



The NJ Brownfield Assistance Center @ NJIT provides the public and private sectors with the tools and resources necessary to reclaim and redevelop brownfield sites.

# CANNABIS AND BROWNFIELDS: ROOM TO GROW

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Where do you put an entirely new, and highly regulated, industry in New Jersey, the most densely developed state in the nation? This is the big question facing those looking to enter the cannabis space today. Cannabis is the plant that produces hemp or marijuana. The 2018 Farm Bill federally legalized hemp, which among its uses are industrial applications such as fiber, and in the production of CBD for its reported health benefits. New Jersey approved marijuana for medicinal use in 2010, and legalized adult recreational use in 2021 creating a surge in the industry.

The cannabis industry requires a large footprint for indoor agriculture, manufacturing, and retail in a place that is already critically low on real estate inventory. Cannabis operations generally require access to places that can handle a large utility load. There are also state incentive opportunities to consider, counterbalanced by limiting local municipal regulations that further complicate things.

Brownfield development or redevelopment presents a great solution to this challenge. In New Jersey, a brownfield is defined as “any former or current commercial or industrial site that is currently vacant or underutilized and on which there has been, or there is suspected to have been, a discharge of a contaminant.” As described below, these properties can be ideally located in areas that can give applicants an advantage by fast-tracking permits and facilitating good relationships with local governments.

- **Impact Zones:** Impact Zones have been defined by the state as communities that have been disproportionately affected by the War on Drugs. License applicants from these areas are given priority during the application review and approval process on a rolling basis. According to data from the NJ Cannabis Regulatory Commission and the NJ Department of Environmental Protection (NJDEP), there is overlap between mapped Impact Zones<sup>1</sup> and identified Brownfield Development Areas and the Brownfield Inventory<sup>2</sup>. Brownfield Development Areas and Brownfield Inventory are datasets provided by the NJDEP that catalog sites in communities affected by multiple brownfields.

The relationship between social inequity, environmental degradation, and public health has been documented in recent years under the umbrella term “environmental justice”. Factors such as poverty and race have contributed to social inequities that burden the affected communities and increase the likelihood that they have a dense number of contaminated sites<sup>3</sup>. It is clear that there are social and environmental justice benefits, along with the application process prioritization incentive, by choosing properties in these areas to redevelop.

- **Environmental Impact and Sustainability:** Redeveloping a brownfield may also contribute favorably to an applicant’s environmental impact plan, sustainability report, and community impact, social responsibility, and research report (Special Adopted New Rules: N.J.A.C. 17:30<sup>4</sup>). As part of obtaining an annual license, the applicant must propose and implement a plan to increase the sustainability of their operations. The concept of sustainability encompasses environmental, social, and economic benefit. A brownfield redevelopment project checks all three of these boxes, which is beneficial right out of the gate and doesn’t require expensive equipment upgrades.
- **Municipal Support:** Those seeking conditional and annual permits from the state need to have support from the municipalities. What if the local government not only passed a resolution supporting the project, but actually championed it? Engagement of local stakeholders is a critical part in both the cannabis licensing and brownfields reuse process.

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<sup>1</sup> <https://www.nj.gov/cannabis/businesses/priority-applications/impact-zones.shtml>

<sup>2</sup> <https://njdep.maps.arcgis.com/apps/webappviewer/>

<sup>3</sup> <https://www.nj.gov/dep/ej/>

<sup>4</sup> <https://www.nj.gov/cannabis/documents/rules/NJAC%201730%20Personal%20Use%20Cannabis.pdf>

Approximately one-third of currently permitted cannabis facilities in New Jersey are located on a contaminated or formerly contaminated site<sup>5</sup>. This number will grow as communities organize and pass ordinances that will shape the future of their relationship with this new industry.

Local municipalities have the authority to regulate licensing within their borders via the establishing Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization (CREAMM) Act. This has created a patchwork of regulations related to acceptable locations for cannabis operations, such as types of permits allowed (if at all), minimum buffer distances from schools and/or houses of worship and other cannabis businesses, zoning, types of structures allowed (i.e., no greenhouses<sup>6</sup>), etc. Since many municipalities are restricting cannabis operations to zoned commercial and industrial areas, it is likely that many available properties have the potential to meet the definition of a brownfield. Applicants should consider using available GIS data to site proposed facilities. Some municipalities, such as Elizabeth, have created GIS overlays to show areas permitted for cannabis development<sup>7</sup>. Locations of schools, daycares, brownfields, and land uses, among many other datasets, are available on NJDEP's Site Remediation Profile in AGO web map viewer.

One important thing to note is that although there are funding opportunities for brownfields available to both public and private entities in the form of grants, loans, and tax incentives on both the state and federal level; proposed marijuana related-operations would unlikely be eligible to receive federal funding due to the continued legal status as a Schedule 1 drug.

Once a site has been selected as a possible reuse project, it's time to start the due diligence process and determine the environmental history and condition. At the onset it's important to continue to keep stakeholder engagement in mind for the health of the community. The operations should not further burden the neighborhood with fugitive odors, hazardous waste mishandling, or unsafe work practices.

For more information on the brownfields process and a step-by-step guide for planning, funding, and the cleanup process, visit the NJ Brownfields Assistance Center @ NJIT's Brownfield Blueprint (<https://www.njit.edu/njbrownfields/planning>).

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<sup>5</sup> Based on evaluation of addresses reported on cannabis license permits and the NJDEP DataMiner database

<sup>6</sup> E.g. Pleasantville ordinance

<sup>7</sup> <https://map.govpilot.com/map/NJ/elizabeth?ust=NJ>