



**BOROUGH OF
MONTVALE**

MASTER PLAN REEXAMINATION

For Block 2702, Lot 1, Block 2801, Lot 2 and Block 3201, Lot 6

Known as 1 & 3 Mercedes Drive & 1 Glenview Road

Adopted by the Planning Board on ____, 2017

March 8, 2017



Master Plan Reexamination

For Block 2702, Lot 1, Block 2801, Lot 2, and Block 3201, Lot 6

Known as 1 & 3 Mercedes Drive & 1 Glenview Road

Borough of Montvale

Bergen County, New Jersey

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The original of this report was signed and sealed in accordance with NJSA 45:14A-12.

MC Project # MPP-042

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I. INTRODUCTION

In accordance with the New Jersey Municipal Land Use Law, each municipality in the State of New Jersey shall reexamine its Master Plan and development regulations at least every ten years. Specifically, N.J.S.A. 40:55D-89 states:

"The governing body shall, at least every ten years, provide for a general reexamination of its Master Plan and development regulations by the Planning Board, which shall prepare and adopt by resolution a report on the findings of such reexamination, a copy of which report and resolution shall be sent to the County Planning Board. A notice that the report and resolution have been prepared shall be sent to the municipal clerk of each adjoining municipality."

In the case of Montvale, the Master Plan has been reexamined several times in recent years addressing changes stemming from a downturn in the economy, which impacted the Borough's office research zones and changes to affordable housing obligations assigned to municipalities throughout New Jersey. These recent master plan adjustments have reflected market conditions as well as the introduction of development types not previously located in Montvale that require relevant zoning.

This reexamination of the Borough of Montvale Master Plan conforms to the requirements of the Municipal Land Use Law and addresses the requirements of N.J.S.A. 40:55D-89 by including the following:

- A. The major problems and objectives relating to land development in the municipality at the time of the adoption of the last reexamination report.
- B. The extent to which such problems and objectives have been reduced or have increased subsequent to such date.
- C. The extent to which there have been significant changes in the assumptions, policies and objectives forming the basis for such plan or regulations as last revised, with particular regard to the density and distribution of population and land resources, energy conservation, collection, disposition and recycling of designated recyclable materials, and changes in State, County and municipal policies and objectives.
- D. The specific changes recommended for the Master Plan or development regulations, if any, including underlying objectives, policies and standards, or whether a new plan or regulations should be prepared.
- E. The recommendations of the Planning Board concerning the incorporation of redevelopment plans adopted pursuant to the "Local Redevelopment and Housing Law", P.L. 1992, c.79 (C.40A:12A-1 et seq.) into the land use plan element of the municipal Master Plan, and recommended changes, if any, in the local development regulations necessary to effectuate the redevelopment plans of the municipality.

While the Municipal Land Use Law requires a general reexamination of the Master Plan and development regulations every ten years, reexaminations can be more frequent than once every ten years. It can be as frequent as an individual municipality believes it to be warranted.

It is important that a Master Plan be kept up to date and flexible so that it can respond to changing conditions and reflect the best current thinking on land use issues. The Master Plan should be a document that is easily amended so that it can respond to both concerns and opportunities. A review once every ten years is adequate in some communities, while for other municipalities more frequent review is necessary.

A review of recent Montvale master planning documents reveals that the Borough's last Master Plan was adopted in April of 2008 and the last Master Plan Reexamination reports were adopted in September of 2014 and most recently in May and July of 2016. The 2014 Master Plan Reexamination focused on recommendations for a rezoning of School No. 2 to accommodate senior and special needs affordable housing. The May 2016 Master Plan Reexamination concentrated on recommended changes to the zoning code regarding churches, temples, houses of worship, public and private schools and boarding schools. The key recommendations of the July 2016 Master Plan Reexamination pertained to allowing three story buildings and multi-level parking garages in the Office Research Districts to encourage the modernization and new construction of office buildings and campuses, which enable the retention and attraction of corporate tenants. The Reexamination also called for expanding the permitted uses in Office Research Zones to accommodate a use not currently located in the municipality, assisted living facilities as a conditional use.

The aforementioned requirements of the Municipal Land Use Law are addressed in Chapter II through IV of this report.

PURPOSE OF THIS MASTER PLAN REEXAMINATION

For close to half a century Montvale was home to numerous well-established corporate campuses including A&P, BMW, Mercedes-Benz USA, Merck-Medco, Monsanto, Toys R Us and more. With the economic downturn and changes to the office market and office industry overall, Montvale has experienced a recent exodus of several of these very large companies, thus leaving a number of significant sites empty or grossly underutilized. This Reexamination report will focus specifically on the Mercedes-Benz USA properties at Block 2702, Lot 1, Block 2801, Lot 2, and Block 3201, Lot 6 as depicted on page 6.

In 2015, Mercedes-Benz USA announced that they would be relocating from Montvale, New Jersey to Atlanta, Georgia. This move means the departure of the second largest employer in the Borough, leaving hundreds of local residents or employees without a job. In total, the move will affect about 1,000 employees who work on the three-parcel, thirty-plus acre campus. A substantial amount of this relocation has occurred to date.

All three parcels are located in the western part of the Borough; Block 2702, Lot 1 and Block 2801, Lot 2 are both on the western side of Mercedes Drive just south of Grand Avenue, and backing up to the Garden State Parkway. Block 3201 Lot 6 is located less than a mile east of the

first two sites on Glenview Road west of Spring Valley Road and south of Grand Avenue. All three parcels are located in the OR-4 Office and Research District.

Over the past decade, New Jersey has experienced a pattern of office use that has evolved away from the large scale corporate campus to groupings of smaller office

users under one roof in high tech buildings with shared services and on-site amenities such as cafes, gyms and printing and concierge services. Due to the age of the Mercedes buildings and the way that they were constructed to accommodate one tenant, the cost of upgrading the facilities to suit other clients and the prospects of finding new tenants for the existing structures in the near future is bleak.

The Borough believes that evaluating alternatives that may enhance the viability for revitalization of these sites or construction of new

structures will add to the vitality of the overall community. Therefore, the purpose of this Master Plan Reexamination report is to guide the future zoning and development of the former Mercedes-Benz USA headquarters and corporate offices located at Block 2702, Lot 1, Block 2801, Lot 2 and Block 3201, Lot 6 (the "Study Area").



Photo 1: Empty interior of 1 Mercedes Drive

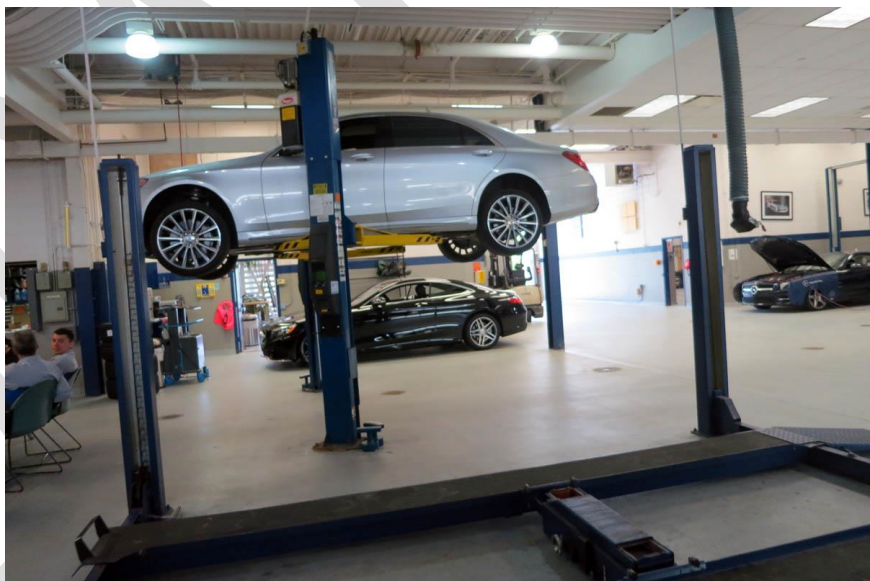
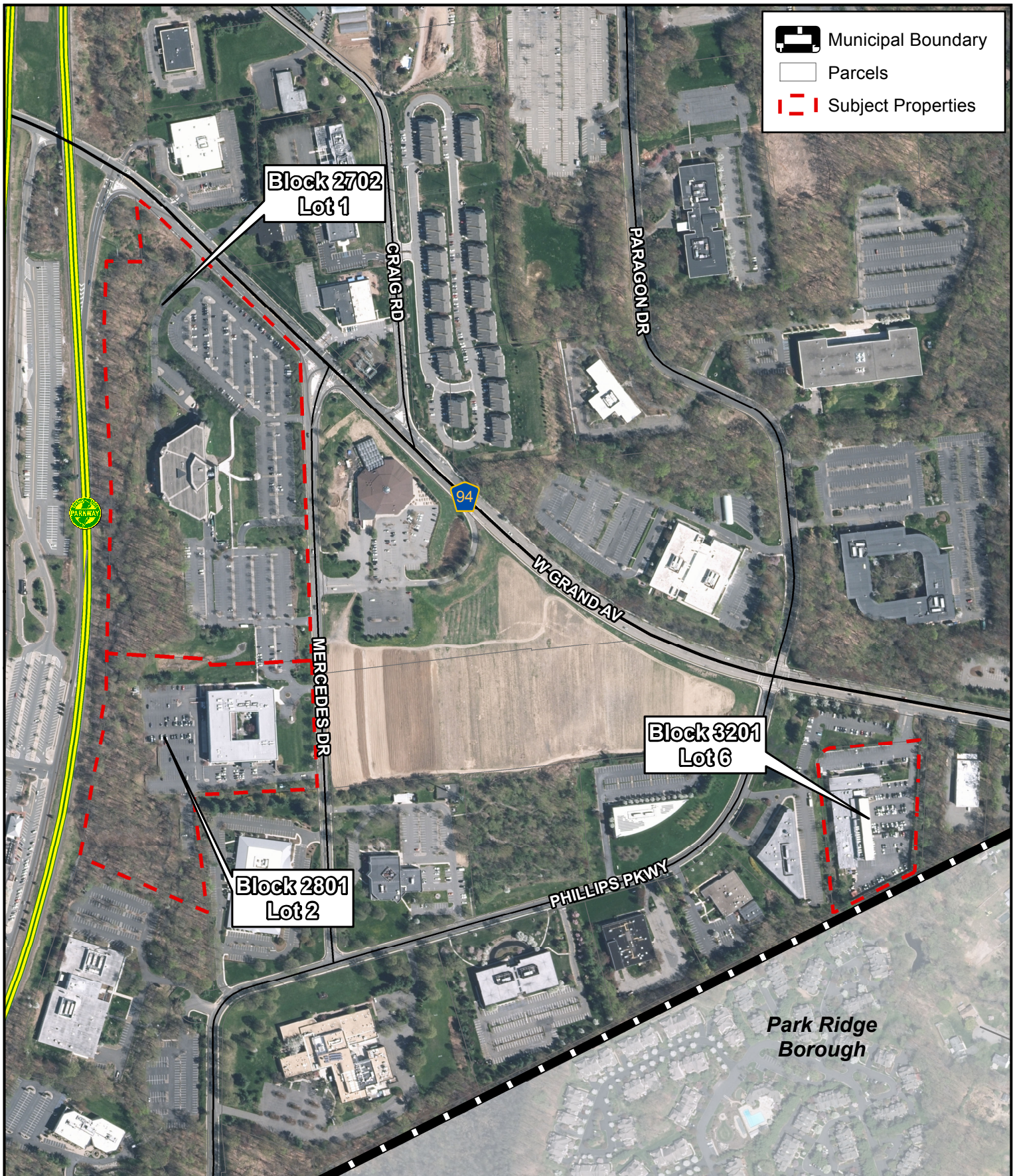


Photo 2: Interior of 1 Glenview Road



1 inch = 450 feet

0 225 450 675
Feet

THIS MAP WAS DEVELOPED USING BERGEN COUNTY AND NJDEP DIGITAL DATA. THIS SECONDARY PRODUCT HAS NOT BEEN VERIFIED AND IS NOT COUNTY OR STATE AUTHORIZED.



SUBJECT PROPERTIES LOCATION MAP

MONTVALE BOROUGH

BERGEN COUNTY NEW JERSEY



FEBRUARY 2017

II. PROBLEMS & OBJECTIVES RELATED TO THE JULY 2016 REEXAMINATION

This chapter of the Master Plan Reexamination examines the major problems and objectives relating to land development in Montvale that were included in the July 2016 Master Plan Reexamination report ("[July 2016 Reexamination](#)").

Problems and objectives noted in [July 2016 Reexamination](#) were related to three categories:

1. **Three Story Buildings.** To attract interest in the Montvale office market and to provide flexibility when owners decide to renovate an existing building or construct an addition, the July 2016 Reexamination recommended that all four office zones be amended to permit three story buildings. Suggested zoning changes included raising the maximum building height to 45 feet, increasing the floor area ratio to 35%, and increasing the total permitted lot coverage to 50%.
2. **Parking Garages.** As a result of the changing office market and the Borough's continued goal to encourage investment and revitalization of the office buildings within the OR Districts, the Borough determined that parking garages should be permitted in all four OR Districts. By allowing property owners to build vertically and not horizontally with their necessary parking, it reduces impervious coverage and maintains the lush landscaping that surrounds many office campuses.

The July 2016 Reexamination recommended that Section 128-7.5.E be amended as follows:

- Permit multi-level parking garages in the OR-1, OR-2, OR-3 and OR-4 Districts.
 - Allow multi-level parking garages on lots with at least five acres. A parcel that has more than 15 acres may be permitted a second multi-level parking garage.
 - Permit multi-level parking garages built into a slope to have a maximum of three levels above grade surface parking on the downhill side. The uphill side of the garage would be limited to the existing Ordinance standard of two levels above grade surface parking.
 - The section should also be amended to note that any variance from Section 128-7.5.E is a "C" variance, not a "D" variance.
3. **Assisted Living Facility.** The [July 2016 Reexamination](#) recommended permitting assisted living facilities in the OR-3 and OR-4 Districts under certain conditions. An assisted living facility was defined as:

A residential health-care facility, which is licensed by the State of New Jersey to provide housing with congregate dining and a coordinated array of supportive personal and health-care services, available twenty-four hours a day to elderly and/or handicapped residents unrelated to the proprietor. Each unit in an assisted living facility shall, as part of the living quarters, include a private bathroom, kitchenette and lockable entrance doors. Common dining, recreational and laundry facilities, housekeeping and maintenance services, personal and health-care

services and community and administrative facilities and services, all in support of and for the sole benefit of the residents of the facility, shall be considered customary accessory uses to an assisted living facility.

The importance of making this change for the Borough is that residents in an assisted living facility that receive a Medicaid waiver qualify as an affordable household. This is significant since Montvale has a constitutional obligation to provide affordable housing within its borders.

In order to accommodate the parking and customary accessory uses, it was recommended that an assisted living facility should be located on properties with at least ten acres that have frontage on a County Road to ensure that there is suitable emergency ingress and egress to the facility. A minimum lot size of ten acres would be able to accommodate the building, required parking and provide for appropriate buffers between the use and the adjacent properties. Typical assisted living facilities are three stories; therefore, the report recommended that the zoning ordinance permit assisted living facilities to be a maximum of three stories.

It was also recommended that the zoning ordinance require a minimum of 10% of the rooms/beds be reserved for affordable households to provide housing options for seniors and assist the Borough in meeting its State-mandated constitutional obligation to provide affordable housing.

III. EXTENT THAT PROBLEMS & OBJECTIVES HAVE CHANGED SINCE JULY 2016 REEXAMINATION

This chapter of the report reviews the extent to which problems and objectives have been reduced or increased since the July 2016 Reexamination. The issues listed in Chapter II are summarized below, along with a current status evaluation.

The status of problems and objectives noted in July 2016 Reexamination is as follows:

1. **Three Story Buildings.** Create zoning and development regulations to permit three story buildings in all OR Districts.

Current Status: The Borough drafted an Ordinance to implement this recommendation, which includes revised standards for number of stories, building height, floor to area ratio and lot coverage. The First Reading of Ordinance 2017-1423 occurred on January 31, 2017. The Planning Board reviewed the Ordinance on February 7, 2017. The Second Reading was held on February 28, 2017, where Ordinance 2017-1423 was adopted by the Mayor and Council.

2. **Parking Garages.** Expand zoning and development regulations to permit parking garages in all OR Districts.

Current Status: The Borough drafted an Ordinance to implement this recommendation, which includes revised standards for number of stories, building height, floor to area ratio and lot coverage. The First Reading of Ordinance 2017-1423 occurred on January 31, 2017. The Planning Board reviewed the Ordinance on February 7, 2017. The Second Reading was held on February 28, 2017, where Ordinance 2017-1423 was adopted by the Mayor and Council.

3. **Assisted Living Facility.** Create zoning and development regulations to permit assisted living facilities as a conditional use in the OR-3 and OR-4 Districts, including a definition of such use.

Current Status: The Borough drafted an Ordinance to implement this recommendation, which includes revised standards for number of stories, building height, floor to area ratio and lot coverage. The First Reading of Ordinance 2017-1423 occurred on January 31, 2017. The Planning Board reviewed the Ordinance on February 7, 2017. The Second Reading was held on February 28, 2017, where Ordinance 2017-1423 was adopted by the Mayor and Council.

IV. EXTENT OF CHANGES IN POLICIES & OBJECTIVES FORMING THE BASIS OF THE 2016 REPORT

The third step in the reexamine process, known as Section “C”, reviews the extent to which there have been significant changes in the assumptions, policies and objectives forming the basis for the Master Plan or changes in the State, County and municipal policies and objectives. Since the July 2016 Reexamination report, a series of events transpired that impact the policies and objectives that form the basis of the Master Plan. Additionally, demographic changes transpired that are noted in the next section (they also appeared in the July 2016 Reexamination). There have been few changes since the July 2016 Reexamination.

DEMOGRAPHIC CHANGES

The sections below show historic trends and the most recent Census information.

POPULATION GROWTH

The population of Montvale has increased every decade since 1940, except for two decades. There was a slight decrease in population between 1970 and 1980 (-0.1%) and between 1980 and 1990 (-5.1%). Prior to the twenty-year decrease, there had been substantial population growth between 1950 and 1970, when each decade experienced almost a doubling of the population. Since 1990, the Borough's population has increased and peaked at 7,844 residents in 2010. See the table to the right for details.

The North Jersey Transportation Planning Authority (“NJTPA”), which is the regional planning agency for northern New Jersey, has produced population projections for 2015, 2020, 2025 and 2030. According to NJTPA, the Borough's population decreased from the 2010 Census report of 7,844 residents to 7,290 residents in 2015. Then the population will marginally increase to 7,830 persons in 2030. This is fourteen less residents than determined to live in the Borough in 2010. Based on the residential development that is presently under construction and the recently approved residential development, the Borough believes these projections are inaccurate.

HISTORICAL POPULATION TRENDS		
Year	Population	Change
1940	1,342	-
1950	1,856	38.3%
1960	3,699	99.3%
1970	7,327	98.1%
1980	7,318	-0.1%
1990	6,946	-5.1%
2000	7,034	1.3%
2010	7,844	11.5%

Source: 2010 Census &
<http://lwd.dol.state.nj.us/labor/lpa/census/2kpub/njsdcp3.pdf>

POPULATION PROJECTIONS		
Year	Population	Change
2015	7,290	-
2020	7,490	2.7%
2025	7,530	0.5%
2030	7,830	4.0%

Source: NJTPA Population Forecast by County & Municipality 2000-2030

AGE DISTRIBUTION OF POPULATION

In 2010, the median age in Montvale was 41.9 years old. The largest five-year cohort was the 45 to 49 years old category, with 9.0% of the population. The second largest five-year cohort was the 40 to 44 years old category, with 8.8% of the population. Over 22% of the population was comprised of school-aged children. Those age 65 years and older totaled 14.5% of the Borough's population in 2010. See the table below for additional details.

AGE DISTRIBUTION (2010)		
Age (Years)	Number of Residents	Percentage of Residents
Under 5 Years	452	5.8%
5 to 9 Years	599	7.6%
10 to 14 Years	636	8.1%
15 to 19 Years	545	6.9%
20 to 24 Years	285	3.6%
25 to 29 Years	342	4.4%
30 to 34 Years	333	4.2%
35 to 39 Years	486	6.2%
40 to 44 Years	688	8.8%
45 to 49 Years	708	9.0%
50 to 54 Years	637	8.1%
55 to 59 Years	538	6.9%
60 to 69 Years	817	10.4%
70 to 79 Years	506	6.5%
80 Years and over	272	3.5%
Total	7,844	100.0%

Source: 2010 Census

HOUSEHOLDS

According to the 2010 Census, Montvale had an average household size of 2.82 persons and an average family size of 3.22 persons. Two-person households comprised the majority of households in the Borough, with 31.5%. The second largest category was the four-person households with 21.2%. The number of one-person households is also worth comment, as the Borough is mainly composed of large, single-family detached homes. One-person households totaled 17.6% of all households in Montvale. The following table shows the 2010 household sizes within the Borough.

HOUSEHOLD SIZE (2010)		
Size	Number of Households	Percentage of Households
1-person	490	17.6%
2-person	875	31.5%
3-person	512	18.4%
4-person	589	21.2%
5-person	217	7.8%
6-person	62	2.2%
7 or more persons	33	1.2%
Total	2,778	100.0%

Source: 2010 Census

HOUSEHOLD INCOME

Data on household income for 2010 has yet to be released by the Census, therefore, the 2010-2014 American Community Survey 5-Year Estimates ("ACS") had to be relied upon. The table below shows the estimated income for Montvale and compares it to the County. Households and families within Montvale earn more in every category than compared to the County's households and residents. According to the ACS, the median household income in 2014 is estimated to be \$103,361 for the Borough. The median family income is slightly higher at \$108,438 for Montvale. See the table below for additional details.

ESTIMATED INCOME (2014)		
Income	Montvale	Bergen County
Median Household Income	\$103,361	\$83,686
Average Household Income	\$137,533	\$116,079
Median Family Income	\$108,438	\$102,429
Per Capita Income	\$47,337	\$43,194

Source: 2010-2014 American Community Survey 5-Year Estimates

HOUSING OCCUPANCY & TENURE

According to the 2010 Census, the overwhelming majority of homes within Montvale were occupied – 96.7%. Only 3.3% or ninety-four homes were vacant. Of the vacant homes, the majority were units for rent (24), followed by seasonal/recreational homes (20) and homes for sale (19). See the table on the next page for additional details.

HOUSING OCCUPANCY (2010)		
Housing Units	Number of Units	Percentage of Units
Occupied units	2,788	96.7%
Vacant units	94	3.3%
For rent	24	-
Rented, not occupied	2	
For sale	19	-
Sold, not occupied	9	-
Seasonal, recreational use	20	
All other vacants	20	
Total	2,882	100.0%

Source: 2010 Census

The Borough has a fairly stable owner-occupied housing stock. The table below compares the 2000 and 2010 Census for housing tenure. The number of housing units increased by roughly 270, while the percentages marginally shifted. Owner-occupied units decreased from 85.0% to 83.5% during the ten year period. Meanwhile, the renter-occupied units realized a 1.5% increase.

HOUSING TENURE (2000 vs. 2010)				
Occupied Units	2000		2010	
	Number of Units	Percentage of Units	Number of Units	Percentage of Units
Owner-occupied	2,133	85.0%	2,321	83.5%
Renter-occupied	376	15.0%	457	16.5%
Total	2,509	100.0%	2,778	100.0%

Source: 2000 Census & 2010 Census

LAND USE

The Borough of Montvale has a wide range of land uses. However, the majority of the municipality's land area is comprised of single-family residential and office buildings. Over 3,000 parcels make up Montvale. The chart on page 14 summarizes the land use categories according to the Division of Local Government Services and displays the number of parcels and value for each category.

In 2016, the majority of parcels were residential (89.9%), which comprised 68.8% of the tax value in the Borough. Commercial properties total 3.9% of parcels, but 27.7% of tax value. According to the State, there are over 100 vacant parcels within the Borough, which have a value of over \$40 million. Additionally there are ten farm parcels and five industrial properties. Finally, there is one parcel that contains an apartment, which has a value of more than \$17 million. See the following table for additional details.

LAND USE (2016)				
Land Use Class	Number of Parcels	Percentage	Total Value	Percentage
Vacant	172	5.7%	\$40,981,600	2.0%
Residential	2,718	89.9%	\$1,400,530,900	68.8%
Farm Homestead	3	0.1%	\$1,939,100	0.1%
Farm Land	7	0.2%	\$18,000	0.0%
Commercial	117	3.9%	\$562,631,600	27.7%
Industrial	5	0.2%	\$11,044,100	0.5%
Apartment	1	0.0%	\$17,653,000	0.9%
Total	3,023	100.0%	\$2,034,798,300	100.0%

Source: http://www.nj.gov/dca/divisions/dlgs/resources/property_tax.html

STATE CHANGES

On March 10, 2015, the Supreme Court ruled that the New Jersey Council on Affordable Housing ("COAH") has failed to act and as a result, the Courts will be assuming jurisdiction over the Fair Housing Act. The Order divided municipalities into one of three categories – those that achieved Third Round Substantive Certification, those that filed or petitioned COAH and those that had never participated in the COAH process.

The Order permitted towns to file a Declaratory Judgment during a thirty-day window (approximately June 8 to July 8, 2015) to alert the Court that the municipality wishes to comply with its constitutional mandate to provide affordable housing. Montvale was proactive and filed its Complaint for Declaratory Judgment on July 6, 2015. The Borough's case was assigned to Judge Padovano, who sits in Hackensack. The Court has assigned a Special Master, Frank Banisch, to oversee and review Montvale's compliance mechanisms. The Borough has met with Mr. Banisch to discuss its obligations, past affordable housing construction and future mechanisms to provide affordable housing. Montvale has also mediated with its one intervenor (Hornrock) as mandated by the Court.

On January 18, 2017, the Supreme Court ruled that there is a "gap period" obligation for the period of time between 1999 and 2015. However, the Court stated that the gap obligation is part of the Present Need (also referred to as Rehabilitation Obligation). The ruling states that the households that formed during the "gap period" must be calculated to determine if those households still exist in the State. Furthermore, the obligation shall not include persons who are deceased, who are income-ineligible or otherwise are no longer eligible for affordable housing, or whose household may be already captured through the historic practice of surveying for deficient housing units within the municipality. Each vicinage judge shall be responsible for determining the "gap period" obligation.

Most recently, on January 24, 2017 Judge Padovano issued an Order Extending Temporary Immunity Against Exclusionary Zoning Actions through April 30, 2017. The Borough is awaiting Judge Padovano to make a decision regarding methodology, obligations and compliance mechanisms. A date has not yet been set for a trial on these issues. Until these decisions are

made, the Borough must continue to act in good faith and rely on sound planning to appropriately locate affordable housing within the community.

COUNTY CHANGES

Since the July 2016 Reexamination was adopted, the County has not prepared or adopted any relevant planning documents.

MUNICIPAL CHANGES

Since the adoption of the July 2016 Reexamination it has become clear that the Mercedes-Benz campus is unlikely to be purchased and reused by a single tenant. Relocation of employees began in July of 2015 and is currently ongoing with 1 Mercedes Drive empty except for the postal room.

V. CHANGES RECOMMENDED FOR THE MASTER PLAN OR DEVELOPMENT REGULATIONS

This chapter of the report recommends specific changes to the Master Plan and/or existing development standards, which can include the underlying objectives, policies and standards.

After evaluating the available information pertaining to the three Mercedes lots, recent data related to the July 2016 Reexamination, discussing the current Northern New Jersey office market climate with major commercial real estate executives, and considering the pressures throughout the state of New Jersey to address municipal fair share obligations for affordable housing, it is recommended that the Borough create an Overlay Zone for the subject parcels, while maintaining the underlying OR-4 District regulations. By doing so, this broadens the attraction of these parcels to a larger audience of potential users, while still leaving the door open for a large scale corporate user who may come to Montvale with an interest in reusing the existing space or developing a new office complex on the properties in question.

BASELINE INFORMATION

Prior to offering specific recommendations, it is important to provide a baseline description of some of the conditions found upon the subject parcels. These conditions are important as they may have a direct impact on the recommendations that follow as well as potentially later imposing limitations in the field. This section is divided into four sub-sections – study area history, zoning and tax information, existing parcel conditions and environmental conditions.

STUDY AREA HISTORY

By way of background, the following is a history of the parcels development progression over time as derived from information gathered from historic aerial photographs, tax maps and other archive documents.

All three of the sites in question were farmland and/or forest until development spread to this area. By studying aerial imagery, it is possible to follow the development of the subject parcels over the better part of the past century.

BLOCK 2702, LOT 1 AND BLOCK 2801, LOT 2

These parcels together are 1 and 3 Mercedes Drive. The first useful aerial image available for the Study Area is from 1953, as shown in Figure 1. This image shows the area prior to the construction of the Garden State Parkway, which would be built later that decade. One can see that the area is largely farmland and woodland, and the subject site has not otherwise been developed.



Figure 1: 1953 Aerial

Jumping forward 17 years, the next relevant aerial photograph is Figure 2 from 1970, when we can see the Garden State Parkway has been built and properties on the west side of the highway are developing. The Study Area parcels, however, remain woods and farmland.



Figure 2: 1970 Aerial

Figure 3 shows that between 1970 and 1974, the property at Block 2702 (1 Mercedes Drive) has been developed. Additionally, south of the Study Area, 15 Mercedes Drive has been constructed.



Figure 3: 1974 Aerial

Figure 4 illustrates that between 1974 and 1987 the southern parcel, Block 2801 (3 Mercedes Drive), was constructed. New buildings are also evident immediately east of the site and also on the west side of the Garden State Parkway, further demonstrating the development trends of the area at that time.



Figure 4: 1987 Aerial

In 2013, the most recent historic aerial (Figure 5), there was no perceptible change to the Study Area since 1987 – a long period of relative stability.



Figure 5: 2013 Aerial

BLOCK 3201, LOT 6

Block 3201, Lot 6 (1 Glenview Road) was forest in the earlier part of the 20th century as depicted in the first useful aerial image available for the Study Area from 1953 as shown in Figure 6.



Figure 6: 1953 Aerial

Development on this site happened earlier than for 1 and 3 Mercedes Drive, however. By 1966 1 Glenview Road had the existing building on site (see Figure 7). Moreover, West Grand Avenue had been built and land to the west of the subject parcel had been cleared – a sign of things to come.



Figure 7: 1966 Aerial

Between 1966 and 1987 (see Figure 8 below) adjacent lots to the west and north were developed.



Figure 8: 1987 Aerial

ZONING & TAX INFORMATION

All three parcels are located in the OR-4 District as shown by the map on page 21. According to the Borough's tax records (2015-2016), the three properties have a total value of over \$42 million.

FEBRUARY 2017

As shown in the table below, 1 Mercedes Drive is the largest of the three properties, with over 22 acres. 3 Mercedes Drive contains over ten acres and 1 Glenview Road is the smallest of the three sites with only four acres.

STUDY AREA INFORMATION							
Block	Lot	Street Address	Total Value	Land Value	Improve. Value	Percent Improvement	Acreage
2702	1	1 Mercedes Dr.	\$22,138,400	\$10,000,000	\$12,138,400	55%	22.1
2801	2	3 Mercedes Dr.	\$14,779,300	\$5,295,000	\$9,484,300	64%	10.8
3201	6	1 Glenview Rd.	\$5,110,000	\$2,000,000	\$3,110,000	61%	4.0

Source: Borough Tax Records 2015-2016

To date, Mercedes-Benz USA remains listed as the property owner of record and has paid its taxes and has not asked for any tax relief. However, it is public knowledge that Mercedes held a public offering on the properties as a whole and a private developer is currently proceeding through due diligence to determine the viability of suitable development options for the three lots in question.

The subject properties have been home to Mercedes-Benz USA headquarters for the past four decades. In 2016, Mercedes-Benz USA decided to move its headquarters south and put their campus up for sale.

EXISTING PARCEL CONDITIONS

In an effort to understand existing parcel conditions, lot sizes, floor area ratios, building coverage and lot coverage were analyzed as part of the July 2016 Reexamination. Currently, a pending ordinance proposes a number of revisions to the OR-4 District to implement the recommendations of the July 2016 Reexamination. Proposed changes to the OR-4 District include increasing the floor to area ratio to 35% and increasing the maximum lot coverage to 50%.

STUDY AREA EXISTING CONDITIONS				
Street Address	Acreage	Floor Area Ratio	Building Coverage	Lot Coverage
1 Mercedes Dr.	22.1	14.7%	5.30%	37.7%
3 Mercedes Dr.	10.8	23.8%	10.80%	39.9%
1 Glenview Rd.	4.0	25.3%	21.60%	74.2%

Source: July 6, 2016 Master Plan Reexamination

ENVIRONMENTAL CONDITIONS

There are a number of environmental constraints that should be taken into consideration on 1 and 3 Mercedes Drive and 1 Glenview Road. Altogether, the three lots comprise 36.8 acres of land in the western portion of the Borough of Montvale. The following natural constraints exist within the Study Area:

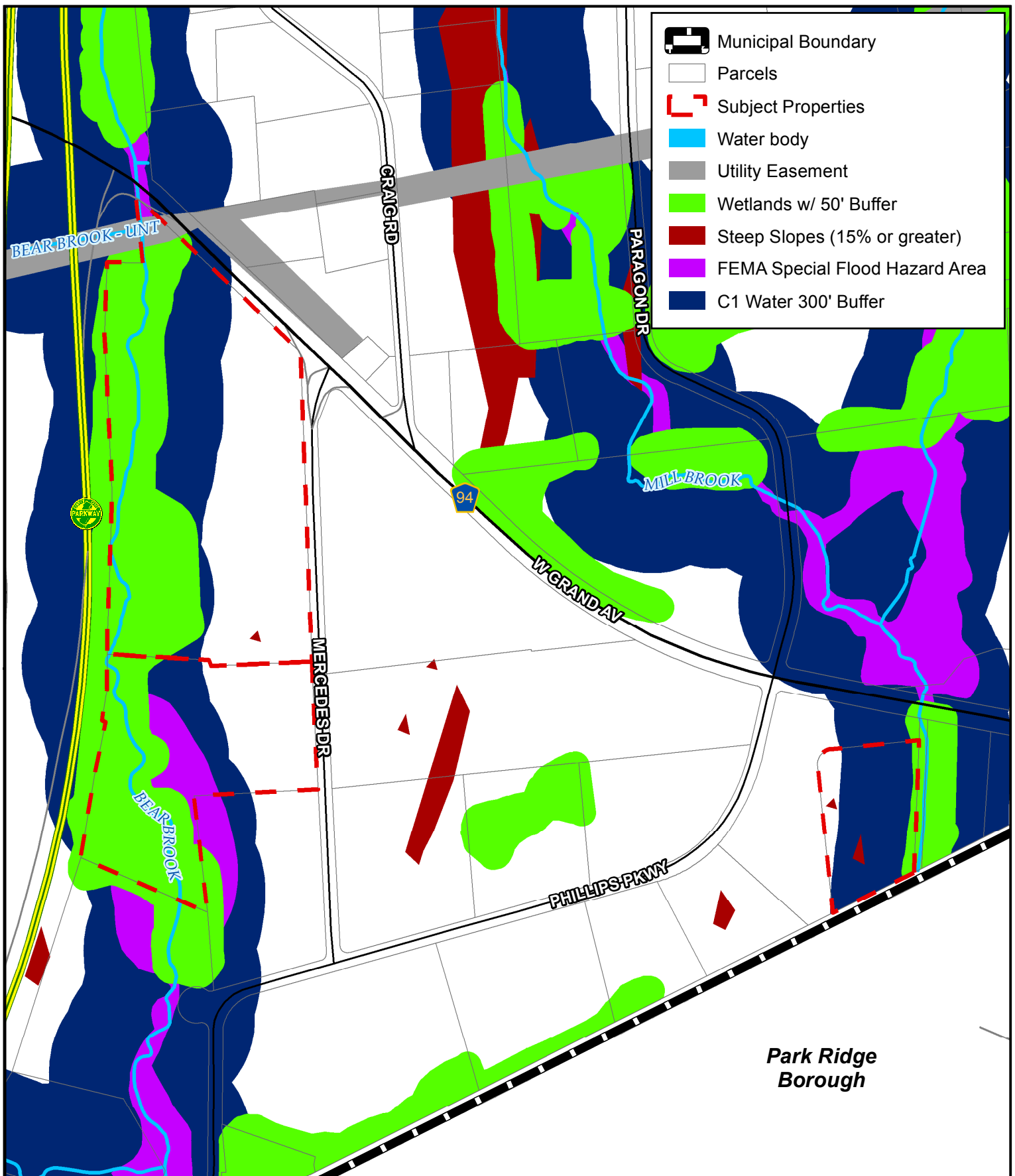
- 0.5 miles of stream in total
- 13.7 acres (37.3% of total area) of wetlands with a 50 foot buffer
- 23.9 acres (64.9%) of Category One ("C1") Waterway with a 300 foot buffer
- 8.2 acres (22.3%) in the FEMA Special Flood Hazard Area ("SFHA") zone
- 0.1 acres (0.2%) of steep slopes

These constraints are further described and examined by property below and are shown on the map on the following page. It should be noted that some of the environmental constraints overlap and that the area of one constraint is not necessarily exclusive of others.

1 Mercedes Drive has a total area of approximately 22 acres, which contains one existing building and parking areas. Approximately 0.3 miles of Bear Brook runs through the western portion of the lot alongside the Garden State Parkway. Wetlands and their buffer, as required by the New Jersey Department of Environmental Protection ("NJDEP") Fresh Water Protection Act, account for over eight acres of the lot, which surround both sides of Bear Brook. Extending further beyond Bear Brook, approximately halfway between the east and west borders of the parcel, is the C1 Waterway buffer, required by the Stormwater Management (N.J.A.C. 7:8) and Flood Hazard Area Control Act rules (N.J.A.C. 7:13), which includes 12.8 acres of the lot. 1 Mercedes also has 2.3 acres located within the FEMA SFHA. Although less significant, there are 0.02 acres of steep slopes (greater than 15%) located in the southeastern portion of property.

3 Mercedes Drive contains approximately 11 acres in total. Approximately 0.19 miles of Bear Brook winds through the western portion of the property and five acres of wetlands and their buffer and 7.7 acres of C1 Waterway buffer surrounds the brook on either side. This area alone covers the majority of the property, with the exception of the eastern portion. 3 Mercedes Drive has the most acreage within the FEMA SFHA with 5.87 acres located within the C1 Waterway Buffer area to the southwest.

1 Glenview Road is noncontiguous with the other two lots and is south of West Grand Avenue and east of Phillips Parkway. It is the smallest of the three lots and has the greatest percentage of its total four acres encumbered by environmental constraints. Only a sliver of the western edge of the lot is unaffected. Although there are no streams running directly through the property, the lot is adjacent to Mill Brook, which has 0.3 acres of wetlands and their associated buffers; 3.4 acres of C1 Waterway buffer; and 0.02 acres of FEMA SFHA extending into the property. There is less than an acre of steep slopes on the parcel.



1 inch = 450 feet

0 225 450 675
Feet

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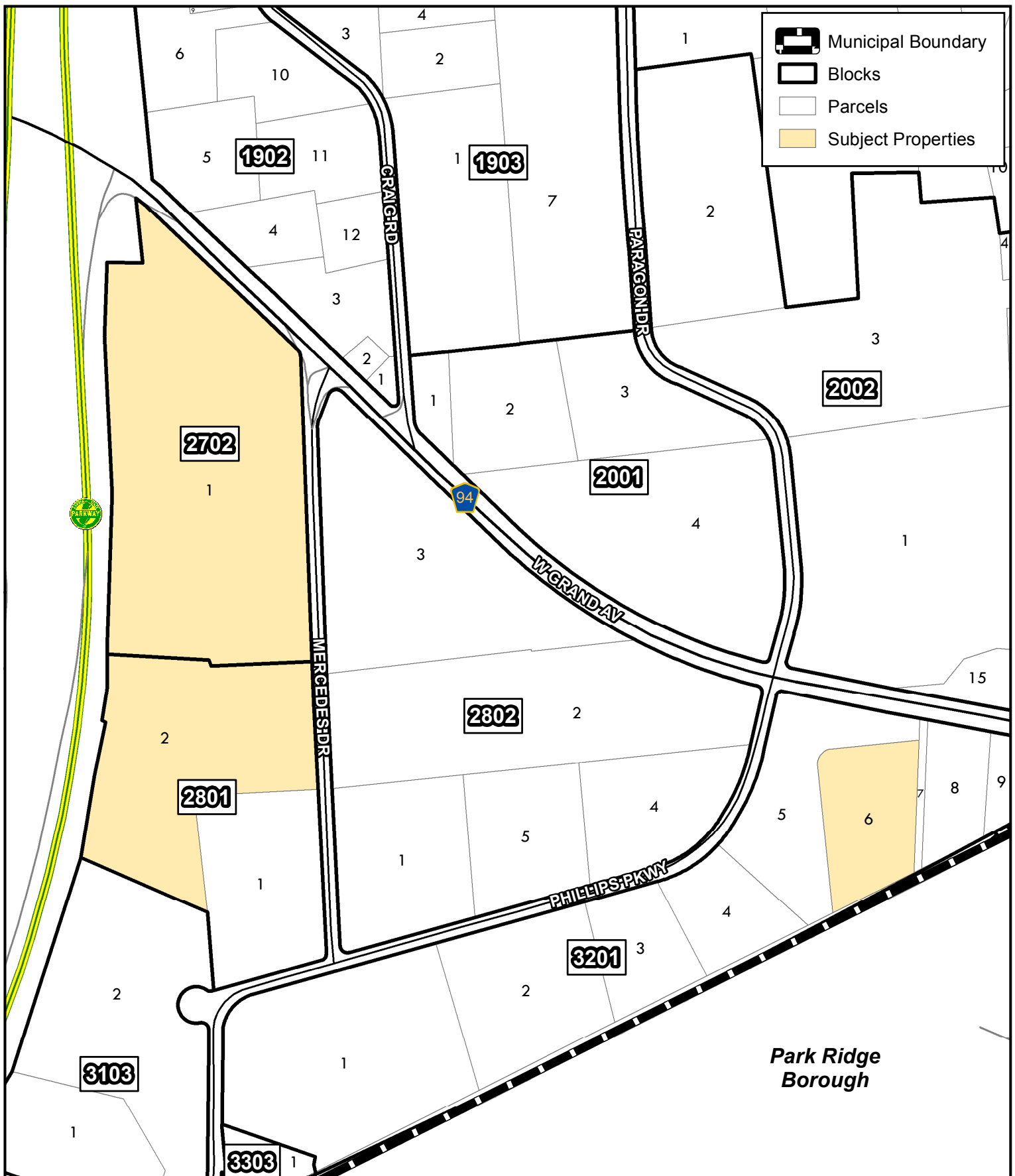
ENVIRONMENTAL CONSTRAINTS

MONTVALE BOROUGH

BERGEN COUNTY NEW JERSEY



FEBRUARY 2017



1 inch = 450 feet

0 225 450 675
Feet

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PROPOSED OVERLAY ZONE PROPERTIES

MONTVALE BOROUGH

BERGEN COUNTY NEW JERSEY



FEBRUARY 2017

RECOMMENDATIONS

The recommended changes for the Master Plan and development regulations are detailed in the sections that follow.

CREATE A MIXED-USE PUD OVERLAY DISTRICT

As noted in the prior sections as well as the July 2016 Reexamination, the Borough has had the good fortune of being home to a number of significant corporate headquarters over the years. Due to a downturn in the economy and relocation incentives being offered by other states, there has been a noted out migration of several of these large companies during the last decade. While the Borough may desire for other large companies to come to town and occupy the office space which is in the process of being vacated, reality is signaling that this may not take place in the near future, if at all. However, the office market may be morphing in other directions. The type of office space that users are seeking in North Jersey seems to be smaller in size, and even includes shared office space with communal resources and equipment. A Cushman and Wakefield realtor noted that companies currently seeking office space in the North Jersey market are looking for locations with added value features including onsite cafes, gyms, retail and more. Class A office space next to hotels, retail and mass transit is occupied much faster than office space which is not located proximate to such facilities.¹

In its evaluation of the subject properties, relevant background documents and current real estate trends, Maser Consulting P.A., as the Planning Consultant to the Borough of Montvale, recommends that the Borough maintain the OR-4 Office Research District as underlying zoning for the properties in question, while creating an Overlay Zone known as the Mixed-Use Planned Unit Development District ("M-PUD") (see map on the previous page). This option allows current and future property owners, as well as the Borough, to continue to market the site for office development, as well as other permitted land uses in the OR-4 District. The proposed changes under Ordinance 2017-1423 to the OR-4 District's bulk regulations will permit additional building height, increased floor space, additional lot coverage and the ability to construct parking garages to accommodate parking.

An M-PUD District Overlay Zone can widely broaden the potential to attract a mixed-use development to the subject properties while further addressing the Borough's affordable housing obligation. As with the existing AH-PUD located on portions of Block 2802 and Block 1002 in the Borough (former DePiero Farm site), fulfillment of an affordable housing obligation is considered a threshold requirement for any potential development concept associated with the Study Area if the M-PUD Overlay Zone is to be utilized.

Furthermore, a mixed-use development has the ability to complement and enhance the Shoppes at DePiero Farm lifestyle complex, which is under construction. Allowing for the redevelopment of the Mercedes office buildings into a mixed-use development has the ability to create a village destination that offers shopping, dining and entertainment. The overlay zone

¹ Telephone conversation with Thomas Tucci of Cushman and Wakefield, summer 2016.

will also permit a residential development type that only comprises an estimated 12.5% of the Borough's housing stock.²

As with the DePiero Farm properties, it is Montvale's position that a planned unit development approach should be utilized to provide a higher degree of control with respect to development phasing, site layout, site and building design and implementation of any required affordable housing components.

The M-PUD Overlay District should require a minimum of at least three of the following uses:

- Multi-family Residential
- Retail/Personal Service
- Office
- Hotel

It is recommended that the zoning ordinance and development regulations for the M-PUD Overlay District address the following:

- General
 - Develop design guidelines and a design palette for properties located at 1 and 3 Mercedes Drive which correlate with the approved Shoppes at DePiero Farm.
 - Seek to create a single village center with 1 and 3 Mercedes Drive and the Shoppes at DePiero Farm by developing a defined point of entry to both developments at Mercedes Drive and West Grand Avenue, with entrances to each project from Mercedes Drive. The main entrance should create a sense of place in terms of coordinated landscaping, lighting, signage, etc.
 - Pull buildings closer to Mercedes Drive and to each other to create a walkable development.
 - The redevelopment of the properties must be done in a pedestrian-friendly manner that provides pedestrian access between buildings and connects the properties to the surrounding neighborhood.
 - Utilize landscaping to unify both sides of Mercedes Drive. The plant palette from Shoppes at DePiero Farm should be implemented and enhanced within the Study Area.
 - Require a traffic analysis at the time of site plan application to ensure the street network can accommodate the anticipated development.
 - No access shall be permitted to or from West Grand Avenue.
 - Require a public space, such as a plaza or park. A minimum size should be established in the ordinance.
 - Permit parking garages to be incorporated into the building design or located underground. However, free-standing garages are prohibited.
- Bulk Parameters
 - The ordinance should establish a minimum lot area for the M-PUD Overlay District.

² 2010 Units in Structure based on 2006-2010 American Community Survey 5-Year Estimates

- Building height should be capped at no more than four stories on 1 and 3 Mercedes Drive.³ Building height shall be limited to three stories on 1 Glenview Road.⁴
- Multi-family Residential
 - The future redeveloper(s) of the properties are encouraged to offer both for-sale and rental units to broaden opportunities to attain a diversified housing stock within the Borough.
 - Permit a maximum of 275 market-rate multi-family dwelling units on 1 and 3 Mercedes Drive.
 - Include standards in the ordinance that require minimum unit sizes and prohibit three-bedroom units on 1 and 3 Mercedes Drive.
 - Require residential units to be located on the upper floors (on 1 and 3 Mercedes Drive).
 - Require a minimum affordable housing set-aside of 20%. This would translate into 69 affordable units if the maximum number of market-rate units were constructed.
 - Permit the affordable housing to be constructed as a stand-alone development on 1 Glenview Road, which is constructed by or on behalf of the developer of 1 and 3 Mercedes Drive. Craft bulk standards in the ordinance that require compliance with all affordable housing regulations and provide bulk standards for the property.
- Retail and Personal Services⁵
 - Limit retail uses to the first floor in mixed-use structures, but prohibit adult stores.
 - Prohibit retail stores over 15,000 gross square feet, grocery stores and gas stations. The definitions in the ordinance may need to be enhanced or created for these uses.
 - Permit a dinner theater or live entertainment venue, which would host performances, musical acts, theatrical acts (including stand-up comedy), plays, or any combination of these, or similar activity performed live by one or more persons, whether or not done for compensation, and whether or not admission is charged. Live entertainment does not include adult entertainment.
 - Allow personal services such as salons and day spas; day care facilities for children and adults; and the like.
 - Permit outdoor dining areas accessory to restaurants.
 - Allow a maximum of two free-standing retail pads. The retail pads shall be integrated into the greater development. Maximum building size and location parameters shall be established in the ordinance.
 - Prohibit drive-through facilities for restaurants. The ordinance should consider limiting or prohibiting all other drive-through facilities.

³ It should be noted that the Valley View stacked townhomes, which are north of the Study Area, are four stories tall on the downhill side of the buildings.

⁴ Building height is limited to three stories at 1 Glenview as the property is located in the middle of the OR-4 Zone, which is limited to three stories. The goal is to blend any new development at 1 Glenview with the surrounding scale and massing of the existing surrounding buildings.

⁵ This section only applies to 1 and 3 Mercedes Drive.

- Office⁶
 - Permit professional, medical and general office uses.
 - Allow scientific or research laboratories, provided said use is not noxious, offensive or hazardous.
 - Require offices to be located on the upper floors.
- Hotel⁷
 - If a hotel is part of the mix of land uses in the overlay zone, it shall be a full service hotel with conference space. A minimum of 15,000 square feet of conference space shall be provided.
 - Attract a deluxe/luxury or first class/superior hotel brand to support the expanding medical sector and complement the existing corporate offices within the community.
 - It should be noted that multiple corporate entities within Montvale have requested that conference space be built within the Borough to support their needs for meeting and event space.

ADVANCEMENT OF BOROUGH GOALS AND OBJECTIVES

The aforementioned recommendations have the ability to advance a number of the Borough's Master Plan goals and objectives, including:

Goal 4. Preserving the natural environment and providing access to it for use as passive open space

To protect wetlands, floodplains and stream corridors by adopting measures which:

- *stabilize stream bank erosion*
- *relieve flooding adjacent to streams, particularly on the properties of private landowners*
- *preserve and supplement the existing vegetation throughout the Borough, especially trees, and prevent their unnecessary removal*
- *provide access to environmentally constrained areas so they can be enjoyed as passive open space.*

The M-PUD Overlay District will require that development meet all local, state and federal environmental codes. Further, zoning and development regulations for the M-PUD Overlay District should promote consolidation of open space areas for the enjoyment of the public, walkways and seating near passive open space and natural environment edges and the preservation of large scale trees to the greatest extent practicable. By transforming the properties from a private office campus to a mixed-use property that is open to the public it will allow the public to enjoy and have access to the open space and park/plaza facilities on the properties.

⁶ This section only applies to 1 and 3 Mercedes Drive.

⁷ This section only applies to 1 and 3 Mercedes Drive.

Goal 6. Provide community facilities and services of the highest quality.

To continue to provide the highest-quality facilities and services to meet the needs of residents and employees in Montvale.

The overlay district will require the redevelopment of 1 and 3 Mercedes to include a public space component, which will enhance the Borough of Montvale's park system. This area will be open to the public. Furthermore, the overlay district provides the opportunity for new shops and services to be built that can serve the shopping and personal service needs of Montvale's residents.

Goal 11. Engender higher-quality design

To add design guidelines and requirements to the land use regulations to maintain consistency in the scale and character of residential and retail development, and to make the built environment as attractive as possible.

Zoning and development regulations for the M-PUD Overlay District will be created to include design guidelines that will lead to a high-quality mixed-use development, while also producing strong visual and physical ties to the Shoppes at DePiero Farm development across the street to create the context of a single village complex.

Goal 15. Implement mandates of the State Plan

To support the principles of smart growth and sustainability in the State Plan and compliance with the requirements of the Fair Housing Act.

Zoning and development regulations for the M-PUD Overlay District have the ability to address the principals of smart growth and sustainability. The Planning Board should work with any potential developer to incorporate green building features into the design of the development, create a walkable community between the subject sites and the Shoppes at DePiero Farm, as well as the nearby municipal services and seek to bring public transit opportunities to the site. The future M-PUD Overlay District will require any developer seeking to construct housing to build a 20% affordable housing set-aside onsite or at 1 Glenview Road. This shall be subject to approval by the Special Master and the Court. Furthermore, it should be noted that any new non-residential construction within the Study Area will be subject to the State-wide Non-Residential Development Fee Act.

Goal 16. Expand the Borough's medical sector

To support and encourage the growth of the medical sector in light of the opening of Memorial Sloan Kettering Cancer Center by updating the permitted uses and standards in the zoning code.

A mixed-use development, such as the proposed overlay zone, may have the ability to incorporate professional offices and services associated with medical sector including doctor's offices, physical therapy practices, medical testing facilities and more. The overlay zone provides the opportunity to increase the quality and diversity of office stock by providing new space in a village-like setting.

VI. RECOMMENDATIONS CONCERNING THE INCORPORATION OF REDEVELOPMENT PLANS

This section contains recommendations of the Planning Board concerning the incorporation of redevelopment plans adopted pursuant to the "Local Redevelopment and Housing Law", P.L. 1992, c.79 (C.40A:12A-1 et seq.) into the land use plan element of the municipal Master Plan, and recommended changes, if any, in the local development regulations necessary to effectuate the redevelopment plans of the municipality.

The Borough does not have any recommendations for the incorporation of potential redevelopment areas and/or plans at this time.