REDEVELOPMENT
Charting the Future of West Orange

January 9, 2018
WHERE ARE WE NOW?

SEPTEMBER 19, 2017
Township Council adopts Resolution No. 212-17

Directed the West Orange Township Planning Board to investigate whether the Study Area qualifies for designation as an area in need of redevelopment.
SEPTMBER 19, 2017
Township Council also adopts Resolution No. 213-17

Authorized the retention of the Township Planner to:

1. Perform the evaluation as to whether the Study Area constitutes an Area in Need of Redevelopment.

2. Prepare a Redevelopment Plan
WHERE ARE WE NOW?

CRITERIA FOR DETERMINATION
(ONLY ONE MUST be found):

1. Buildings substandard, obsolete, not conducive to working conditions based on light, air, space.

2. Discontinuance of use for commercial purposes.

3. Buildings obsolete, faulty arrangement or design, obsolete layout.


5. Designation is consistent with smart growth planning principles.
   a. Live, Eat, Work – Main Street
   b. Open Space
   c. Trees
On November 1, 2017 and December 6, 2017, the West Orange Township Planning Board held public hearings on the Essex Green and Executive Drive Area Planning Study.

On January 4, 2018, the West Orange Township Planning Board adopted Resolution No. 18-01.
Planning Board Resolution Finding:
The Study Area qualifies for redevelopment designation under criteria “b” and “d” of the Local Redevelopment and Housing Law.
WHERE ARE WE NOW?

JANUARY 9, 2018:
The Township Council Considers Resolution 17-18. The Resolution ONLY provides the following:

(1) Designates the Study Area as an Area in Need of Redevelopment

(2) Directs the Clerk to Transmit notice to Commissioner of Community Affairs

(3) Directs the Clerk to Mail Notice to Property Owners within ten (10) days.
WHAT’S NEXT?

NEXT STAGE: PHASE TWO – PLAN PROCESS


1. Address local objectives:
   (a) Infrastructure
   (b) Traffic
   (c) Public Transportation Access
   (d) Recreational Facilities
   (e) Community Facilities
   (f) Topography
   (g) Affordable Housing
   (h) Public Works Facilities
WHAT’S NEXT?

NEXT STAGE: PHASE TWO – PLAN PROCESS


2. Redevelopment Plan will be prepared under the auspices of the Planning Board and recommended to the Township Council.

3. Township Council considers Ordinance concerning the Redevelopment Plan.
NEW ECONOMIC REALITY

RETAIL BUSINESS HAS DRAMATICALLY CHANGED

Brick and Mortar stores are no longer the norm.
Malls Beef Up Dining, Entertainment Options to Boost Traffic

Many mall owners are spending billions to add more upscale entertainment options after Macy’s, Sears and other big department store chains have shuttered hundreds of stores.

LOS ANGELES, United States — Shoppers braving the mall this holiday season may notice more that's new than the day's discounts.

Many mall owners are spending billions to add more upscale restaurants and bars, premium movie theaters with dine-in options, bowling alleys and similar amenities. Some have turned swaths of space that previously housed department stores over to health clubs and grocery stores. Others are undergoing no less than a
MASSENA, N.Y. — When the Payless ShoeSource at the St. Lawrence Center closed this spring, it could have been just another statistic in a grim year for retailers, one more struggling shop gone in a dilapidated mall.

For Erica Leonard, the mall’s manager, it was a call to action. Frustrated by a wave of store closings and suggestions from discouraged shoppers that they “just burn the place down,” Ms. Leonard went on the local radio station to urge listeners to stop the “negativity” and to start shopping there again.

She turned over vacant storefronts to local merchants who sell bourbon maple syrup and wood sculptures carved with chain saws. Near the mostly empty food court, a local Mohawk tribe member opened a specialty popcorn stand. And in the space that used to house a Sears store, residents of the area created a “winter wonderland” — an elfin village fashioned from discarded cardboard boxes that once held refrigerators.
The number of major retail store closings has been more than DOUBLE that of openings in 2017, according to Fung Global Retail & Technology, a research firm.

Note: Figures are through Dec. 8.
Why the Death of Malls Is About More Than Shopping

By JOSH SANDER
July 20, 2017

The Schuylkill Mall in Frackville, Pa., is open for business, but you have to look hard to know it. The stores that have shuttered—Sears, Kmart, Spencer Gifts, Hallmark Cards—
By 2022, analysts estimate that 1 out of every 4 malls in the U.S. could be out of business, victims of changing tastes, a widening wealth gap and the embrace of online shopping for everything from socks to swing sets.
Like all booms, this one couldn’t last. The decline began slowly, in the mid-2000s. The rise of online shopping and the blow of the Great Recession led to a drop in sales and foot traffic at big-brand retailers like JCPenney and Macy’s that anchored many of the country’s malls. Between 2010 and ‘13, mall visits during the holiday season, the busiest shopping time of the year, dropped by 50%.

Some of the great mall die-off is what economists refer to as a market correction. “We are over-retailed,” says Ronald Friedman, a partner at Marcum LLP, which researches consumer trends. There is an estimated 26 sq. ft. of retail for every person in the U.S., compared with about 2.5 sq. ft. per capita in Europe. Roughly 60% of Macy’s stores slated to close are within 10 miles of another Macy’s.

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REDEVELOPMENT IS...

Framework for **Consolidation**

Framework for **Cooperation**
  - Neighboring Property Owners
  - Existing Businesses
  - Community Involvement

Framework for **Future**
What Does The Township Want?

REDEVELOPMENT IS...

Market Conditions and Trends + Collaboration
Essex Green and Executive Drive are located at the Center of West Orange, New Jersey on a total of 70 acres.

Total Acreage

- Essex Green – 38.32 acres
  - 330,000 square foot retail space
- Executive Drive (4 buildings) – 32.26 acres
  - 403,000 square foot office space
ESSEX GREEN & EXECUTIVE DRIVE AREA
PLANNING STUDY, OCTOBER 2017

ESSEX GREEN

BUILT IN
1957
ESSEX GREEN

Size and layout of many of the retail units are “outdated by today’s retail standards.”

More specifically, the units are long and awkwardly laid out, and many of them were designed with two “main entrances” located at either end of the unit.
Further, retail unit floor plans are long and poorly configured, are characterized by low ceiling heights and do not comport with modern retail standards.

Such deficiencies and limitations are problematic when seeking to promote a positive shopping experience; this retail space has little functional value in the current marketplace. Despite the shopping center’s key location within the Township and along a busy thoroughfare, it cannot compete with modern regional shopping centers that are more attractive to today’s retail tenants.
ESSEX GREEN & EXECUTIVE DRIVE AREA
PLANNING STUDY, OCTOBER 2017

ESSEX GREEN

West Orange, New Jersey
Essex Green - 495 Prospect Avenue

<table>
<thead>
<tr>
<th>Tenant</th>
<th>SF</th>
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<tbody>
<tr>
<td>1 Sears Outlet</td>
<td>28,586</td>
</tr>
<tr>
<td>2 Pearl Vision</td>
<td>1,879</td>
</tr>
<tr>
<td>3 Potco</td>
<td>11,760</td>
</tr>
<tr>
<td>4 Camera Ready</td>
<td>4,575</td>
</tr>
<tr>
<td>5 Xfinity</td>
<td>5,153</td>
</tr>
<tr>
<td>6 Available</td>
<td>5,665</td>
</tr>
<tr>
<td>7 Available</td>
<td>4,054</td>
</tr>
<tr>
<td>8 Jerry’s Artarama</td>
<td>3,117</td>
</tr>
<tr>
<td>9 Gamestop</td>
<td>1,772</td>
</tr>
<tr>
<td>10 Goldstone Creamery</td>
<td>1,318</td>
</tr>
<tr>
<td>11 Torrid</td>
<td>2,700</td>
</tr>
<tr>
<td>12 Jerry’s Artarama</td>
<td>6,938</td>
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<tr>
<td>13 Available</td>
<td>3,910</td>
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<tr>
<td>14 Available</td>
<td>4,679</td>
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<tr>
<td>15 Available</td>
<td>5,197</td>
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<tr>
<td>16 Available</td>
<td>2,250</td>
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<tr>
<td>17 Available</td>
<td>22,900</td>
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<tr>
<td>18 Macy’s Backstage</td>
<td>38,000</td>
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<tr>
<td>19 AMC Theater</td>
<td>43,600</td>
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<tr>
<td>20 Essex Groom Cleaners</td>
<td>1,803</td>
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<tr>
<td>21 Available</td>
<td>6,706</td>
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<tr>
<td>22 Total Wine</td>
<td>22,125</td>
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<tr>
<td>23 Supercuts</td>
<td>1,267</td>
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<tr>
<td>24 Available</td>
<td>4,203</td>
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<td>25 GNC</td>
<td>1,711</td>
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<td>26 Available</td>
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<td>27 H&amp;R Block</td>
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<td>29 Available</td>
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<td>31 Citifinancial</td>
<td>1,440</td>
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<td>32 Shoptite</td>
<td>6,689</td>
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<td>33 Golf Friday's</td>
<td>6,830</td>
</tr>
<tr>
<td>34 Available (2nd floor)</td>
<td>2,515</td>
</tr>
</tbody>
</table>

23% VACANCY RATE
ESSEX GREEN & EXECUTIVE DRIVE AREA
PLANNING STUDY, OCTOBER 2017

ESSEX GREEN
While some of the retail units in the shopping center are actively utilized, others are largely vacant. The central retail shopping center building is aged (at least 60 years old) and is close to being or could be considered actually functionally obsolete. The building suffers from deficient mechanical systems and an antiquated loading and storage system. There are no elevators connecting the basement and ground floor retail units for ease of moving goods.
ESSEX GREEN & EXECUTIVE DRIVE AREA
PLANNING STUDY, OCTOBER 2017

ESSEX GREEN
The mechanical and HVAC systems in many of the vacant units are old and are in need of replacement.

Improvements are positive to the entire Township

- Stabilize Tax Base
- Additional Amenities
- Convenience
- Jobs
The shopping center was designed with large, central courtyard areas that today are rarely used and can best be described as unattractive and “wasted” space.

Existing corridors are potential safety issues.
The office market in New Jersey has experienced a fundamental change over the past decade. Suburban office space in New Jersey has vacancy rates pushing 30 percent and most new office development is occurring in downtown or mixed-use locations in which retail and other amenities are within walking distance.
EXECUTIVE PARK OFFICE COMPLEX

OCCUPANCY RATE

42%
EXECUTIVE PARK OFFICE COMPLEX
EXECUTIVE PARK OFFICE COMPLEX
Modern office users are seeking open, daylighted spaces with multiple amenities on the site.

Office park amenities are currently limited to a small, dated on-site cafeteria.

“Tenant preference skews towards downtown locations with access to transit and/or mixed-use environments. Suburban office sites are increasingly looking at modifications that create more of a “center” or a hub of many uses meant to bring activity to a site, essentially creating a “semi-urban” zone which includes offices, residential and/or retail activity.”
“If current conditions are allowed to persist, and the premises continue to lay fallow and unproductive, the Study Area will further deteriorate to the point at which it will have a detrimental impact on the surrounding properties and the public-at-large. Public intervention in the form of a redevelopment area designation and the preparation and adoption of a logical and well-conceived redevelopment plan will serve to ameliorate those conditions.”
Redevelopment allows the Township of West Orange define “how” the Township will grow.

Rather than allowing individual property owners to act solely in their own interests . . .

Redevelopment allows the Township to help define what the character and nature of the Township will be.
ORGANIZED MUNICIPALITIES ARE KEY.

Redevelopment projects require more extensive interaction and collaboration with municipalities and governmental agencies.

Here, we have two (2) properties owners willing to work with the Township.
WHY REDEVELOPMENT?

REDEVELOPING the NORM

Identifying and overcoming developer obstacles to redevelopment in New Jersey

FUTURE

January 2016
New Jersey Future is a nonprofit, nonpartisan organization. The Township can follow New Jersey Future principles that promote sensible growth, redevelopment and infrastructure investments to foster vibrant cities and towns, protect natural lands and waterways, enhance transportation choices, provide access to safe, affordable and aging-friendly neighborhoods and fuel a strong economy. The organization does this through original research, innovative policy development, coalition-building, advocacy, and hands-on technical assistance.
WHY REDEVELOPMENT?

Relieves Development Pressures on Open Space

Reduces per-unit infrastructure costs

Increases number of potential users of and therefore viability of public transportation system

January 2016
Preparation of a Redevelopment Plan

Will Include Community Participation

Townwide Community Forum in February with property owners and professionals to address the needs of West Orange.
WHAT'S NEXT?

WEST ORANGE POPULATION & AGE DISTRIBUTION

TOTAL POPULATION
47,390

AGE

- 35 To 54: 29.2%
- 25 To 34: 11.6%
- 18 To 24: 7.8%
- 5 To 17: 17.2%
- Under 5 Years: 5.3%
- 65 Years And Over: 16.2%
- 55 To 64: 12.7%
Preparation of a Redevelopment Plan

Goals of the Redevelopment Plan:

1. Stabilize the Township’s Tax Base
2. Improve connecting existing uses in the area
3. Consider Complementary New Uses
4. Incorporate Complete Street Principles & Smart Growth Metrics.
5. Incorporate Public Comments and Concerns.