

# **GULTON TRACT REDEVELOPMENT**

## **QUESTIONS & ANSWERS**

### **WHAT IS THE GULTON TRACT?**

The Gulton Tract is a privately owned property located at 212 Durham Avenue with industrial warehouse distribution operations and other businesses on site. The Gulton Property was used initially for various manufacturing operations and as a power utility facility from the early 1900s through 1986. Over the years, the property became contaminated due to the variety of electronic components manufactured by Gulton which seeped into the soil, and others who illegally dumped debris onto this property over the years.

### **WHY NOT JUST ALLOW THE PROPERTY TO BECOME ANOTHER INDUSTRIAL WAREHOUSE?**

The global shift towards a demand for warehouse distribution space has already had a detrimental impact on Metuchen as a result of the recent increase in truck traffic caused by additional massive warehouses in surrounding towns. This has raised concerns that industrial properties like Gulton could become warehouse sites resulting in massive steps backward despite the decades of work by so many to shift our community away from the Borough's heritage of many properties with industrial uses.

### **METUCHEN HAS AN INDUSTRIAL HERITAGE?**

At one time, there were factories and auto service stations and dealers in large concentrated areas around Metuchen. For the last 40 or so years, the Borough has taken significant steps to move past our industrial heritage at sites throughout Metuchen. As the economy and the world changed, many of those sites shut down or abandoned Metuchen and many left their legacies in the form of empty buildings and environmental contamination. With the hard work of former Mayors and Council Members and the dedicated vision of our Borough Planner Jim Constantine, the Borough has moved past these legacies in the face of many obstacles. We transformed some of these sites into places like our Downtown Plaza, Central Square, a variety of productive office spaces, the Metuchen Sportsplex, and Vidas Park. It is transformations like these that have helped contribute to our reputation as one of the most desirable residential and livable communities in all of New Jersey. But as the economy continues to evolve, there is still more work to do.

## **WHAT TYPE OF ENVIRONMENTAL CLEAN-UP HAS OCCURRED AT THE GULTON SITE?**

Once the property was purchased in 1986 by Metuchen Realty Associates (MRA), the New Jersey Department of Environmental Property (NJDEP) identified fifteen areas of environmental concern. In view of its desire to eventually develop the property and make it usable, MRA recently completed a \$10M environmental cleanup of the site under the guidance of the State's Department of Environmental Protection. It removed all of the illegally dumped debris, replaced the contaminated soil with fresh soil, thoroughly cleaned the Dismal Brook, and planted three thousand native species trees on the property.

The site is being cleaned up as part of the redevelopment in a manner to allow for residential use. The multi-family development will feature a cap (i.e. an engineering control) installed in general accordance with the NJDEP's presumptive remedies. A deed restriction (institutional controls) will also be filed. These remedies were developed by the NJDEP to outline the specifications for capping features (i.e. building slabs, asphalt parking lots, lawn areas, landscaped areas, etc.) installed at contaminated sites that will be used in the future for residential purposes subject to engineering and institutional controls. Once the cap is complete, a deed notice will be filed with Middlesex County memorializing the engineering controls for the site, a remedial action permit will be issued by the NJDEP, and a response action outcome (RAO) letter will be issued by the Licensed Site Remediation Professional (LSRP) for the site. Subject to the NJDEP's Remedial Action Permit, there will be long-term monitoring requirements (i.e. cap inspections) to ensure that the cap remains protective in the future and there is a requirement for biennial reporting to the NJDEP documenting the status of the cap on the project (known as biennial certifications). This approach is common at industrial sites in New Jersey that are repurposed for residential use.

## **WHAT STEPS HAVE WE TAKEN TO ENSURE THAT THE GULTON SITE DOES NOT BECOME ANOTHER INDUSTRIAL WAREHOUSE?**

The Borough Council designated the Gulton property as an area in need of development in 2015, as recommended by the Borough Planning Board, and highlighted it as an opportunity to promote desirable redevelopment and potential to expand the quality and quantity of open space. Out of concern that the owner of the property may seek to construct warehouse space on the property, the Borough has actively engaged the property owner in discussions on ways that any development on the property may positively benefit the Borough. The Borough is now in the process of considering an amendment to the redevelopment plan that excludes the possibility of a new warehouse and other light industrial uses.

## **WHAT IS IN THE REDEVELOPMENT PLAN?**

The proposed redevelopment plan intends to guide the transformation of environmentally contaminated industrial brownfields and wetlands into a successful apartment development that includes the reclamation of significant green space. The property's dilapidated warehouses and the poor condition of the property will no longer block our use of Metuchen's largest section of open space and our most beautiful natural asset for passive recreation, the Dismal Brook Preserve section of the Peter J. Barnes III Wildlife Preserve, which was previously known as the Dismal Swamp.

## **TELL US MORE ABOUT THE PETER J. BARNES III WILDLIFE PRESERVE**

On December 22, 2021, it was announced that Middlesex County is working with MRA to acquire property at the Gulton site and improve and manage 30 plus acres of open space for passive recreation adjacent to the Peter J. Barnes III Wildlife Preserve (formerly known as the Dismal Swamp). This historic announcement ensures access to one of the most expansive natural recreational spaces in the region for generations to come.

The Preserve includes 30 plus acres that most of us did not even know existed when we first moved to the Borough. Many residents still do not know about this property. Under the terms of this arrangement, the County will enter a conservation management agreement to take responsibility for both the 18.7 acres of the Preserve property that it acquired from Metuchen Realty Associates in addition to the 12 acres owned by the Borough.

Once completed, residents will be able to stroll over to the Preserve as an exit along the expanded Greenway but there will also be a convenient public parking area and bike racks so that this space is truly accessible. Plans for the Preserve include an extensive trail system for walking, hiking, biking, and strolling. Also envisioned are boardwalks over wetlands, a footbridge for walking over the brook, interpretive signage to give visitors some context for both the preservation of the surrounding plants and wildlife and the extensive history of the property, and possibly even an observation tower for bird watching.

## **HOW WILL THIS PROJECT AFFECT METUCHEN?**

Whether you use the parks in town, have an appreciation for the outdoors, visit our library, or have children in school, local infrastructure affects your daily life. The redevelopment of the Gulton Tract site will decrease truck traffic in town, increase access to passive and active recreation and generate revenue that will allow the Borough to make significant infrastructure improvements throughout Metuchen.

## **WILL THERE BE AFFORDABLE HOUSING UNITS?**

Like every multi-family development in Metuchen, 15% of all available units will be available for individuals needing affordable housing.

## **WHAT IS A PILOT PROGRAM?**

PILOT stands for “payment in lieu of taxes” and is a redevelopment tool available to all municipalities in NJ that have designated areas within the municipality as redevelopment areas and have adopted a redevelopment plan for that area. It provides a tax exemption for redevelopment entities from paying regular property taxes and replaces it with payments to the Borough based on the value of the improvements made to a property as part of a redevelopment project. The exact amount of the PILOT and the requirements for paying the PILOT are contained in a financial agreement. The redeveloper pays annual service charges, in lieu of taxes, at an amount agreed upon with the Borough for up to 30 years, but the redeveloper never pays less than the taxes that were paid on the property the year before the PILOT begins. Regular property taxes are paid after the PILOT period expires.

PILOTs are designed to incentivize the redevelopment of blighted, contaminated industrial sites, like the Gulton Tract. In the case of the proposed PILOT program in our Borough, the redeveloper would receive an opportunity to offset the \$10 million dollars in environmental remediation work undertaken at the Gulton Tract site while still investing millions of dollars in our town infrastructure. It should be noted that the planned redevelopment of the site would not be financially feasible without a PILOT as part of the redevelopment program.

## **WHY A PILOT?**

Redevelopers typically request a PILOT because the planned redevelopment of the site would not be financially feasible without a PILOT. Redevelopers benefit from a PILOT program because it reduces yearly operating costs and enables them to recoup their real estate investment more quickly. Municipalities benefit from PILOTs because they result in the redevelopment of dilapidated and contaminated properties like Gulton and return those properties to productive uses within the community. Additionally, over the course of the life of the PILOT agreement, municipalities often end up retaining more of the PILOT payment than they would if they were receiving traditional property taxes.

## **WHAT TYPES OF INFRASTRUCTURE PROJECTS WILL THE PILOT HELP SUPPORT?**

The Borough will receive 95% of the PILOT revenue, which will help us make important infrastructure investments throughout Metuchen. For example, the Borough expects to use PILOT revenue to help pay for renovations to our library

and athletic fields. We will be dedicating a substantial amount of the revenue to our public schools. Additionally, we expect that some PILOT revenue will be used to pay for initial installments toward our new firehouse/EMS building which the Borough is in the process of planning. Finally, the developer plans to create a southern gateway to the Peter J. Barnes III Wildlife Preserve with approximately \$1 million worth of improvements to the open space, which will include for example, boardwalks over wetlands, a footbridge, interpretive signage and possibly even a bird watching tower.

### **WON'T SCHOOLS BECOME OVERCROWDED?**

The proposed apartment building is likely to have some school-age children although the building will not be specifically marketed towards families with school-age children. As demonstrated with previous multi-unit developments in the Borough, we expect a gradual increase of students in our school district. It took the Woodmont buildings nearly five years to add approximately 45 kids across multiple grade levels, approximately the exact same number that was predicted during that project's planning. Time and revenue from the PILOT agreement will give the Board of Education enough time to prepare for whatever additional students would be projected by this project.