION OF JUNE 18, 1987 LAND USE PLAN**



Notations added by Peter G. Steck, P.P.

As stated in on page 33 of the June 1987 Master Plan Update, Land Use Element:

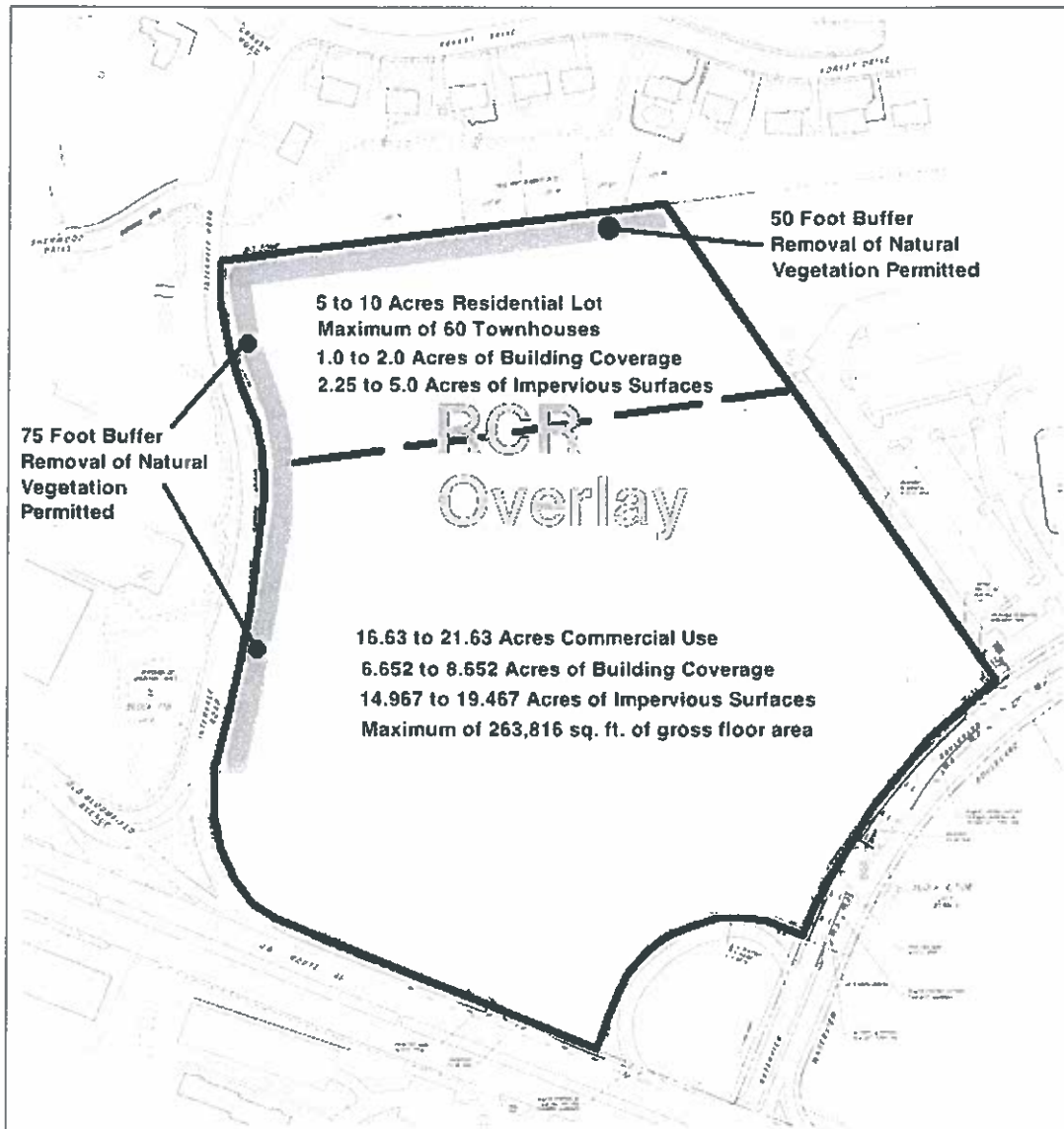
THE UPDATED LAND USE PLAN DELINEATES THE TRANSITIONAL BUFFER AREAS WHEREIN THE CORPORATE OFFICE CAMPUS DISTRICTS ADJOIN RESIDENTIAL DISTRICTS. THE PLAN REFLECTS CHANGES IN DEVELOPMENT REGULATIONS ENACTED BY THE TOWNSHIP TO INCREASE MINIMUM BUFFER WIDTH REQUIREMENTS FROM 50 FEET TO 150 FEET.

CURRENT DEVELOPMENT WITHIN THE CORPORATE OFFICE CAMPUS DISTRICTS DOES NOT APPROACH THE MAXIMUM ALLOWABLE BY ZONING CODE, PRIMARILY DUE TO OFF-STREET PARKING REQUIREMENTS.

A REDUCTION IN THE MAXIMUM ALLOWABLE LOT COVERAGE BY BUILDING AND LOT COVERAGE BY IMPERVIOUS SURFACES REGULATIONS IN THESE ZONING DISTRICTS IS WARRANTED.

**DESCRIPTION OF PROPOSED ORDINANCE NO. 2013:28**

Proposed Ordinance No. 2013:28 is formally titled AN ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 430, ZONING, OF THE REVISED GENERAL ORDINANCES OF THE TOWNSHIP OF PARSIPPANY-TROY HILLS, ADDING A NEW ARTICLE XLIX, ESTABLISHING A RCR-PLANNED RETAIL/COMMERCIAL/ RESIDENTIAL OVERLAY DISTRICT AND DESIGNATING CERTAIN ZONE BOUNDARIES IN THE TOWNSHIP. It is a site-specific one-lot ordinance that is clearly designed to accommodate the development wishes of RD Realty, LLC. Plate V below summarizes the major features of the Ordinance.



## PLANNING EVALUATION

Upon review of the record presented to date, the following land use planning comments are offered regarding Ordinance No. 2013:28:

**1. Ordinance No. 2013:28 is substantially inconsistent with the Land Use Element of the Parsippany-Troy Hills Master Plan.**

The September 5, 2013 memorandum of Planner Snieckus regarding the RCR Overlay Amendment for POD Zone District goes to considerable effort to reference several general goal statements in the May 10, 2004 Master Plan Periodic Re-Examination Report. However, it is important to recognize that these 2004 goal statements resulted in a recommendation for office development of the subject lot. No goal or policy was established to spread out the retail areas in the Township. The official policy was to consolidate commercial development and to buffer incompatible uses.

Noteworthy is that the proposed RCR Overlay District does not permit office development. It does however permit townhouses, retail, fast food and sit-down restaurants and banks: all of which are uses that were not recommended in the 2004 Master Plan. The only conclusion that can be drawn is that Ordinance No. 2013:28 is substantially inconsistent with the Township's Master Plan. To direct attention to general goal statements and downplay the specific recommendations of the Land Use Plan element of the Master Plan for the subject property is diversionary and unresponsive to the procedures mandated by the Municipal Land Use Law.

**2. Ordinance No. 2013:28 permits development that is inconsistent with wellhead protection principles. (See Appendix A for documentation.)**

The RCR Overlay District allows more paved parking areas than allowed in the POD District. This increases the chances that the groundwater supplies will be compromised and is contrary to the goal of protecting the aquifers that are relied upon by Parsippany-Troy Hills for domestic water supplies.

**3. Ordinance No. 2013:28 results in substantial impairment of the POD District. (See Appendix B for a full analysis)**

The POD Planned Office Development District permits a special type of development: planned development rather than conventional development. The only way that office development could have proceeded and in fact did proceed was via approval of a comprehensive plan for the entire 132± POD District. Consequently, the RCR Overlay District is meaningless and ineffective unless 1) the Planning Board's approval and subsequent implementation of entire the Waterview development including the hotels are revisited by the Planning Board as an application amendment and unless 2) the standards of the POD District are altered by the Township Council. Without those two substantial changes, Ordinance No. 2013:28 is impotent.

Additionally, the changes that are needed in the POD District regulations to effectuate Ordinance No. 2013:28 are substantial. Moreover, those changes decimate the intent of the POD District as a comprehensively planned district with particular standards regarding buffering the development to protect the adjacent homes and the Borough of Mountain Lakes.

**4. The statement of objectives in Ordinance No. 2013:28 is misleading.**

Proposed Section 430-326 of Ordinance No. 2013:28 contains a statement of objectives. In the statement, the RCR Overlay District is characterized as a type of planned development. However, the RCR Overlay District essentially creates two new separate conventional zones: a townhouse zone and a shopping center zone. The proposed ordinance does not require that both townhouses and a shopping center be built or that there would be an integration of the two uses as would have been expected with a mixed-use development.

The statement of objectives references the improvement of goods and services. Yet, there is no discussion of what goods and services are already available in the Township and how the proposed Overlay District results in an improvement.

The statement of objectives references state highways in the area and "corresponding mass transit opportunities." However, the subject site does not have any more access to bus services than the remainder of the Township.

Finally, the statement of objectives states that the RCR Overlay District "complements the intent of the underlying POD Zoning District." The meaning of this statement is unclear because the proposed RCR Overlay District is clearly contrary to the POD District intent of promoting a planned office development for the entire 132+ acre area with enhanced buffers as a compensating feature.

**5. The alleged positive fiscal impact of Ordinance No. 2013:28 is overstated.**

The September 5, 2013 fiscal impact analysis uses regional multipliers to approximate the impact of the project using the concept plan produced by RD Realty, LLC and then advances the argument that this standard analysis understates the fiscal benefits. Firstly, it is observed that zoning which is solely based on fiscal impacts is suspect as a motivation for using the Township's police power. Such fiscal zoning is contrary to the Municipal Land Use Law as it does not advance any of stated purposes of zoning. Secondly, the alternate analysis understates the associated costs in the long run. For example, should the Board of Education hire one additional teacher because of the attendance of one more student, that one student might be the cause of a \$75,000 additional educational expense rather than the \$14,476 used in the analysis. Hence, the safer analysis is to employ the per capita multipliers based on averages rather than a selective line-item commentary as offered by Planner Snieckus in his alternative analysis. The alternate analysis transforms the fiscal impact analysis from an advisory report for the Planning Board to a promotional piece for the developer.

The fiscal impact analysis offered in support of the rezoning has inherent defects. It does not take into account any decreases in the property values of adjacent residential properties. It does not take into account adverse impact on existing businesses. A September 12, 2013 article in the Your Business section of The Star Ledger observed that in Central Jersey, for example, a growing number of smaller stores have closed because of the influx of big box retailers. (See Appendix C.) There is no reason why the same result would not occur in Parsippany-Troy Hills.

It would be instructive to conduct a sensitivity analysis of the September 5, 2013 fiscal analysis to find out how the fiscal benefits change using different assumptions. Such an alternate analysis, for example, might include school debt service with the per student educational costs (raising the per student expenses), a diminution in existing residential ratables of the adjacent homes and in existing commercial ratables in the Township owing to higher vacancy rates, and a capital expense factor for traffic improvements that are beyond the pro rata maximum amount that would be the obligation of the developer. Additionally, should the marketplace not support the assumed \$400,000 per townhouse sales price or should the townhouse units be rented rather than sold, the real estate revenue assumptions may be grossly overstated.

Although not easily quantifiable and external to the Township's budgeting, some consideration should be given to the budgetary impacts from the projection of lower-income jobs such as those associated with big box retailers such as Walmart.

It is noted that one of the announced motivations for the rezoning is the current weakness of the office market. However, no similar analysis was conducted concerning the vitality of the market for retail, bank and fast food uses.

In short, the fiscal impact analysis by the Township's planning consultant appears to be skewed toward the developer's perspective and should be viewed with that bias in mind.

**6. Development under Ordinance No. 2013:28 does not advance the public welfare.**

If adopted, Ordinance No. 2013:28 does not advance the public welfare. The Ordinance decimates the POD District that mandated a 132 acre planned entity. Development under the Ordinance would likely render the existing offices and hotel uses as nonconforming. As compensation for the regional office development, extensive buffering was required which is ignored by the proposed Ordinance. The proposed Ordinance not only greatly reduces the width of the buffering but does not mandate the retention of the natural vegetation. There are unanswered questions regarding essential traffic system improvements and the identification of entities that will be paying for the needed improvements. The needed traffic improvements to avoid degradation of the level of service are referenced in the Dolan and Dean traffic analysis of the project. A degradation in the level of service will also adversely affect the occupants and marketability of the existing office space in the remainder of the POD District.

**7. Adoption of Ordinance No. 2013:28 constitutes illegal spot zoning.**

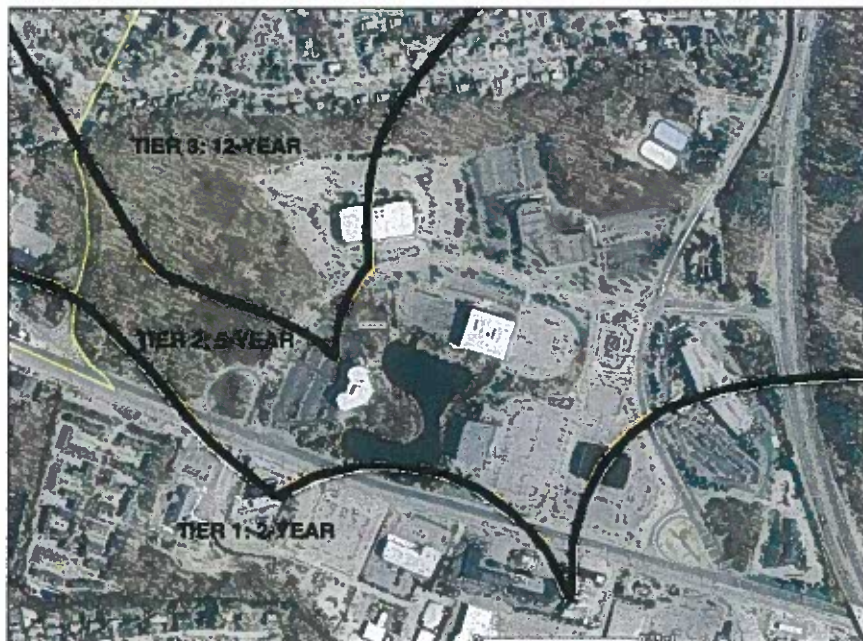
When a zoning amendment is contrary to the official land use policies voiced in the Master Plan, is designed to benefit one property owner and does not advance the public welfare, it is susceptible to attack as illegal spot zoning. From a planning point of view, Ordinance No. 2013 constitutes illegal spot zoning.



WELLHEAD PROTECTION AREAS FROM THE NJDEP IMAP SITE



**Well Head Protection Areas (Community):** A Well Head Protection Area (WHPA) in New Jersey is a map area calculated around a Public Community Water Supply (PCWS) well in New Jersey that delineates the horizontal extent of ground water captured by a well pumping at a specific rate over a two-, five-, and twelve-year period of time. The area of capture over two-, five-, and twelve years is defined using line boundaries and polygon areas generated with Geographic Information System (GIS). GIS shape files are produced for each PCWS well and for the set of all PCWS wells in a county. WHPA delineations are conducted in response to the Safe Drinking Water Act Amendments of 1986 and 1996 as part of the Source Water Protection Program (SWAP). The delineations are the first step in defining the sources of water to a public supply well. Within these areas, potential contamination will be assessed and appropriate monitoring will be undertaken as subsequent phases of the NJDEP SWAP. WHPA delineation methods are described in [Guidelines for Delineation of Well Head Protection Areas in New Jersey](#). [Full metadata](#)



**PLANNED OFFICE DEVELOPMENT DISTRICT REGULATIONS AND COMMENTARY**

The proposed rezoning of the 26.63 acre Lot 29 in Block 421 superimposes a RCR Overlay District on a portion of the 132+ acre POD Planned Office District and, when activated, inevitably triggers substantial nonconformities with respect to the Planning Board approved and subsequently implemented Waterview development. Selected portions of the Parsippany – Troy Hills Land Development Ordinance in Article XXII are reproduced below preceded by planning commentary identifying the potential nonconformities in the existing Waterview development that would result.

**1. The stated intent of the POD District is to accommodate a single planned development for the entire zone. Future subdivisions are allowed in the POD District but only for used permitted in the POD District. (There may be agreements among the owners of the developed parcels in the POD District that prohibit alternate types of development or at least require consent of the owners.)**

● **§ 430-150 Statement of objectives.**

It is the intent to create a single balanced unit developed in concert with physical and environmental factors with particular consideration being given to the existing neighborhood development. The balanced unit shall be combined into one plan for the entire zone. This provision, however, will not prohibit the subsequent subdivision of the property in a manner consistent with the Township ordinances.

**2. A hotel is a conditional use in the POD District. The activation of the RCR Overlay District affects the status of the existing Embassy Suites at 909 Parsippany Boulevard and may render it a nonconforming use.**

○ **§ 430-154 Conditional uses.**

The following conditional uses shall be permitted:

- A. Hotel, provided that the structure is located a minimum of 1,000 feet from an existing residential zone boundary, except where such boundary coincides with a state or federal highway, and a minimum of 800 feet from the neighboring municipal boundary. Any hotel facility permitted hereunder shall contain a minimum of 200 rooms and a minimum floor area of 250,000 square feet. It is further provided that vehicular access and egress to such use shall be restricted to direct connections to Route 46, Route 202 and internal roadway(s) of the development within the POD District.

**3. The intensity standards apply to the POD District in its entirety. This is a characteristic of a planned commercial development and highlights the importance of keeping the 132+ acre development as a planned unit.**

● **§ 430-155 Height, area and other bulk requirements.**

The regulations setting forth the intensity and density of development within the Planned Office District shall apply to the district in its entirety and the collective and cumulative number of buildings, parking areas and other site improvements. The regulations set forth hereinafter shall not prevent future subdivision of lots from the overall tract of land.

**PLANNED OFFICE DEVELOPMENT DISTRICT REGULATIONS AND COMMENTARY**

**4. The minimum tract size of 132+ acres reinforces the fundamental aspect of the POD District as one integrated development.**

A. Minimum tract size: 132 acres (approximate). For purposes of this section, the word "tract" shall be synonymous with district itself.

**5. The lack of a minimum lot size is further supportive of the intent of the POD District to apply to the entire 132+ acres and confirms that the POD District is a type of planned development.**

B. Minimum lot size. No minimum lot size or dimension shall be required, except that no subdivision shall be granted final approval without preliminary site plan approval for the proposed lot, and such subdivision shall be null and void if development of the lot does not occur in accordance with site plan approval.

**6. The POD District does not allow buildings within 200 feet of Intervale Road nor within the 150 foot buffer along the rear of the residential lots on Forest Drive. The RCR Overlay permits buildings only 75 feet from Intervale Road and only 50 feet from the rear line of the Forest Drive homes.**

C. Minimum yard depth. No building shall be located within 100 feet of Route 46 or Route 202, nor within 200 feet of Intervale Road, nor within 150 feet of the buffer required by § 430-155H along the R-3 Zone boundary coinciding with the rear lots of homes fronting Forest Drive.

**7. The maximum building coverage of 12.5% applies to the entire 132+ acre tract thereby emphasizing the nature of the POD District as a type of planned development. The RCR Overlay District allows 20% building coverage on the residential lot and 40% coverage on the commercial lots. With a 5 acre minimum residential lot size, a townhouse building coverage of 1.0 acre would be permitted and a retail building coverage of 8.65 acres would for the balance of the tract. (26.63 acres – 5.0 acres = 21.63 acres). The 8.65 acres of retail buildings is equivalent to 376,881 square feet which almost twice the floor area shown on the RD Development, LLC concept plan. (The FAR limit in the RCR Overlay Ordinance is more limiting.)**

D. Maximum percentage building coverage: 12.5% of the tract. The total coverage shall be cumulative as to the total tract.

**8. The maximum impervious coverage of 45% is applied to the entire 132+ acre tract. The RCR Overlay allows 45% impervious coverage on the residential lot and 90% coverage on the commercial lot. In the RCR Overlay, with a permissible residential impervious coverage of 2.25 acres (45% x 5.0 acres) and a permissible commercial coverage of 14.967 acres (90% x 21.63 acres ) an composite 64.65% impervious coverage is possible. This may exceed the 45% limit intended for the entire POD tract.**

E. Maximum percentage tract coverage: 45% of the total tract. Coverage shall include parking lots, buildings, parking garages, driveways and streets. Coverage shall not include open plazas, courts, walking paths, sidewalks and the like.

## PLANNED OFFICE DEVELOPMENT DISTRICT REGULATIONS AND COMMENTARY

9. The RCR Overlay District does not have a floor area ratio for the residential lot but does have a 0.28 floor area ratio limit for the commercial lot. The increase in floor area for the entire 132+ acre tract may render the hotel a nonconforming use. It is noted that based on the 0.28 maximum floor area ratio, the RCR Overlay District would permit up to 263,816 square feet of retail floor area, 73,816 square feet more than RD Realty, LLC is showing on its concept plan.

F. Maximum floor area ratio: 0.176, except that this maximum ratio may be increased to 0.226 where a hotel is contemplated by the development plan. In no event shall the floor area ratio exceed 0.176 where the development of the tract does not include a hotel, except for the following provision. Either floor area ratio maximum may be increased by 0.005 for each increase of 1.0% in open space above 55%, provided that in no event shall the floor area ratio exceed 0.226 where the development of the tract does not include a hotel, nor shall the floor area ratio exceed 0.274 where a hotel is contemplated by the development plan. For purposes of this section, the "floor area ratio" shall mean the gross floor area of all structures, not including parking garages and canopies, divided by the total area of the tract.

10. In the POD District, the minimum buffer width along Intervale Road and along the rear of the properties that front on Forest Drive is 150 feet. The RCR Overlay permits substantial intrusion into this buffer area. The buffer standards are another indication that the 132+ acre POD tract is to be treated as a unit and that the RCR Overlay District is in substantial discord with the POD District intent.

H. Buffer requirement. A buffer width averaging 200 feet, with a minimum width of 150 feet shall be required along all Intervale Road frontage and any boundary of the tract which coincides with a residential zone boundary, except where such boundary coincides with a state or United States highway. To the extent feasible, the buffer area shall be designed to coincide with the area of the site located between the three-hundred-sixty-foot contour elevation and the adjacent residential zone boundary.

11. Intensity shifting in phases of the POD District is only allowed in a planned development. The RCR Overlay District interferes with this standard.

○ § 430-157 Modifications of land use intensity.

Notwithstanding the aforementioned conditions and regulations, the following schedule for land development prevails. To encourage flexibility of intensity, design and type, in cases of staged development the Planning Board may allow for greater concentration of permitted intensity of land use within some section or sections of development, whether it is earlier or later in the development, than within others. The approval of the Planning Board of a greater concentration of intensity of land use within any section to be developed must be offset by a smaller concentration in any completed prior stage or by an appropriate reservation of open space on the remaining land. Such reservation shall, as far as practicable, defer the precise location of such open space until an application for preliminary approval is filed.

**PLANNED OFFICE DEVELOPMENT DISTRICT REGULATIONS AND COMMENTARY**

**12. It should be confirmed whether an access route for emergency purposes is prohibited under the new RCR Overlay District regulations.**

● § 430-158 Additional standards.

B. Access. No access of the tract shall be permitted along Intervale Road frontage.

**13. The application procedures emphasize the intent of the POD to apply to the entire 132+ acre tract.**

● § 430-161 Application procedures.

A. An applicant shall initially submit a sketch plan for the entire tract. The sketch shall show all Informational Items as required for any major subdivision as set forth in Chapter 225, Land Use, Subdivisions and Site Plans, and further shall indicate the general location of buildings, parking areas and roadways, as well as any other significant site development features planned by the applicant. The purposes of the sketch development plan are to:

- (1) Establish the land use plan for the site.
- (2) Establish staging or phasing of site development.
- (3) Determine at the earliest possible time general off-site improvements required as a result of the development.
- (4) Determine design criteria for buffer areas, parking lot location, open space areas, etc., and as applicable.
- (5) Establish an architectural theme addressing color, texture, building siting, etc.
- (6) Provide an evaluation of the traffic generation of the proposed overall plan and determination of the basic improvements required of the existing roadway system to adequately provide for additional traffic. The evaluation shall also set forth proposed agreements to accomplish improvements and staging of same as a function of overall tract development.

B. The applicant after approval of the overall development plan shall proceed with formal site plan and subdivision applications for all phases of the development.

C. Preliminary application for development shall be made under and in accord with all the regulations and procedures for a major subdivision and major site plan as set forth in Chapter 225, Land Use, Subdivisions and Site Plans.

The Star-Ledger

## YOUR BUSINESS

PAGE 28 | THURSDAY, SEPTEMBER 12, 2013 | NJ.COM/BUSINESS

Retail vacancies up  
as smaller stores closeTom De Poto  
STAR-LEDGER STAFF

Big-box stores in Central Jersey that have long stood empty are finding tenants, but a growing number of smaller stores closing down have caused an increase in retail vacancy rates. According to a survey by Old Bridge-based R.J. Brunelli & Co., retail vacancies in Mercer, Middlesex, Monmouth and part of Ocean County rose from 9.1

percent last year to 9.8 percent in the second quarter of this year.

The study looked at 30.22 million square feet of retail space along routes 1, 9, 18 and 35. It found gains along Routes 1 and 18, but losses along 9 and 35.

Richard Brunelli, president of the firm, noted that despite big-box stores finding new tenants, "that positive trend is being countered by growing

numbers of smaller-store vacancies up and down the region's corridors."

He attributed the declines to marginally profitable tenants leaving as their leases expire, as well as the difficulty of small chains and mom-and-pops to get financing.

"Until the economy improves and banks genuinely start to (open) the spigots, it will be difficult to make much of a dent in

the small-store inventory," he said.

The big-box stores that have been shuttered in the area include several Pathmark, Linens 'n Things, Borders and Barnes & Noble.

Two of the four sites vacated by Pathmark — in Marlboro Plaza on Route 9 and in Wall Township on Route 35 — have found tenants, Hobby Lobby and Lowes Express. The others,

in Middletown and North Brunswick, remain on the market.

"Landlords have been able to find newcomers for well-located properties, but others remain difficult to fill," Brunelli said.

Overall, about 74 percent of the vacant big-box space has been on the market for more than three years, the survey found.

Three of the region's Linens 'n

SEE RETAIL, PAGE 26

## Retail

CONTINUED FROM PAGE 28

Things sites have been leased, and ShopRite now occupies the former Foodtown in Hazlet.

But those gains were offset with the closure of Lowes in Old Bridge and A.C. Moore in Howell, both on Route 9. Kinart will soon shutter its outlet in Howell.

Sears closed auto centers in Old Bridge, Eatontown and East Brunswick. In January,

Big M — parent of Mandee, Annie Sez and Afaze — filed for bankruptcy, which led to closing an Annie Sez at Woodbridge Crosspointe and Mandee stores in North Brunswick and Eatontown.

Also, three Fashion Bug stores were closed along the corridors early this year after the new owners of Fashion Bug parent Charming Shoppes decided to shut the entire chain.

A similar survey Brunelli released last week showed

vacancy rates along North Jersey's six major shopping corridors had inched down to 8.1 percent from a high of 8.2 percent a year ago.

That improvement was attributed to several big-box spaces along Route 22 gaining new tenants. Route 23 was the only other highway to show an improvement from the firm's 2012 study.

Last week's survey reviewed shopping centers and free-standing buildings exceeding

2,000 square feet along routes 4, 10, 17, 22, 23 and 46/3, and certain intersecting arteries in Bergen, Essex, Morris, Passaic, Somerset and Union counties.

It found 2.4 million square feet of empty retail space in a market containing nearly 30 million square feet.

North Jersey had been one of the top-performing retail real estate markets in the nation, and 10 years ago, had a vacancy rate as low as 2 percent, Brunelli said.