



**BOROUGH  
OF  
MONTVALE**

# MASTER PLAN AMENDMENT

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 December 5, 2017

November 22, 2017



# Master Plan Amendment

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

Prepared by:



Darlene A. Green, AICP, PP

NJ License # 33LI00611400



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

The purpose of this Master Plan Amendment is to guide the future zoning and development of the former Mercedes-Benz USA headquarters and corporate offices located on three specific parcels within the community. The first site is Block 2702, Lot 1, known as 1 Mercedes Drive and comprising approximately 20 acres. The second parcel is Block 2801, Lot 2, known as 3 Mercedes Drive. This parcel comprises just over ten acres. The third property is Block 3201, Lot 6, known as 1 Glenview Road. This site contains four acres.

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. See the map on page 4 for the location of the parcels.

Due to the departure of Mercedes-Benz, the former owner and tenant of the three sites, this Amendment to the Borough's 2008 Master Plan contemplates rezoning the properties to permit a mixture of non-residential uses as well as inclusionary multi-family residential uses. The following chapters of this Amendment detail the history of the subject sites, the need to modify the Borough's 2008 Master Plan, the planning justifications for a mixed-use development of the properties and the zoning recommendations to facilitate said uses.

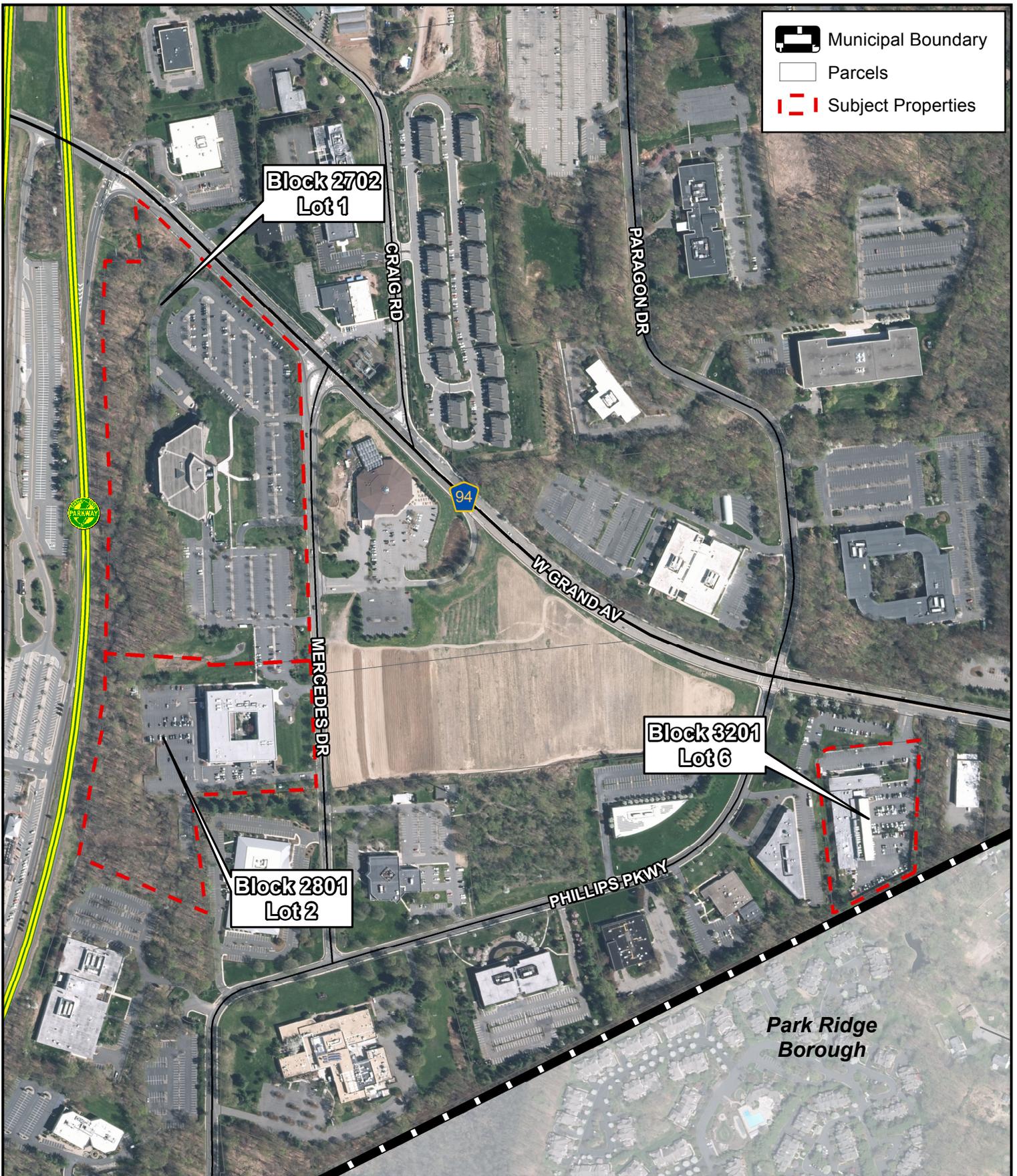
## II. HISTORY OF SUBJECT SITES

Until recently, Mercedes-Benz USA ("Mercedes") had owned and occupied the three sites for four decades. However, in 2015, Mercedes-Benz USA announced that they would be relocating from Montvale, New Jersey to Atlanta, Georgia. The move meant the departure of the second largest employer in the Borough, leaving hundreds of residents or employees without a job. In total, the move will affect about 1,000 employees who work/worked on the three-parcel, thirty-plus acre campus. A substantial amount of this relocation has already occurred to date.

After the relocation announcement, Mercedes placed the three-site campus on the market. In July of 2017 the S. Hekemian Group, LLC or its affiliates purchased all three properties.

## III. NEED TO MODIFY THE 2008 MASTER PLAN

On March 10, 2015, the Supreme Court ruled that the New Jersey Council on Affordable Housing ("COAH") failed to act and as a result, the Courts assumed jurisdiction over the Fair Housing Act. The decision and accompanying 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.



1 inch = 450 feet



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### SUBJECT PROPERTIES LOCATION MAP

MONTVALE BOROUGH  
BERGEN COUNTY NEW JERSEY



FEBRUARY 2017

The transitional process created by the Supreme Court tracked the Fair Housing Act procedures for securing approval of a housing element and fair share plan. In this regard, the process permitted municipalities to file a Declaratory Judgment Action during a thirty-day window between June 8 and July 8, 2015 and to seek approval of a housing element and fair share plan as may be supplemented in the context of that litigation. The Supreme Court's procedure also required the trial judges, in lieu of COAH, to determine the standards by which the judges would quantify the obligations of municipalities and the permissible means for municipalities to satisfy their obligations. This would enable the municipality to comply voluntarily with its constitutional obligation to satisfy its affordable housing responsibilities.

Consistent with its past history of voluntary compliance, Montvale accepted the Supreme Court's invitation to participate in the voluntary procedures the Court devised. Specifically, the Borough filed a Declaratory Judgment Complaint on July 6, 2015. The Borough's case was initially assigned to Judge Padovano, who sits in Hackensack. The Court has assigned a Special Master, Frank Banisch, P.P., AICP, to oversee and review Montvale's compliance mechanisms. The Borough worked extensively with Mr. Banisch on issues including its obligations, past affordable housing construction and future mechanisms to provide affordable housing. Montvale also participated in a number of mediation sessions, discussions and efforts to resolve its litigation with all parties and interested parties including two intervenors and Fair Share Housing Center.

On January 18, 2017, the Supreme Court ruled that municipalities are responsible for obligations purportedly accruing during the so-called "gap period," the period of time between 1999 and 2015. However, the Court stated that the gap obligation should be calculated as a never-before calculated component of Present Need. Specifically, the Supreme Court called for a calculation of the number of households formed during the gap that (a) qualified as low- or moderate-income households "today", i.e. the date used to define the present need, (b) that still needed an affordable unit; and (c) that were not already counted in the calculation of the indigenous need.

Since the Supreme Court decision on the gap period, several events have occurred in the Borough's ongoing Declaratory Judgment case:

- The case was transferred to Judge Toskos
- On June 29, 2017, the S. Hekemian Group, LLC (contract purchasers of the Mercedes properties "Hekemian") filed a Motion to Intervene in the litigation
- On August 4, 2017, Judge Toskos heard oral argument on the Motion and shortly thereafter the judge granted the Motion to Intervene
- On September 26, 2017, the Borough and Hekemian mediated
- On October 18, 2017, pursuant to a court order, the Borough and Hekemian mediated in Court
- Judge Toskos extended immunity until November 30, 2017 and it is anticipated that the Court will enter an order extending immunity until February 28, 2018

Based upon the mediation sessions, including the mediation that occurred in Court on October 18, 2017, the Mayor and Council believed that settlement with the intervenor was the best course of action for the community. On November 14, 2017 the Mayor and Council approved Resolution 214-2017 entitled "Resolution Approving the Settlement Agreement with Intervenor The S. Hekemian Group, LLC to Partially Resolve the Borough's Affordable Housing declaratory

Judgment Action". On November 21, 2017, the Planning Board approved a resolution authorizing the settlement. The Settlement permits the Mercedes sites to be developed with a maximum of 350 units and a mixture of non-residential uses.

#### IV. PLANNING JUSTIFICATIONS FOR REZONING

Since the affordable housing litigation commenced in July of 2015, the Borough has carefully considered what sites within the community are appropriate for inclusionary multi-family development. Montvale has concluded that the Mercedes sites present a suitable opportunity for such development.

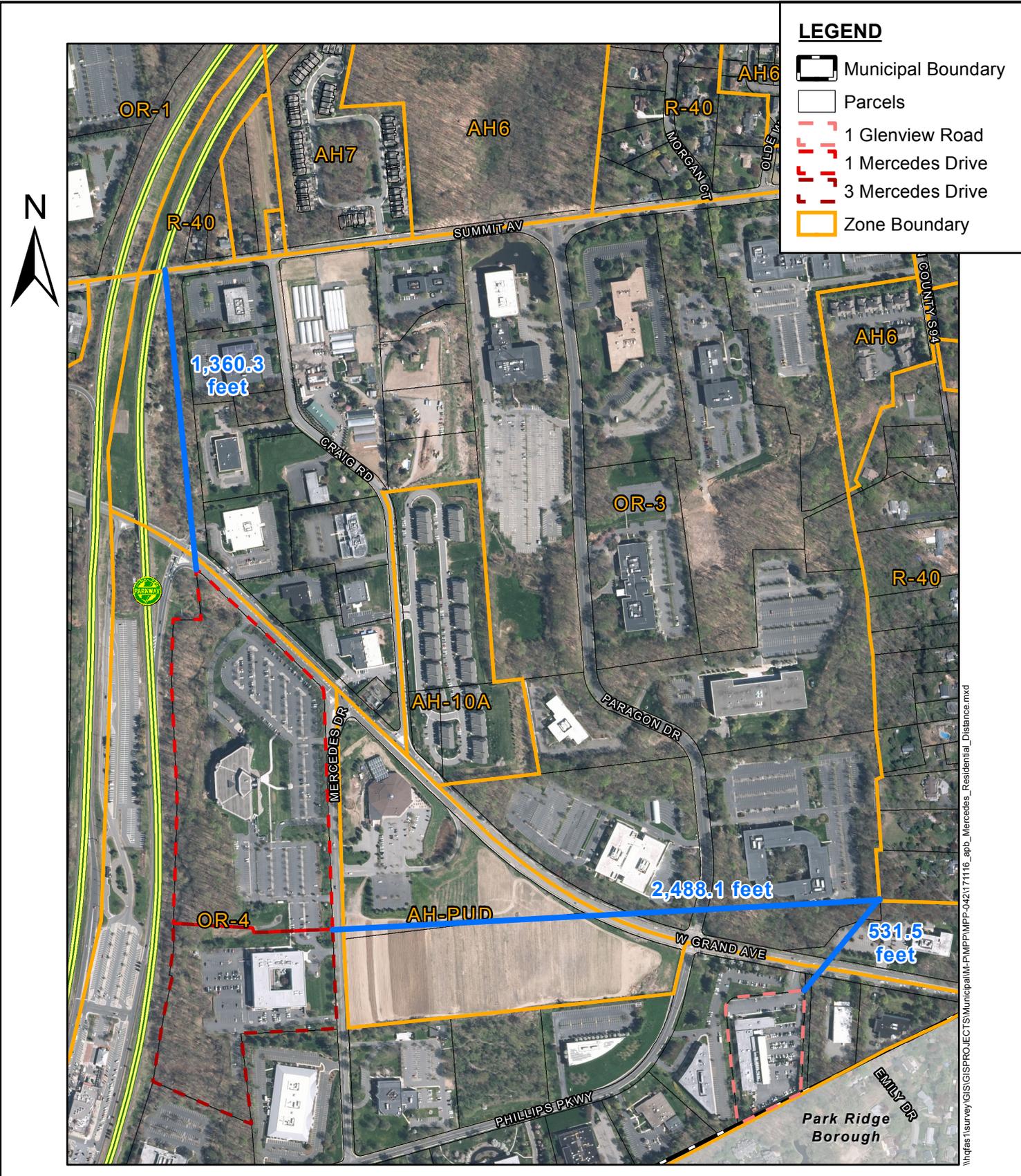
Furthermore, it should be noted that Montvale has adopted a holistic approach to planning for affordable housing. Sound planning supports the location of inclusionary neighborhoods that are located near shops, services and enhanced transportation access. Sound planning also involves the conservation of neighborhood character, an objective achieved in part by maintaining the existing scale, density and character of the Borough's core single-family detached neighborhoods. This can be accomplished in part through a gradation of density across the Borough, maintaining higher densities and greater building heights further away from the core single-family detached residential zones within the Borough and requiring lower densities and lower permitted building heights as the properties approach the established core single-family detached zoning districts within the Borough.

The location of 1 and 3 Mercedes Drive next to the Garden State Parkway eliminates concern for impacts on other single-family residential neighborhoods within the Borough. The map on page 7 shows the distance between the properties and the nearest single-family detached neighborhoods. As a result, there will not be any detrimental impacts on light, air flows, viewshed and traffic on the Borough's existing core single-family detached residential zones.

Furthermore, by allowing mixed-use development on the Mercedes properties it can 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 in addition to residential living.

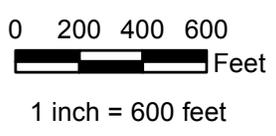
#### V. ZONING RECOMMENDATIONS

As per the November 14, 2017 Settlement Agreement, the Borough should rezone the properties to a new zone called the Mixed-Use Planned Unit Development District ("M-PUD") (see map on page 8). An M-PUD District Zone can widely broaden the potential to attract a mixed-use development to the 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), the provision of affordable housing is considered a threshold requirement for any potential development concept associated with the Mercedes properties if the M-PUD Zone is to be utilized.



**LEGEND**

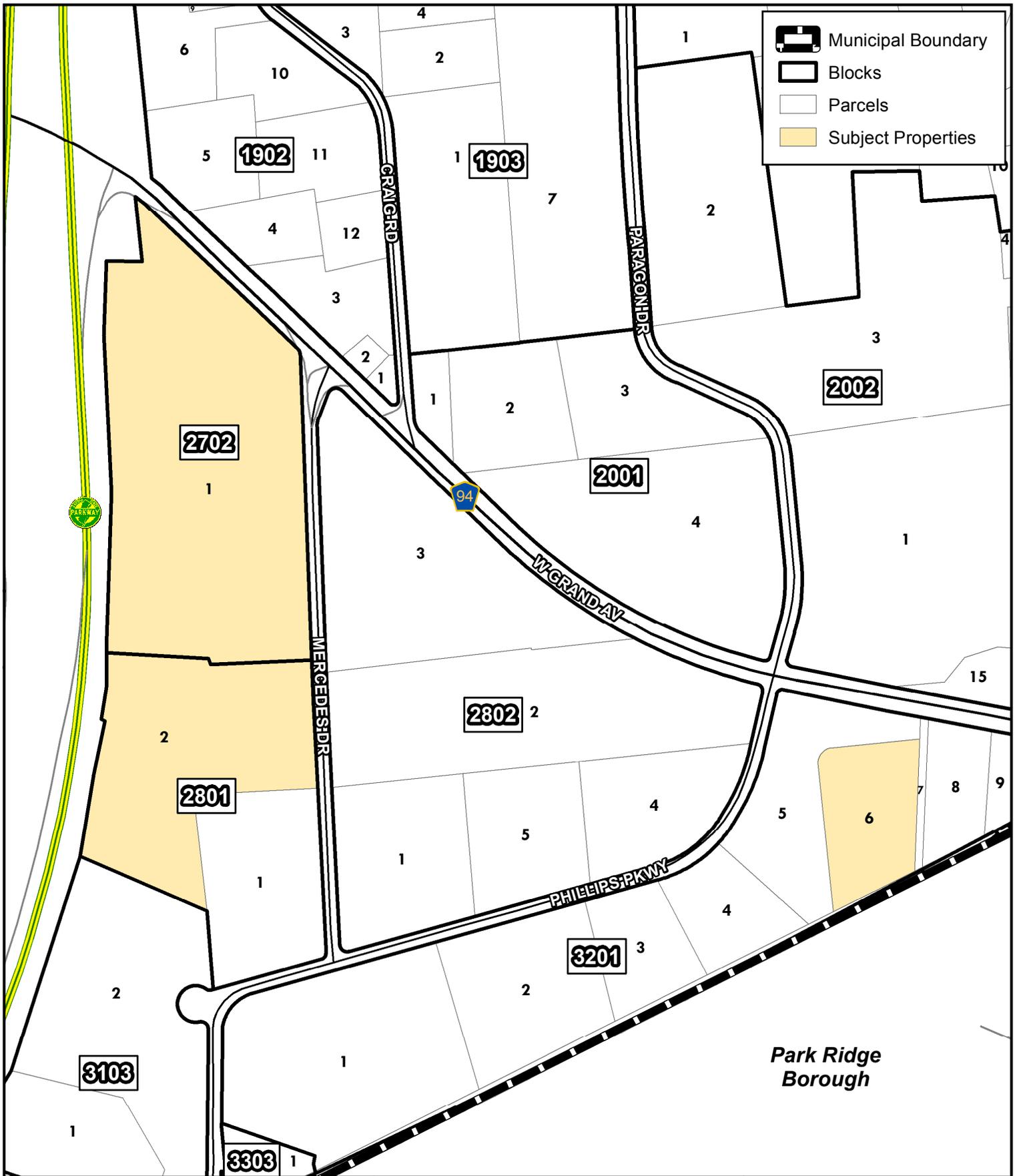
- Municipal Boundary
- Parcels
- 1 Glenview Road
- 1 Mercedes Drive
- 3 Mercedes Drive
- Zone Boundary



**DISTANCE TO SINGLE  
 FAMILY RESIDENTIAL ZONE  
 MERCEDES BENZ PROPERTIES  
 BOROUGH OF MONTVALE  
 BERGEN COUNTY, NEW JERSEY**

**MASER**  
 CONSULTING P.A.  
 NOVEMBER 2017

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1 inch = 450 feet

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Feet

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## PROPOSED AH-PUD ZONE

MONTVALE BOROUGH

BERGEN COUNTY NEW JERSEY



NOVEMBER 2017

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 District should require a minimum of at least three of the following uses:

- Multi-family Residential
- Retail/Personal Service
- Office
- Hotel
- Banks and Financial Institutions

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

- General
  - Develop design guidelines and a design palette for properties located at 1 and 3 Mercedes Drive which are compatible 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.
  - 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.
  - 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, located underground or up to a two-story free-standing garage subject to Planning Board approval.
- Bulk Parameters
  - The ordinance should establish a minimum lot area for the M-PUD District.
  - Building height should be capped at no more than four stories on 1 and 3 Mercedes Drive.<sup>1</sup>

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<sup>1</sup> 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.

- Building height shall be limited to three stories on 1 Glenview Road.<sup>2</sup>
- 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 308 multi-family dwelling units on 1 and 3 Mercedes Drive and include standards in the ordinance that require minimum unit sizes for the market-rate units and prohibit three-bedroom units in excess of 10% of the market-rate units.
  - Permit a maximum of 42 multi-family dwelling units on 1 Glenview Road.
  - Require a minimum affordable housing set-aside of 15%.
  - The affordable housing shall be integrated with the market-rate units. Craft bulk standards in the ordinance that require compliance with all affordable housing regulations.
- Retail and Personal Services<sup>3</sup>
  - Limit retail uses to the first floor in mixed-use structures, but prohibit adult stores.
  - Prohibit discount/dollar stores and gas stations. The definitions in the ordinance may need to be enhanced or created for these uses.
  - Permit a dinner movie theater and/or live entertainment venue, which would host performances, musical acts, theatrical acts (including stand-up comedy), plays, movies 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 shall be 15,000 square feet per floor plate and location parameters shall be established in the ordinance.
  - Prohibit drive-through facilities for restaurants.
- Office<sup>4</sup>
  - Permit professional, medical, educational and general office uses.
  - Encourage offices to be located on the upper floors.

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<sup>2</sup> 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.

<sup>3</sup> This section only applies to 1 and 3 Mercedes Drive.

<sup>4</sup> This section only applies to 1 and 3 Mercedes Drive.

- Hotel<sup>5</sup>
  - If a hotel is part of the mix of land uses in the zone, it shall be a full-service hotel with conference space.
  - 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.

## VI. CONCLUSION

This Amendment to the 2008 Master Plan is necessary to implement the November 14, 2017 settlement with Hekemian to establish a foundation for rezoning the three properties consistent with the agreement. This Amendment will further satisfy the Planning Board's obligation under the Settlement Agreement. In conclusion, the establishment of a new M-PUD District is recommended.

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<sup>5</sup> This section only applies to 1 and 3 Mercedes Drive.