

**DRAFT AREA IN NEED OF REDEVELOPMENT INVESTIGATION
FOR BLOCK 705 LOT 4.01 & BLOCK 707 LOTS 1-5**

TOWNSHIP OF TEANECK, BERGEN COUNTY, NEW JERSEY

PREPARED ON BEHALF OF THE
TOWNSHIP OF TEANECK
PLANNING BOARD



[DRAFT]

**Area in Need of Redevelopment Investigation for
Block 705 Lot 4.01 & Block 707 Lots 1-5
Township of Teaneck, New Jersey**

February 2, 2021

Prepared on behalf of:
The Township of Teaneck Planning Board

Prepared by:
Phillips Preiss Grygiel Leheny Hughes LLC
Planning and Real Estate Consultants
33-41 Newark Street
Third Floor, Suite D
Hoboken, NJ 07030

The original of this report was signed and
sealed in accordance with N.J.S.A. 13:41-1.2

Richard Preiss, PP
New Jersey Professional Planner License # 3461

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I. INTRODUCTION

The following study has been prepared at the direction of the Council of the Township of Teaneck and on behalf of the Township of Teaneck Planning Board to determine whether a Study Area consisting of Block 705, Lot 4.01 & Block 707, Lots 1-5 within the Township of Teaneck qualifies as an “area in need of redevelopment” as defined under the Local Redevelopment and Housing Law (“LRHL”) at N.J.S.A. 40A:12A. Pursuant to Resolution 203-2020, adopted on September 22, 2020, the Township of Teaneck authorized the Planning Board to undertake this study. Further, as noted in the statement setting forth the basis for the investigation attached to the resolution, pursuant to Section 6 of LRHL, the Township has determined that such Study Area would be a “Non-Condemnation Redevelopment Area” if determined to satisfy LRHL criteria. As such, it would authorize the Township to use all powers provided by applicable law for use in a redevelopment area other than the use of eminent domain.

In preparation of the study, Phillips Preiss Grygiel Leheny Hughes LLC (Phillips Preiss) conducted the following investigations:

- Reviewed the 2007 Master Plan and Master Plan Reexamination Reports in 2011, 2014, and 2017.
- Reviewed the current zoning map and ordinances of the Township of Teaneck
- Reviewed tax maps of the Township of Teaneck and tax records of the subject properties.
- Reviewed a study entitled “Store Analysis Stop & Shop Supermarket 665 American Legion Drive Township of Teaneck (Bergen County), New Jersey,” prepared by Robert R. Volosin, dated January 29, 2021.
- Physical inspection of all the properties within the Study Area on several occasions, including a detailed walkthrough of the Stop & Shop supermarket on Lot 5 of Block 707 on January 26, 2021, as well as all properties adjacent to the Study Area and the neighborhood that the Study Area is a part of.
- Held conversations with representatives of the Township and the property owners to obtain additional information on the historical and existing uses of the properties in the Study Area.

The remainder of this report is divided into six chapters. Chapter II provides a description of the Study Area and its locational context. Chapter III provides an analysis of the applicable master plan and zoning designations within the Study Area. Chapter IV discusses the qualifying criteria set forth at N.J.S.A. 40A:12A-5 for an “area in need of redevelopment” determination. Chapter V applies these criteria to the Study Area to determine whether or not an area in need of redevelopment determination is warranted. Chapter VI summarizes the overall conclusions of the report. The Appendix contains photographs of the Study Area taken in October 2020, as well as the aforementioned Store Analysis report.

II. DESCRIPTION OF THE STUDY AREA AND LOCATIONAL CONTEXTS

The Study Area under consideration for redevelopment area designation is an approximately 6.67-acre property consisting of 6 tax parcels on both sides of American Legion Drive (see Table 1). The Study Area is roughly bounded by Water Street to the north, North Street to the south, Chestnut Avenue to the west, and train tracks to the east. American Legion Drive traverses the area, separating Block 705, Lot 4.01 and Block 707, Lots 1-5. Figure 1 shows the geographic location of the Study Area within the Township of Teaneck, Figure 2 shows the aerial context of the property and its surroundings, and Figure 3 depicts the tax map designations of the Study Area parcels.

Table 1: Study Area Tax Parcels

Tax Parcel	Street Address	Acres	Property Classification	Ownership
Block 705, Lot 4.01	American Legion Drive	1.47	15C (Parking)	Township of Teaneck
Block 707, Lot 1	713 American Legion Drive	0.413	4A (Commercial)	713-719 Teaneck LLC
Block 707, Lot 2	719 American Legion Drive	0.344	4A (Commercial)	719 Teaneck LLC
Block 707, Lot 3	699 American Legion Drive	0.281	4A (Commercial)	C/O AFS-Leasing Accounting
Block 707, Lot 4	689 American Legion Drive	0.351	4A (Commercial)	C/O AFS-Lease Accounting
Block 707, Lot 5	665 American Legion Drive	3.81	4A (Commercial)	NNN Teaneck NJ C/O O'Brien, Janette

Source: New Jersey Division of Taxation Property Tax List

Block 705, Lot 4.01 is a “L” shaped municipal surface parking lot totaling ±1.47 acres. The parcel extends through entire frontages along American Legion Drive and Water Street (Alma Terrace) of Block 705, and additionally has frontages along Chestnut Avenue and North Street. Three continuous parking rows are located within the lot, with a small number of interior landscaped islands dispersed at the ends of parking rows and along the American Legion Drive frontage. Pole-mounted lighting fixtures are provided within the landscaped islands. The parcel is the largest within Block 705 and takes up approximately half of the entire size of the block. Neighboring uses within the block consist of single- and multi-family residences.

Within the ±5.2-acre Block 707 portion of the Study Area, Lot 2 is improved with the SGI-USA Buddhist Center, Lot 5 is improved with a Stop & Shop supermarket, and the remaining ±1.046 acres on Lots 1, 3 & 4 are surface parking areas. The SGI-USA Buddhist Center is a single-story building with pedestrian and vehicular entrance on American Legion Drive and a small parking area located along the southern façade of the building. Parking for the SGI-USA Buddhist Center is additionally provided on Lot 1 to the north of the main building, which has a one-way driveway on American Legion Drive and a two-way driveway on Water Street. Parking rows are striped along the perimeter of the lot, as

well as in the center. Landscaped islands are provided at the driveway entrances and at the edge of the central parking rows.

The Stop & Shop is also a single-story building located directly to the east of the SGI-USA Buddhist Center, separated by a driveway running between the two buildings. The primary vehicular access to the supermarket is provided via two driveways on American Legion Drive, while truck deliveries are accommodated via driveways on Water Street that lead to the loading bays located to the building's rear. Surface parking areas on Lots 3-5 feature similar design and layout as other parking areas within the Study Area. They are characterized by continuous striped parking rows with a small number of interior landscaped islands by driveway entrances and at the ends of parking rows. The southwestern, southern, and eastern property lines of Lot 5 are lined by mature trees and vegetation. Within Block 707, neighboring properties include single- and multi-family dwellings along American Legion Drive.

The Study Area as a whole is located in an area with a mix of residential and commercial land uses. To the north of the Study Area is the Cedar Lane commercial corridor, which feature a variety of retail and service business uses. To the east, west, and south, the Study Area is surrounded by predominantly single- and multi-family uses, with a small number of retail and office uses along American Legion Drive.

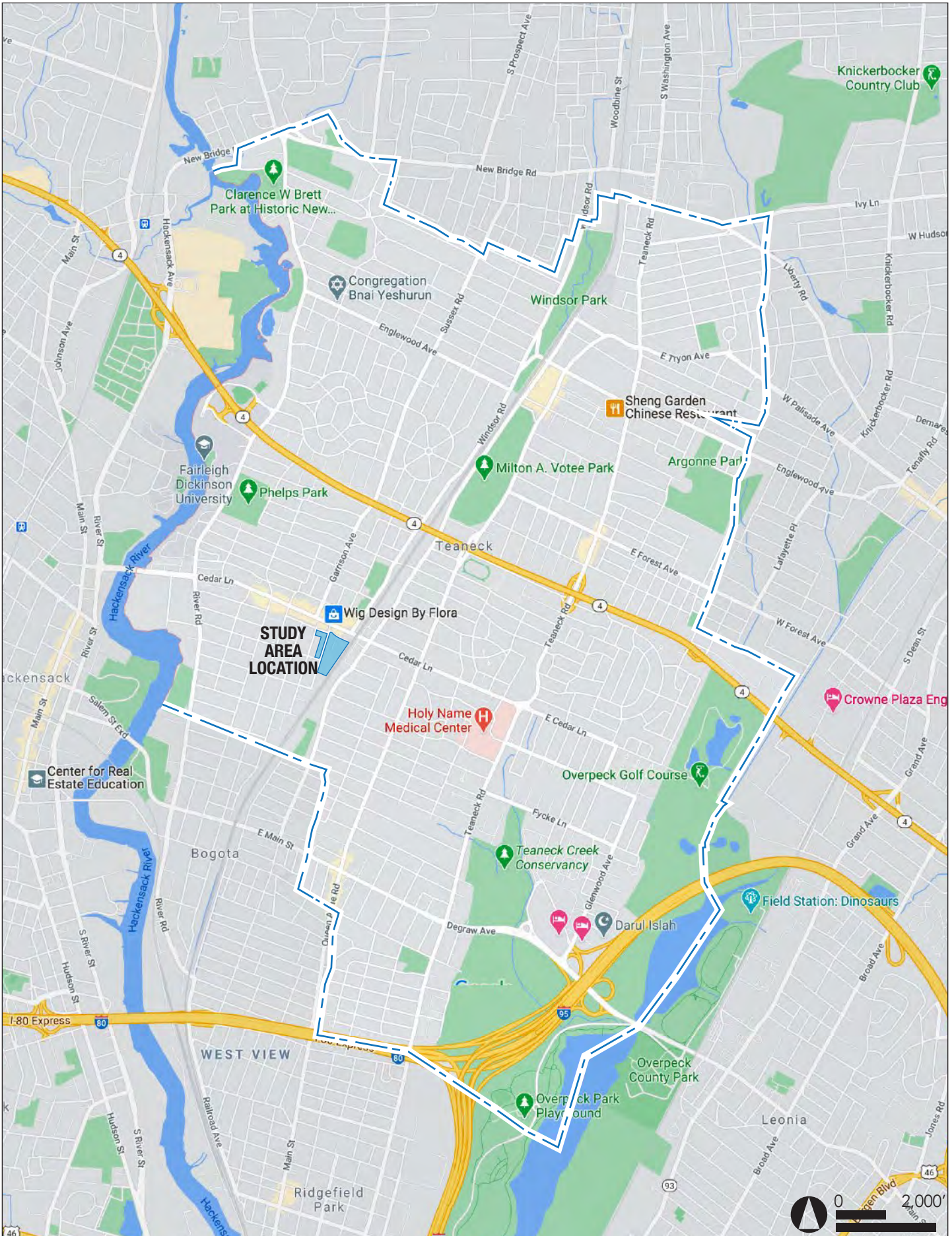


FIGURE 1: STUDY AREA GEOGRAPHIC LOCATION | AREA IN NEED OF REDEVELOPMENT INVESTIGATION FOR BLOCK 705, LOT 4.01 & BLOCK 707, LOTS 1-5 | TOWNSHIP OF TEANECK, NJ
 PHILLIPS PREISS GRYGIEL LEHENY HUGHES LLC 2021
 SOURCE: GOOGLE EARTH

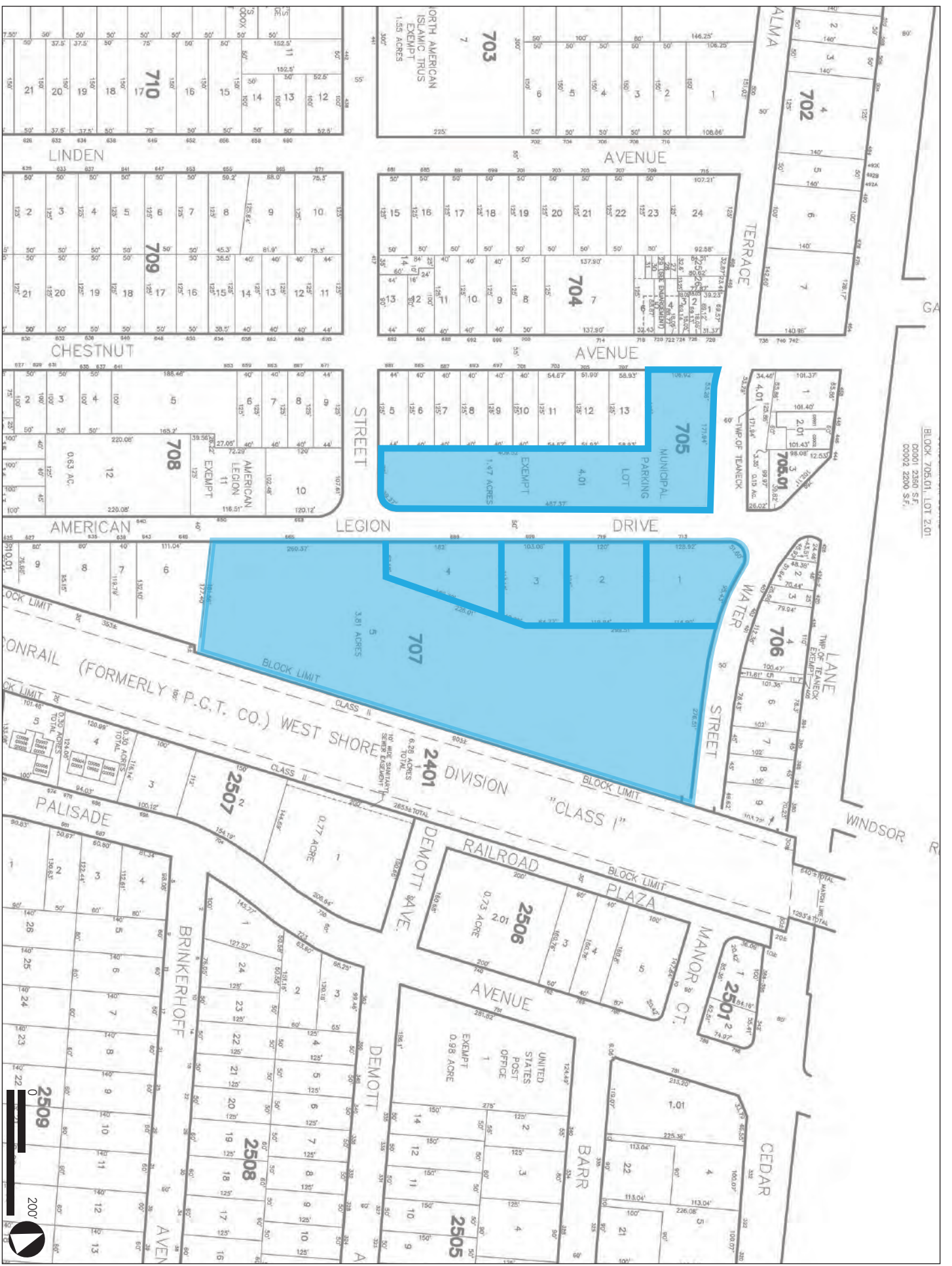


FIGURE 2: STUDY AREA TAX MAP DESIGNATION AREA IN NEED OF REDEVELOPMENT INVESTIGATION FOR BLOCK 705, LOT 401 & BLOCK 707, LOTS 1-5 | TOWNSHIP OF TEANECK, NJ
 PHILLIPS PREISS GRIGIEL LEHENY HUGHES LLC 2021
 SOURCE: TWP. OF TEANECK TAX MAPS

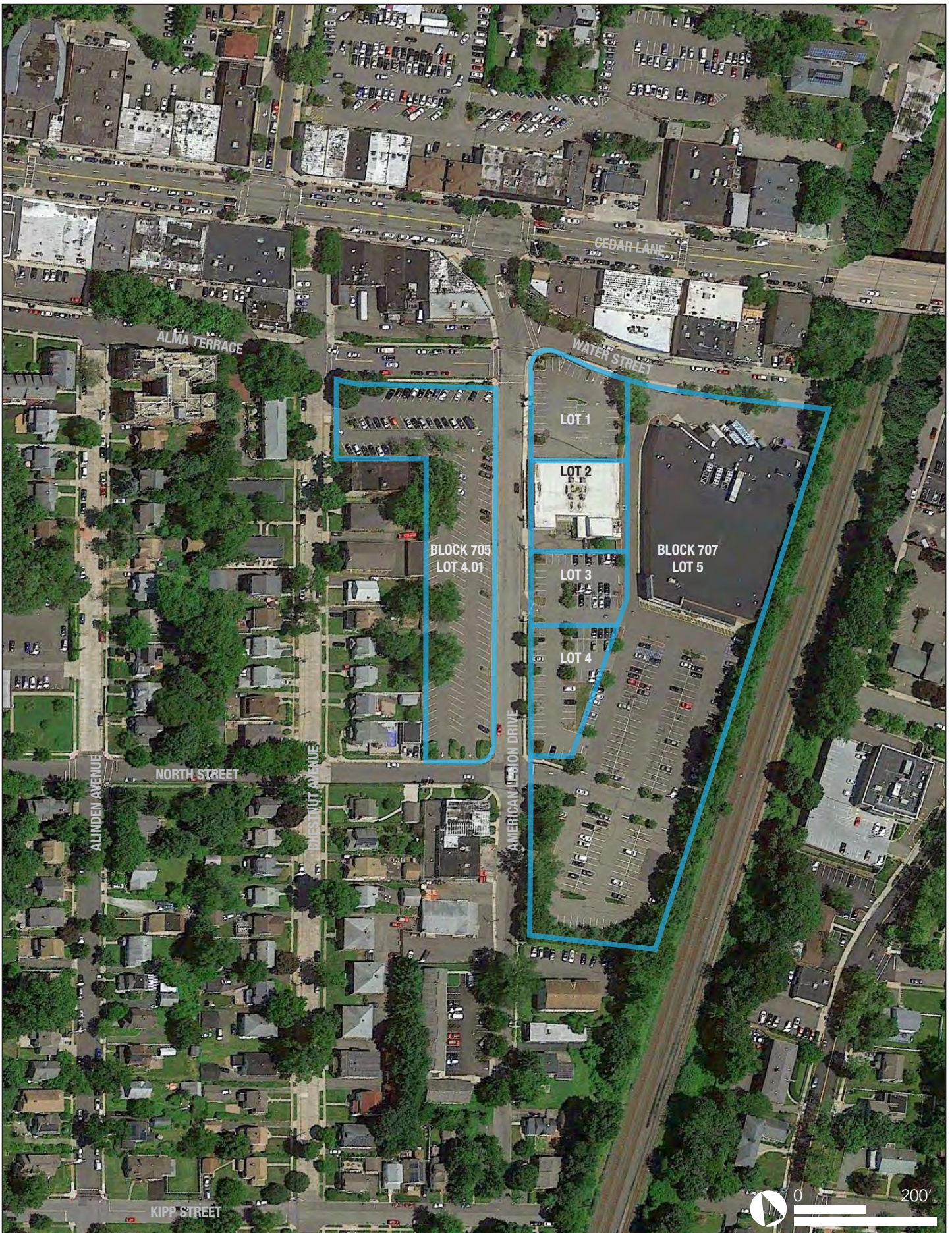


FIGURE 2: STUDY AREA AERIAL CONTEXT | AREA IN NEED OF REDEVELOPMENT INVESTIGATION FOR BLOCK 705, LOT 4.01 & BLOCK 707, LOTS 1-5 | TOWNSHIP OF TEANECK, NJ
PHILLIPS PREISS GRYGIEL LEHENY HUGHES LLC 2021
SOURCE: GOOGLE EARTH

III. ZONING AND PLANNING DESIGNATIONS FOR THE STUDY AREA

A. Existing Zoning

As shown in Figure 4, the Study Area is currently within two zoning districts: Block 705, Lot 4.01 is designed within the P Public Land District, while Block 705, Lots 1-5 are located within the B-1 Business – Retail District.

The purpose of the P District “is to restrict development on public lands which are in use as schools, administrative facilities, parking lots, libraries and other public buildings and structures.” Permitted principal uses, in addition to parking lots for which Lot 4.01 is currently improved, include public schools, administrative facilities, libraries, recreational facilities, wireless communication towers and antennas, and other public buildings and structures. No dimensional, density, or bulk restrictions are established for this zone, nor are there supplementary provisions or requirements.

In the B-1 District, permitted principal uses include:

- a. Retail sales of goods and services, except as specifically prohibited in Section 33-26.¹
- b. Offices, financial institutions and business schools; provided, however, that offices and business schools shall not be permitted on the first floor along Cedar Lane frontage between Elm Street and the railroad.
- c. Restaurants, including fast-food restaurants, but such fast-food restaurants shall be limited to the following areas:
 1. The B-1 District which fronts upon Cedar Lane, between Elm Avenue and the railroad right-of-way only.
 2. The B-1 District in the West Englewood Plaza, in its entirety.
 3. The B-1 District which fronts upon Queen Anne Road and/or DeGraw Avenue. In all other portions of the B-1 District, fast-food restaurants shall be conditional uses.
- d. Funeral homes.
- e. Theaters, assembly halls and bowling alleys.
- f. Apartments over commercial uses.
- g. Single-family dwellings, detached or attached, with frontage on Beverly Road.

The B-1 District additionally allows the following conditional uses, subject to additional standards at Section 33-25:

- a. Motor vehicle service stations and public garages
- b. Nursing homes
- c. Fast-food restaurants

¹ This section of the Township zoning ordinance prohibits the following commercial uses: uses not conducted within an enclosed building, except walk-up and drive-in bank facilities, motor vehicle service stations, commercial parking lots, outdoor table service facilities accessory to a restaurant, and outdoor display areas accessory to an enclosed landscape garden center; billboards, signboards, advertising signs and devices not related to a business being conducted in the premises upon which it is displayed; auction markets; massage parlors; outdoor display of new or used motor vehicles, except as incidental to a new car dealership; amusement rides and outdoor commercial recreational facilities; auto body shops; heavy commercial trucking depots or garages; and the sale of drug paraphernalia.

- d. Car washes
- e. Tire distribution centers
- f. Wireless communications towers and antennas

Existing dimensional, density, and other bulk restrictions for the B-1 District are summarized in Table 2 below. The B-1 District additionally contains specific provisions and requirements regarding signs, off-street parking and loading, frontage on Beverly Road, and buffer and screening where a property abuts a residential district.

Table 2: B-1 District Dimensional, Density, and Other Bulk Restrictions

	Requirement
Minimum Lot Area	None
Minimum Lot Width	None
Minimum Front Yard Setback	The average of existing setbacks along the same side of the street to the nearest intersections
Minimum Side Yard Width	None
Minimum Rear Yard Depth	20 feet
Maximum Building Coverage	25%, unless off-street parking is not required, in which case maximum building coverage shall be 80%
Maximum Lot Coverage	80%, unless off-street parking is not required, in which case maximum lot coverage shall be 100%
Maximum Building Height, Principal Building	35 feet
Maximum Building Height, Accessory Building	15 feet

Source: Township of Teaneck, NJ Zoning Ordinance



FIGURE 4: STUDY AREA EXISTING ZONING | AREA IN NEED OF REDEVELOPMENT INVESTIGATION FOR BLOCK 705, LOT 4.01 & BLOCK 707, LOTS 1-5 | TOWNSHIP OF TEANECK, NJ
 PHILLIPS PREISS GRYGIEL LEHENY HUGHES LLC 2021
 SOURCE: TOWNSHIP OF TEANECK ZONING MAP

B. Master Plan Recommendations

The last comprehensive Master Plan for Teaneck was adopted in 2007, and has been reexamined a number of times since then. The 2007 Township of Teaneck Master Plan noted that the American Legion Drive Area, inclusive of the Study Area, “is underdeveloped and underutilized and is a prime location for redevelopment.” Highlighting the Study Area and its immediate vicinity, the Master Plan recommended that properties south of Cedar Lane, east of Chestnut Avenue, and north of Kipp Street “should be considered for mixed-use redevelopment/revitalization that would enhance and expand the Cedar Lane Business District.” Specifically in regards to the Stop & Shop site, the master plan noted that:

While the Stop & Shop supermarket is located in the downtown area, its physical and topographical separation from Cedar Lane, and the availability of a large separate on-site parking facility also discourages multi-purpose, or multi-destination shopping trips.

The Master Plan additionally described potential redevelopment opportunities for the municipal parking lot at Block 705, Lot 4.01:

If the lot were decked over and these parking spaces saved, additional development could also be accommodated, especially if combined with some of the more marginal, underutilized retail establishments in this area. An injection of capital into this area could spur reinvestment elsewhere in the downtown...The possible utilization of redevelopment from the New Jersey Local Redevelopment and Housing Law in appropriately defined “areas in need of redevelopment,” should be investigated.

Subsequent Master Plan Reexamination Reports in 2011, 2014, and 2017 reinforced the goals and objectives of the 2007 Master Plan. These reports also recommended continued improvements to Teaneck’s commercial corridors as well as efforts to update outdated zoning regulations, including the American Legion Drive Area. The 2017 Master Plan Reexamination further took note of the land development trends within the Township in recent years, particularly along Cedar Lane and other major corridors, and highlighted the current reliance on the availability of on-street parking or underutilized municipal parking lots in the area to satisfy demand. To that effect, the 2017 Reexamination included “Multi-Level Parking Garages within Cedar Lane Business District and Along the State Street Corridor” as one of the General Zoning Changes Recommended, stating that:

The Township Council...has indicated an intent in pursuing a more in depth analysis of potential multi-family developments (and other mixed use developments, including retail ground floor uses in particular), along the Cedar Lane and State Street corridors, and potentially within all business zoned areas of Teaneck. The future feasibility of developing such uses rests primarily on the ability to provide sufficient off-street parking to support such uses, including potentially the erection of multilevel parking garages. Such garages are most likely to be developed over existing municipal parking lots...for the benefit of all of Teaneck, including existing businesses and residents, in addition to new development, with a sharing of costs for their construction, operation and maintenance.

IV. STATUTORY CRITERIA FOR ESTABLISHMENT OF AN AREA IN NEED OF REDEVELOPMENT AND APPLICATION TO THE STUDY AREA

The Redevelopment Law grants the governing body of a municipality the power to authorize the municipality's planning board to conduct a study to determine whether an area is in need of redevelopment; to make such a determination following the completion of the study; and to adopt a redevelopment plan for the designated area. The area may be determined to be in need of redevelopment only if, after an investigation by the planning board and a public hearing for which notice has been given, it is found to meet one or more of the following conditions:

- a. The generality of buildings are substandard, unsafe, unsanitary, dilapidated, or obsolescent, or possess any of such characteristics, or are so lacking in light, air, or space, as to be conducive to unwholesome living or working conditions.
- b. The discontinuance of the use of buildings previously used for commercial, manufacturing, or industrial purposes; the abandonment of such buildings; or the same being allowed to fall into so great a state of disrepair as to be untenable.
- c. Land that is owned by the municipality, the county, a local housing authority, redevelopment agency or redevelopment entity, or unimproved vacant land that has remained so for a period of ten years prior to adoption of the resolution, and that by reason of its location, remoteness, lack of means of access to developed sections or portions of the municipality, or topography, or nature of the soil, is not likely to be developed through the instrumentality of private capital.
- d. Areas with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community.
- e. A growing lack or total lack of proper utilization of areas caused by the condition of the title, diverse ownership of the real properties therein or other similar conditions which impede land assemblage or discourage the undertaking of improvements, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to and serving the public health, safety and welfare, which condition is presumed to be having a negative social or economic impact or otherwise being detrimental to the safety, health, morals, or welfare of the surrounding area or the community in general.
- f. Areas, in excess of five contiguous acres, whereon buildings or improvements have been destroyed, consumed by fire, demolished or altered by the action of storm, fire, cyclone,

tornado, earthquake or other casualty in such a way that the aggregate assessed value of the area has been materially depreciated.

- g. In any municipality in which an enterprise zone has been designated pursuant to the “New Jersey Urban Enterprise Zones Act,” P.L.1983, c.303 (C.52:27H-60 et seq.) the execution of the actions prescribed in that act for the adoption by the municipality and approval by the New Jersey Urban Enterprise Zone Authority of the zone development plan for the area of the enterprise zone shall be considered sufficient for the determination that the area is in need of redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax exemptions within the enterprise zone district pursuant to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or the adoption of a tax abatement and exemption ordinance pursuant to the provisions of P.L.1991, c.441 (C.40A:21-1 et seq.). The municipality shall not utilize any other redevelopment powers within the urban enterprise zone unless the municipal governing body and planning board have also taken the actions and fulfilled the requirements prescribed in P.L.1992, c.79 (C.40A:12A-1 et al.) for determining that the area is in need of redevelopment or an area in need of rehabilitation and the municipal governing body has adopted a redevelopment plan ordinance including the area of the enterprise zone.
- h. The designation of the delineated area is consistent with smart growth planning principles adopted pursuant to law or regulation.

It should be emphasized that individual properties that do not meet any of the statutory conditions may still be included within an area in need of redevelopment provided that within the study area as a whole, one or more of the expressed conditions are prevalent. This provision is referred to as “Section 3” and is set forth under N.J.S.A. 40:12A-3, which states in part:

A redevelopment area may include lands, buildings, or improvements which of themselves are not detrimental to the public health, safety or welfare, but the inclusion of which is found necessary, with or without change in their condition, for the effective redevelopment of the area of which they are a part.

The Redevelopment Law recognizes that there may be instances where individual properties (if excluded from a redevelopment area) would act as an impediment to redevelopment or would otherwise adversely impact a redevelopment scheme for adjoining lands that are “in need of redevelopment.” The Redevelopment Law further recognizes that any redevelopment area must consist of lands that are reasonable and rational – in terms of location, size, shape and access – to produce a redevelopment project that will alleviate “blight” and achieve the goals of community revitalization.

V. STUDY AREA EVALUATIONS

The following chapter evaluates the specific parcels comprising the Study Area and considers whether they meet any of the statutory criteria for a non-condemnation “area in need of redevelopment” designation consistent with the Local Redevelopment and Housing Law. The evaluations were based on surveys of land usage, property conditions, occupancy and ownership status, Master Plan designation, and review of other relevant data.

A. Municipal Parking Lot (Block 705, Lot 4.01)

This property meets criterion “d” under N.J.S.A. 40A:12A-5d.

As shown in the photographs in the Appendix, the parking area features a layout more typical of auto-oriented designs popular in the previous century, characterized by continuous rows of parking with minimal landscaping, signage, or other design elements. Further, Lot 4.01 constitutes more than half of the entire area of Block 705, and the parking rows take up the entire frontages along Alma Terrace and American Legion Drive with limited screening from sidewalks or neighboring residential properties.

The current conditions of the municipal parking lot represent an obsolete parking solution in Teaneck, which has increasingly shifted towards modern parking decks, such as in recent multifamily and mixed-use developments at 1475 Palisades Avenue, 1500 Teaneck Road, 1775 Windsor Road, and the Holy Name Medical Center. Further, the current conditions directly contradict with the Master Plan recommendation for redevelopment of the property as decked parking to conserve space for additional development along the Cedar Lane corridor while addressing future parking needs. It should be further noted that the Master Plan similarly recommends redevelopment of other municipal surface parking lots located near the Cedar Lane corridor. As such, it is clear that the type of layout and design exhibited by the municipal parking lot is an obsolescence that the Township does not envision for its downtown. Under current conditions, the excessive land coverage and faulty arrangement and design of the property are inconsistent with Master Plan vision for a compact, mixed-use environment near Cedar Lane, and are detrimental to the future development in the downtown, and thus the morals and welfare of the community.

B. Stop & Shop (Block 707, Lots 3, 4 & 5)

This property meets criterion “d” under N.J.S.A. 40A:12A-5d.

Block 707 Lot 5 is currently improved with the Stop & Shop supermarket building in the northern portion near Water Street and surface parking areas to the south of the building. As detailed in the Store Analysis report prepared by Robert R. Volosin, dated January 29, 2021 (attached as Appendix B), the building features outdated design and dilapidated utilities that are uncondusive to modern supermarket operations and is obsolete by today’s industry standard. For one, the store features an atypical layout – with limited frontage but significant depth – that hinders efficient transfer of

merchandise throughout the store. The layout also creates several challenges to store display and customer experience due to the need for frequent splitting of long aisles, the resulting excessive number of “endcaps” at the end of each aisle that are undesirable for many suppliers, and the limited ability of the store to display complimentary product categories together. In addition to the faulty layout, the store also features outdated and dilapidated mechanical and utility systems. The report found that the current placement of compressors and condensers in a central location of the store instead of in close proximity to areas requiring refrigeration is contrary to modern practice and contributes to significant energy loss. Combined with the outdated refrigeration cases that are well beyond their useful life, the existing equipment in the store has led to condensation buildup that interferes with product display, rusting and leaks, and water damage to tiles and the building façade. As a result, the report concludes that major renovation or construction of a brand-new store is needed to fully modernize the store and ensure an improved shopping experience and profitability.

Like the surface parking lot on Block 705, Lot 4.01, the surface parking lots on Lots 3-5 servicing the supermarket also feature obsolete and underutilized design. The parking lot is also characterized by long, uninterrupted rows of parking stalls largely devoid of interior landscaping, pedestrian facilities, or other elements to facilitate an attractive and efficient circulation environment. The parking areas take up approximately 3/4th of the entire Stop & Shop property on Lots 3-5, leading to oversupply of parking and inefficient utilization of prime land near the Cedar Lane Business District. The arrangement of large expanses of blacktop along prominent frontages with limited screening is also incompatible with the land use and aesthetic characters of the surrounding area: to the west and south the Study Area is bordered by single family residences, while to the north the Cedar Lane corridor features a walkable environment with wide sidewalks and a defined street wall. Further, as noted in the Master Plan, this type of large, standalone surface parking discourages multi-purpose/multi-destination trips within the downtown and severs connectivity between the Study Area and the rest of Cedar Lane. As such, the excessive land coverage and faulty arrangement and design of the parking lots are antithetical to the compact, walkable, mixed-use environment for the Cedar Lane Business District as envisioned by the Master Plan.

C. SGI-USA Buddhist Center (Block 707, Lots 1 & 2)

This property meets criterion “**Section 3**” under N.J.S.A. 40A:12A-3.

Block 707, Lot 2 is improved with a single-story building currently in use as the SGI-USA Buddhist Center and Lot 1 contains additional surface parking for the center. As shown in the historical Google Street View photographs from 2012 in the Appendix, the property was formerly the “Popcorn Factory” store, which went out of business. The property subsequent sat vacant for several years and fell into a state of disrepair. In 2014, the site obtained approval for its conversion into the current religious use from the Board of Adjustment. As part of the conversion, the applicant renovated the building for use by the current tenant (Soka Gakkai International USA) and made several improvements to the parking areas, such as new curbs, striping, and lighting and landscaping. As shown in the recent photographs of the site, the current conditions of the building and surrounding

parking areas are sound and by themselves do not pose detriments to the public health, safety, or welfare.

Notwithstanding the existing conditions, given the property's location within the center of the Study Area, flanked by the municipal parking lot and Stop & Shop properties – which meet the statutory criteria as an area in need of redevelopment – the inclusion of Block 707 Lots 1 & 2 is necessary for effective, comprehensive, and integrated redevelopment of the Study Area. Notably, Block 707 Lots 1 & 2 are located at the border between Block 707 and Block 705 within the Study Area and occupy prominent frontage along both American Legion Drive and Water Street. If Lots 1 & 2 are not designated within the redevelopment area, the property would constitute a centrally located “island” that would separate the remainder of Block 707 from the public rights-of-way and Block 705. The redevelopment of the Study Area without Lots 1 & 2 is uncondusive to an attractive building arrangement and efficient circulation layout due to the irregular shape of the remaining Block 707 portion, the necessity of additional buffers and screening from Lots 1 & 2, and restrictions on access stemming from the partial frontages along public rights-of-way. Because of the separation between Block 705 and Block 707 portions of the Study Area, the exclusion of Lots 1 & 2 would also be detrimental to creating synergy between uses and aesthetic character within a redevelopment project as a whole. Further, Lots 1 & 2 are located at the outermost corner of Water Street and American Legion Drive, effectively functioning as the gateway of the Study Area from the Cedar Lane commercial corridor to the north. As such, separate development of Lots 1 & 2 from the rest of the Study Area would be unfavorable to advancing the Master Plan objective of revitalizing this area to enhance the Cedar Lane Business District.

Per “Section 3” of the LRHL, while Block 707, Lots 1 and 2 do not by themselves meet any of the criteria to be designated as an area in need of redevelopment, they do qualify to be included as necessary to provide for a comprehensive and integrated Redevelopment Area.

D. Summary of Redevelopment Area Determinations for the Study Area

The results of the redevelopment area investigation reveal that the Study Area in its entirety can be determined as an area in need of redevelopment. Namely, the Municipal Parking Lot parcel at Block 705, Lot 4.01 and the Stop & Shop property at Block 707, Lots 3-5 satisfy criterion “d” and the SGI-USA Buddhist Center property at Block 707, Lots 1 & 2 qualify under “Section 3” of the LRHL.

Block 705, Lot 4.01 is currently utilized as a municipal surface parking lot, which features obsolete layout, excessive land coverage, and faulty arrangement and design to satisfy criterion “d.” The current conditions represent an outdated parking solution that Teaneck has moved away from in recent years, and are directly contrary to long-standing Master Plan recommendations for redevelopment of the property as a modern parking deck. The current underutilized and unproductive use of land is uncondusive to accommodating additional development and revitalization of the downtown as envisioned by the Master Plan, and is incompatible with the Master Plan vision of a walkable, mixed-use environment in the expanded Cedar Lane Business District.

Block 707, Lots 3-5 are currently improved with a Stop & Shop supermarket and surface parking lots that are obsolete in design and inconsistent with Master Plan objectives for the area. The supermarket is outdated compared to standards for a modern supermarket, while the oversupply of surface parking with minimal screening along property frontages is incompatible with the surrounding character and contrary to Master Plan objectives for a mixed-use, walkable environment along American Legion Drive to enhance the Cedar Lane Business District. The obsolete layout and unproductive land use of Block 707, Lots 3-5 are thus detrimental to the Master Plan and the morals and welfare of the community in reference to criterion “d.”

Block 707, Lots 1 & 2 are eligible for inclusion in the area in need of redevelopment under N.J.S.A. 40A:12A-3. While the present condition of Lots 1 & 2 themselves do not prompt designation as an area in need of redevelopment, their central location within the Study Area, prominent frontage along the main rights-of-way providing access to the Study Area, and relation to the Cedar Lane Business District make their inclusion necessary for effective redevelopment of the Study Area as a whole. The inclusion of Lots 1 & 2 would allow for an efficient site layout, greater synergy with Block 705 portion of the Study Area, and a more attractive development to advance Master Plan objectives for the American Legion Drive area.

VI. CONCLUSION

The foregoing study was prepared at the direction of the Teaneck Township Council and on behalf of the Township of Teaneck Planning Board to determine whether the Study Area containing Block 705, Lot 4.01 and Block 707, Lots 1-5 qualify as a non-condemnation “area in need of redevelopment” pursuant to the Local Redevelopment and Housing Law.

Based on the foregoing analysis, Block 705, Lot 4.01 and Block 707, Lots 3-5 qualify under criterion “d” at N.J.S.A. 40A:12A-5d while Block 707, Lots 1-2 meet the “Section 3” condition set forth at N.J.S.A. 40A:12A-3. Therefore, the Study Area in its entirety can be designated as a non-condemnation “area in need of redevelopment.”

**Block 705, Lot 4.01
Municipal Parking Lot**



**Block 705, Lot 4.01
Municipal Parking Lot**



**Block 705, Lot 4.01
Municipal Parking Lot**



**Block 705, Lot 4.01
Municipal Parking Lot**



**Block 707 Lots 1-2
SGI Buddhist Center**



Before Renovation



Before Renovation

**Block 707 Lots 1-2
SGI Buddhist Center**



Before Renovation



Before Renovation

**Block 707 Lots 1-2
SGI Buddhist Center**



Current Conditions
(After Renovation)



Current Conditions
(After Renovation)

**Block 707 Lots 1-2
SGI Buddhist Center**



Current Conditions
(After Renovation)



Current Conditions
(After Renovation)

**Block 707, Lots 3-5
Stop & Shop**



**Block 707, Lots 3-5
Stop & Shop**



STORE ANALYSIS
STOP & SHOP SUPERMARKET
665 AMERICAN LEGION DRIVE
TOWNSHIP OF TEANECK (BERGEN COUNTY), NEW JERSEY

PREPARED BY:

Robert R. Volosin



January 29, 2021

STORE ANALYSIS
STOP & SHOP SUPERMARKET
665 AMERICAN LEGION DRIVE
TOWNSHIP OF TEANECK (BERGEN COUNTY), NEW JERSEY

About the Author

Robert R. Volosin is a former supermarket executive with 40 years of supermarket experience throughout his career. Bob began his career with Pathmark as a cart boy at the age of 16 and was subsequently hired into Pathmark's corporate office. Bob made his way up through the ranks and became an Analyst, projecting sales for the company's supermarkets and freestanding drug stores. After his 11-year career with Pathmark, Bob worked at Wakefern Food Corporation for 4 years as a Senior Location Analyst. Bob later joined A&P Supermarkets as a Senior Executive, running daily operations of Real Estate and Development for A&P. In that role, Bob handled a variety of activities, including but not limited to construction, store design, location research, facilities and store maintenance. A&P's Real Estate Department consisted of 47 operating shopping centers, 350 Stores and over 1500 leases. In that role, Bob directed the company's capital improvement activities, reinvesting capital back into company stores in excess of \$1.0 billion.

Currently, Bob is the Chief Executive Officer of Supermarket Consulting Group (SCG). SCG offers portfolio management, market analysis, location research, construction and development advisory services to its clients, with a specialty niche in supermarket-anchored shopping centers. Clients include the largest wholesaler in the United States, the largest cooperative in the United States, several Real Estate Investment Trusts, and numerous smaller chains and individual owners of supermarkets and shopping centers.

In addition to SCG, Bob founded his own development company in 2009 called Inner City Development Group, focusing on the development of supermarket-anchored shopping centers in low-income urban neighborhoods, utilizing various non-traditional financing programs including New Market Tax Credits, Economic Development Grants, PILOTS, Redevelopment Area Bonds and Community Development Block Grants. Bob's first project was a supermarket-anchored shopping center in Elizabeth, NJ, which is a public-private partnership with the City of Elizabeth, utilizing urban grants, a PILOT and Redevelopment Area Bonds.

Bob served as a member of the New York Food Commission and the Fresh Foods Panel for the State of New Jersey. Bob is an active member of the International Council of Shopping Centers, and is a graduate of Rutgers University with a B.A. degree in Economics and a concentration in Finance. Bob is also on the Advisory Board of Morris Habitat for Humanity, serving Morris and Middlesex Counties.

STORE ANALYSIS
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Purpose

The purpose of this report is to provide a thorough review and analysis of the Stop & Shop located at 665 American Legion Drive in Teaneck, NJ (the “Store” or “Facility”). The Store was inspected upon two occasions in October and December of 2020. The purpose of the inspections was to evaluate the Store conditions, and to review the Facility in terms of “Today’s Industry Standards”, to ascertain whether or not a significant investment in the Facility was required, and whether or not that investment would generate sufficient returns to warrant the capital infusion. As part of our investigation, we researched the history of the Store, and conducted a review of its site and building characteristics. Our findings are documented herein with pictures and observations, and we have provided our Conclusion at the end of the report.

History

The Store opened in 1995 as Edward’s Super Food Store. The Edward’s chain was owned by the Dutch Company, Ahold. Ahold also owned (and still owns) the Stop & Shop Supermarket chain. As part of an overall reorganization, all Edward’s Stores were converted to Stop & Shop Supermarkets in the year 2000. As part of these conversions, the stores were upgraded, and the product offering was enhanced. Edward’s was known for “everyday” low prices and carried a lesser product mix than Stop & Shop. Conversely, Stop & Shop operates on a “high-low” program, with deeper discounts on sale items; however, non-sale items are priced at a higher margin.

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Facility Layout:

The building is an odd shape for a traditional supermarket, as it is shaped similarly to a triangle, with limited frontage, and is more deep than wide. The approximate dimensions of the Store are: 145 Feet of Frontage; 220 Feet across the Rear Wall; 245 Feet of West Side Wall; and 265 Feet of East Side Wall. The overall total square footage of the Store is 42,047. We have included an aerial below which shows the Store's atypical layout.



A typical supermarket has an approximate ratio of 1.75 feet of frontage for every foot of side wall. For example, a similar sized prototypical store would have dimensions of 270 Feet of Frontage; 270 Feet of Rear Wall; 155 Feet of Side Wall; 155 Feet of Side Wall. There is a significant amount of research from both industrial engineers and supermarket merchandisers that these typical dimensions are the optimal layout for a supermarket. A deep building, such as the subject Store, requires increased labor volume to transfer merchandise throughout the Facility. The additional 100 feet that multiple employees need to walk, multiple times a day for 7 days a week, results in a significant detriment to efficient operations of the Store.

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Facility Layout (continued):

For supermarket merchandisers, a deep store creates difficulties laying out the various product categories. The challenge is that the long aisles create an excessive need for safety aisle breaks or “splits”. These additional splits are problematic for two primary reasons:

- 1) Product categories that would typically be paired together to increase profitability may need to be split, which can have a negative impact on sales. When planning a supermarket’s layout, there is extensive research performed by operators to develop a category mix that will maximize profit. Customers are tracked, products are moved, and their impacts are recorded. Computer models are developed, variables such as age and gender are factored into the analysis. When categories get split, such as at the subject Store, research has shown that customers may not shop one of the sections. This is further problematic as supermarkets charge what is called a “Slotting Fee”. This fee is charged to the supplier/manufacturer for shelf space. If their section may be missed, there are financial repercussions which impact a store’s profitability.

- 2) The other problem created by splitting aisles is that the store ends up with significantly more “endcaps” at the end of each aisle. These endcaps are mostly reserved for specialty products and sale items. The specialty products are what is called Direct Store Delivery (DSD) and are packed out on the shelves by the supplier. As there are only so many manufactures that prefer an endcap, the remainder are utilized by the store typically for sale items. However, when there is an abundance of endcaps, it creates a challenge for the store. If there are not sufficient sale items, other items may be placed on the endcap. This can lead to the perception from customers that the store is expensive, which may deter future visits. Typically, a store wants only items on display that are the lowest in the area. Once a store is seen as expensive by customers, that perception is very difficult to change back.

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Facility Layout (continued):

The following picture is an example of the excessive endcaps found throughout the Store:



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Mechanical Systems:

One of the most important components of a supermarket is its mechanical systems. Over time, the store's energy efficiency declines, particularly in the refrigerated cases and HVAC systems, eroding profit as these units age. Further, there have been great advances made in the industry, improving the efficiency of supermarket mechanical systems, which has led to significant reductions in utility costs and waste. When comparing the opportunity costs between investing into an older store or building a new one, this becomes a huge factor.

Energy and utility costs are one of the highest store expenses. Typically, a store of this age would have utility costs of approximately \$10.00 - \$12.00/foot, equating to approximately \$425,000 to \$500,000 annually for this Store. However, a new supermarket built by today's standards would typically have less than half of that utility consumption and carbon footprint. Unfortunately, it can be prohibitively expensive to retrofit a store due to the placement of the prior equipment, which was typically bunched together. In new construction, this equipment would be more spread out, and as such, additional steel reinforcements would be needed in order to achieve these efficiencies. This further leads to the obsolescence of the Store when compared to its peers.

Below are some examples of typical upgrades seen in newly constructed supermarkets, all of which are deficiencies present at the subject Store (with illustrations on the following pages):

- 1) A lighter color roof which deflects the sun.
- 2) Greatly improved insulation and construction methods.
- 3) Compressors and condensers that serve the refrigerated cases and storage rooms would be located within close proximity to those units. In the subject Store, the compressors and condensers are located in a central location. Unfortunately, this leads to significant refrigeration loss as there are long lines of pipes that traverse the Store in order to reach the equipment that they serve.
- 4) High efficiency HVAC systems which utilize the cases to cool the store, and then reclaim heat in the winter off of the equipment compressors.
- 5) LED lights throughout the store.

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Mechanical Systems (continued):

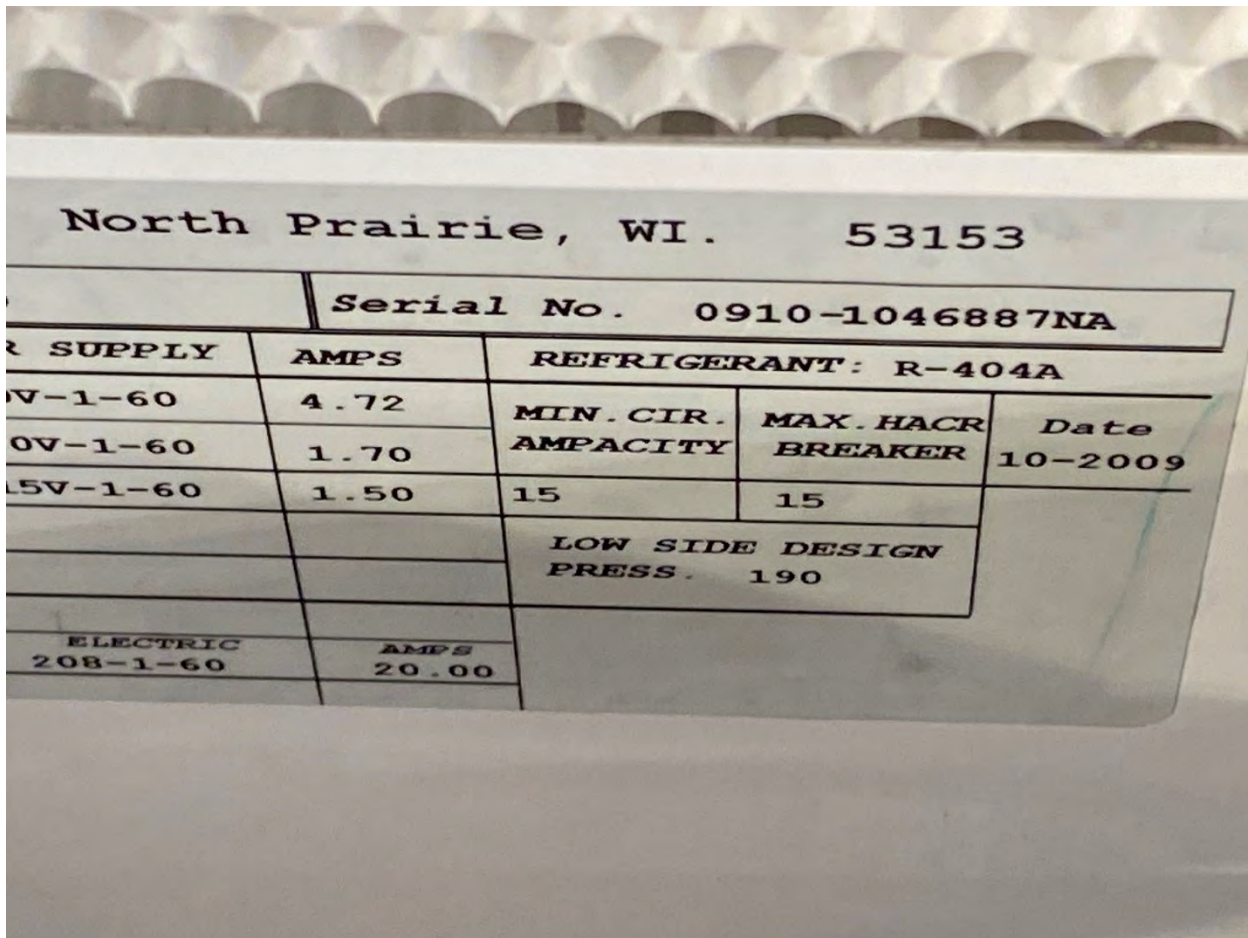
The picture below shows condensation buildup on the frozen food case. This is a combination of an unbalanced case and an inefficient HVAC system not removing humidity from the Store.



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Mechanical Systems (continued):

The case pictured below is typical representation of the cases in the Store, which was manufactured in October of 2009 (over 11 years old). Most cases do not last past 15 years, and are fully depreciated over a 10-year period according to Generally Accepted Accounting Principles (GAAP).



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Mechanical Systems (continued):

The picture below illustrates rusting in the cases at the Store.



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Mechanical Systems (continued):

The picture below shows water damage to Store tile which is caused by a leaking case that has rusted partially through.



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Mechanical Systems (continued):

The picture below shows another case leak. As you can see, they have implemented a temporary “fix”, by laying a water absorbing tube (water snake) along the bottom of the case.



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Mechanical Systems (continued):

Example of more water damage tile caused by leaking cases.



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Mechanical Systems (continued):

Example of a broken and missing case plate and bumper.



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Mechanical Systems (continued):

The picture below illustrates what happens from case bumper failure; water damage and more lifting floor tiles.



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Mechanical Systems (continued):

As illustrated in the picture below, there is water damage occurring to the façade of the building as well.



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Mechanical Systems (continued):

The picture below is another example of water damage caused by a roof and case leak.



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Conclusion:

Based on the deficiencies identified and summarized in this report, we conclude that major renovation and significant capital investment has been deferred at the subject Store. Between limited company resources and opportunity costs, an inefficient store will become a low priority for an operator, which is likely the case here. This is not an unusual predicament for a large supermarket chain, where they have hundreds of locations and have to prioritize capital investment by store size, location and revenue potential. Unfortunately, this will likely become a downward spiral; the Store's maintenance budget will continue to increase as equipment ages, and its inefficiencies will continue to exacerbate and reduce profitability.

The cost to upgrade the existing Facility's mechanical systems, fixtures and equipment, could easily range from \$7.0-\$8.0 million. The cost to completely renovate and modernize the entire Store could be \$11.0-\$12.0 million or more, which is nearly the same cost as building an entirely new store. While a renovation would be helpful with some of the noted deficiencies, it would not remedy the Store's atypical layout and associated inefficiencies. The construction of a brand-new store would carry some additional cost, but would maximize sales and provide a material reduction in labor and operating expenses, which will ultimately provide a drastically improved shopping experience and a more economic return.