

**MASTER PLAN**  
**BOROUGH OF PENNINGTON**  
**NEW JERSEY**

**9. Economic Development Plan Element**

The Economic Development Plan element draft released by the writing team was conditionally adopted by the Planning Board on August 13, 2025, and posted on the Borough website for public comment. This element will be available for comments until April 22, 2026, prior to final adoption at a public meeting of the Planning Board on May 13, 2026.

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## Introduction

This Economic Development Plan Element of the Pennington Borough Master Plan is prepared pursuant to the Municipal Land Use Law (NJSA 40:55D-1et. Seq). This enables the Planning Board to adopt an Economic Development Plan Element as part of the 2025 Municipal Master Plan Update. According to NJSA 40:55D-28b (9), the purpose of the element shall be to: *“Consider all aspects of economic development and sustained economic vitality, including (a) a comparison of the types of employment expected to be provided by the economic development to be promoted with the characteristics of the labor pool resident in the municipality and nearby areas and (b) an analysis of the stability and diversity of the economic development to be promoted.”*

Commercial development is an indispensable part of Pennington. That commerce is a source of goods and services for the population of the Borough and the surrounding area, of course, but it is also part of Pennington’s “brand promise” - the identity our town wants to project to potential residents and visitors, and the identity we want our businesses to reinforce:

**Pennington is, and aspires to continue to be, a welcoming, walkable, authentic, safe and prosperous hometown for a diversity of households and small businesses who seek to join in and support an historically optimistic and entrepreneurial community.**

In a broad overview, Pennington Borough has two commercial areas. One is composed of the zones along or near the Route 31 corridor, which have been primarily characterized by small, low-rise “strip” shopping centers. This area includes the commercial centers along the north-bound side of Route 31 known as: Shoppes of Pennington; Pennington Square; and Old Mill Square. Just to the east lies a commercial zone of small offices in the Straube Center along West Franklin Avenue, and the proximate Cambridge School, as well as the Pennington Post Office. The Route 31 corridor is often not perceived as a unique part of Pennington’s identity; however, this district is an important source of shopping, dining, and services for the town, the greater Hopewell Valley, and those passing through on the busy State Route 31. Having a thriving and moderately dense highway-commercial district proximate to town is a feature and a benefit.

The other set of commercial zones comprise Pennington’s commercial Town Center. The businesses within the Crossroads Historic District at the intersection of Main Street and Delaware Avenue give the entire Borough a focal hub and help make the Borough a family town rather than just a collection of housing subdivisions. The town center is foreshadowed by small commercial centers several blocks to the north and south on Main Street. Our in-town businesses combine to form the core of our close-knit community. From that perspective, the center must not merely hold; it must thrive as the vibrant heartbeat of the Borough.

The Borough’s planning and zoning should facilitate the success of these commercial districts.

## Overview: Pennington and Commerce

Pennington, a one-square-mile borough full of small-town charm, was named the "Best Town for Families" by New Jersey Family Magazine in 2015. The magazine singled out Pennington for its highly-rated public school system, convenient location, almost non-existent crime, affordable housing relative to average salaries, and the fact that we have preserved our quaint small-town-meets-farmland feel.

In Pennington, we are proud of our town and loyal to our entrepreneurs, who add to the thriving vitality of our community. The non-profit Pennington Business and Professionals Association has supported the businesspeople of Pennington and the area. The Pennington Economic Development Commission is a committee of the government and seeks to be an advocate and liaison for businesses in the Borough.

### Census Data

In 2023, the EDC began a new census of commercial businesses within Pennington Borough. This list has been maintained and updated. The list contains information on storefront, retail, and commercial businesses in the Borough; it does not include home businesses or religious institutions. Currently, the commercial businesses break down as follows:

Count of Businesses (2023)	
Personal Care	10
Retail	9
Services (ex-personal care)	9
Food	8
Office	6
Healthcare	5
K-12 School	1

The businesses are relatively evenly broken down into personal care, retail, services, and food establishments.

- The Personal Care businesses are somewhat homogeneous: hair salons (mostly), spas, nail salons, and some fitness businesses.
- The retail businesses are more eclectic, spanning apparel, cycles, jewelry, crafting stores, precious metals, an apothecary and gifts.
- The services businesses are similarly varied, comprising everything from decorators to home care services to a funeral home.
- Pennington also has a burgeoning and diverse "food scene" with a pizza shop, bakery, cafes, and bagel shops as well as an Italian, a Thai, an Asian Fusion and a Mexican restaurant.

## Commercial Factors in the 2020 US Census

Population:	2,802
Total Households:	1,138 (Families & Living Arrangements)
Average Family Size:	2.89
Median Age	47.5
Largest Age Groups:	45-49 yrs old; 60-64 yrs old
Total Housing Units:	1,088
Homeownership Rate	80.8%
Average Housing Value:	\$500,000-\$999,000
Median Residential Gross Rent:	\$1862
Median Household Income:	\$166,957
Employment Rate:	64.4%
Education:	76.2% Bachelor Degree or Higher
Commuting:	22.9 minutes (average travel time to work)
Largest Race & Ethnicity Groups:	White followed by Hispanic/Latino and Asian

The data reflects that Pennington is a generally affluent and educated community, whose residents are ready and able to purchase goods and services. To enable that purchasing locally, Pennington businesses must aim to meet the needs of the local population and must strive to be available to customers outside of traditional office and work hours. To that end, zoning and land use ordinances and enforcement should encourage businesses to extend their hours into evenings and weekends; this would in turn generate more activity and community for all businesses in the Town Center.

## **Planning Recommendations**

To better serve our communities and meet our commercial “identity,” Pennington Borough’s master plan, and the Borough’s zoning and planning generally, should pursue the following practices:

### **1) Clarity and Business-Centric Processes**

Generally, simplifying the Borough’s zoning of its commercial districts - fewer different zones, broader permitted uses within certain zones, and clearer definitions of permitted uses - will avoid confusion, encourage businesses to come to Pennington, and may help spur new development. Specifically:

- a) Within the Rt. 31 corridor:
  - i) Zoning districts need not and should not be highly differentiated; the area could be comprised of 1-2 zone definitions, which should encourage: mixed uses; commercial uses that may not work in the town center (such as those dependent on abundant or adjacent parking); and development that reinforces the fact that these zones lie within a distinct, small Borough.
  - ii) Areas need not be restricted to office-only uses.

iii) Permitted uses should include, for example, gyms and fitness facilities. These types of uses encourage community and gathering, and our area is currently underserved by such businesses; however, they are too dependent on car traffic to be appropriate in the town center.

b) In the Town Center and along Main Street:

- i) Zoning should be different from, and more restricted than, zoning in the Rt. 31 corridor;
- ii) Zoning should reinforce the existing historic, village-center appearance; and
- iii) Zoning should generally favor retail shopping and dining that tends to encourage walking and browsing and disallow uses that would be contrary to a family-friendly, age-diverse environment.

c) In all commercial districts, Zoning should permit:

- i) Co-working spaces, maker-spaces, sidewalk and outdoor dining, and other uses that foster community, convening and gathering; and
- ii) Small inns, boutique hotels or bed-and-breakfasts, which add retail and tourist activity. (We recommend such permitted uses be required to incorporate on-site proprietors, multiple rooms for lodging, and food service, as opposed to the private rental of a residence.)

d) Land use regulations generally, and historic restrictions and requirements specifically, need to become clearer and easier for business owners to determine.

e) Land use enforcement must be consistent and transparent but also tempered by practicalities and by the overarching goal of encouraging businesses and not applied precipitously. In addition:

- i) Means should be provided for informal inquiries, workshopping, and related dispute resolution, regarding proposed commercial uses;
- ii) Overarching goals of Borough government and development should be regularly communicated to zoning enforcement personnel.

## 2) Density

a) Consistent commercial development and the success of that development will be supported by increasing the population density of Pennington within walking distance of the Town Center, to the extent that may be accomplished without fundamentally altering the character and streetscape of the town. Land use policy can foster this increased density by permitting:

- i) Mixed Use developments within existing commercial zones, Our Town Center is built around mixed-use buildings, in fact. Mixed-uses increase both residential and commercial density, encourage pedestrian traffic, and enhance a village esthetic.
- ii) Accessory Dwelling Units.

- b) Mixed-Use development in commercial zones may be structured so as to facilitate the ability, financially and logistically, for entrepreneurs to live near or “above” their own businesses. Such a practice would foster a dedicated, resident business community.

### **3) Mobility, Access, and Parking**

- a) Streetscape improvements should foster “nuisance free” walking routes to and through the Town Center. Zoning and ordinances should discourage landowners from constructing imposing fences, physical barriers for pedestrians, facilities that bring guard dogs or thorny plants into close proximity with sidewalks, and other features that would tend to discourage walking and cycling. Conversely, ordinances and enforcement should encourage clean sidewalks free of debris, garbage and snow.
- b) To encourage foot traffic, retail exploration and serendipity, and to avoid a reported negative factor for new businesses, on-site parking requirements for businesses should be reduced in favor of a greater reliance on on-street and central municipal parking.
  - i) To facilitate this shift to parking arrangements that encourage pedestrian traffic over short distances:
    - (1) Municipal parking lots may need to be expanded or added, or the Borough may need to reach arrangements with owners of nearby parking areas that tend to be underused during the business day (such as schools and churches); and
    - (2) Time limitations on on-street parking may need to be enforced — but parking should remain free and unmetered.
  - ii) Factors in the Planning and Zoning Board’s consideration of requests to vary from on-site parking requirements could include the property making available to the public:
    - (1) “Level 3” rapid EV Charging facilities;
    - (2) Bike racks; and/or
    - (3) Enhanced accessibility; that is, efforts to encourage and positively reinforce pedestrian and cycling access, interaction, and flow, not merely the minimum requirements under disabilities laws.
- c) In coordination with the Borough’s Open Space and Recreation efforts:
  - i) Open Space preservation efforts should continue to focus on creating and enhancing corridors of open space access and trails into and out of the Borough. In addition to the resulting recreational improvements, such access increases the opportunities for visitors to recreational sites in “Greater Pennington” (such as Northwest Mercer County Park, including Rosedale Park and the “Pole Farm”, and the Lawrence-Hopewell Trail) to visit and patronize Pennington Borough businesses.
  - ii) The planned Great Western Bikeway will pass through the Borough on Ingleside Avenue and South Main Street. Streetscape, land use, parking, and recreational efforts should be coordinated to enable cyclists using this route to easily and pleasantly

- divert and visit Pennington's Town Center and/or pass through Pennington as a connection to the Lawrence-Hopewell Trail.
- iii) To the extent permitted under law, some Open Space and Recreational funds should be devoted to signage and other efforts to make such recreational users aware of Pennington Borough and its businesses and to encourage them to visit.
  - d) The only current avenues for pedestrians, hikers, and cyclists to move between Town Center and Route 31 are the West Delaware Avenue bridge and the underpass on Broemel. Neither of these routes currently are pedestrian friendly, much less pleasant or encouraging. Residents also report it is difficult crossing West Delaware once one is west of Burd Street. These dis-incentives to non-vehicular movement are compounded for the large number of people (and potential business customers) seeking to cross Route 31 to travel to and from the HVRSD campus. Therefore, among other solutions:
    - i) The West Delaware and Broemel railroad crossings need to be improved, making them more welcoming to pedestrians and better lit.
    - ii) Redevelopment of the former "Landfill" area, as well as the former Senior Center property at the north end of Reading Avenue, should facilitate and encourage the creation of coordinated streetscapes and new, green, encouraging means for pedestrians and cyclists to move between the Town Center and residential areas, and the Route 31 Corridor, coordinating with the Pennington School and freight railroad as necessary.
    - iii) Plans to redevelop the Landfill and potentially rezone and redevelop properties at the intersection of Rt. 31 and West Delaware Avenue, and to enhance storm water management proximate to that intersection, should be leveraged to create improved means for pedestrians to cross Route 31. This improvement would be a significant boost to businesses along Route 31, West Delaware Avenue, in the Landfill property, and even in Town Center, by connecting them to the large high school and middle school constituencies.

#### **4) Town Center Character**

- a) See the recommendations regarding the Town Center under "Clarity and Business-Centric Processes."
- b) Most Pennington adults spend their working days more than twenty minutes away from town. These residents, and others passing through Pennington after work, know our commercial districts only by their appearance at night. Thus, land use and other ordinances should encourage activity and pedestrian traffic not only during daylight, but also after work and into evening hours. Town Center businesses also need to remain visible and appealing to passers-by, even after they may have closed for the night. Therefore, Borough ordinances and land use enforcement should require or otherwise promote:
  - i) Businesses remaining open for consistent hours through the week and into the evening;

- ii) Businesses leaving a reduced level of interior and/or window lights on after closing;
  - iii) Property owners of vacant properties providing window displays, or allowing arts groups to create window displays, to avoid the appearance of empty storefronts;
  - iv) “Pop up” retail use of vacant storefronts, and other short-term use of available space;
  - v) Sidewalk sales and dining.
- c) The “Town Center Buffer” zone appears currently unnecessary; however, zoning and planning should facilitate and permit future expansion of the central commercial district, in which residential, office, retail, and mixed uses would all be permitted. To that end:
- i) The properties now occupied by the Presbyterian Church and Methodist Church should be rezoned consistent with the Town Center commercial zoning, to provide for future expansion of the Town Center; these lots would not be appropriate for new, single-family residences and thus should no longer be zoned single-family residential as the primary intended use.
  - ii) South Main Street between Academy and Delaware Avenues, Academy Avenue between Main Street and Burd Street, and North Main Street from Delaware Avenue to Brookside Avenue, should be identified as areas for potential future expansion of the Town Center commercial zone. In the long-term, commercial development, fueled by pedestrian traffic, should be encouraged along Main Street to better connect the small commercial areas beyond Franklin (to the North) and at Main and Curlis (to the South) with the Town Center. Accordingly, even in the nearer-term:
    - (1) Appropriate commercial uses may be identified as conditional uses even within residential zones in these corridors, and
    - (2) Parking and commercial uses that would support the town center should be included in considerations for redevelopment of the lots at the intersection of North Main Street and Brookside Avenue.

## 5) Signage and Promotion

- a) Zoning and other ordinances should permit, and the Borough government should employ, consistent visual markers such as signs, flags, and markers, to direct residents and visitors to commercial districts and noteworthy locations, create a more unified and consistent commercial streetscape, and to identify and increase awareness of the Borough.
- b) Such “wayfinding” signage is especially important to highlight and enhance traffic pathways from the Route 31 corridor to Town Center, to make passers-by on Route 31 more aware of Pennington’s CBD.
- c) For this reason, zone-specific signage requirements should not be written or enforced in a way that thwarts consistent town-wide signage and wayfinding.
- d) Zoning and enforcement should spur property owners to maintain more accurate commercial signage, such as imposing and enforcing deadlines of 60 to 90 days to erect compliant signs that describe a property’s new use/ownership and to remove all signage that is no longer accurate.

- e) Signage ordinances should be overhauled to address new technologies; however, while digital signage may be appropriate in the Rt. 31 corridor, it would be contrary to the historic village character of the Town Center and should not be permitted there.
- f) Signage should allow businesses in the Rt. 31 corridor to more clearly make their existence known to motorists on the highway.

## **6) New Development Opportunities**

- a) Former Landfill - See discussions above.
- b) Home-Based businesses are a reality and can encourage a daytime population that will frequent other in-town businesses. Thus, zoning should permit many home based businesses that will not negatively affect the residential character of neighborhoods or unduly create traffic or parking congestion on residential streets. Such businesses should not be required to operate covertly. Accordingly, most home office uses should be permitted as “accessory” rather than “conditional” uses, and limitations on the size and level of activity of such businesses should be regularly reexamined.
- c) Entrepreneurship - Overall, Pennington must be seen as a welcome home for entrepreneurial, owner-operated businesses, because such businesses reinforce community. For that reason, undue complexity and inconsistency should be avoided in all of the Borough’s commercial ordinances, regulations and enforcement.

## **Relationship with other Economic Development Plans**

### **1) Hopewell Township Master Plan**

The Hopewell Township Planning Board adopted its latest periodic reexamination of its Master Plan and development regulations on December 13, 2021. Its previous reexamination was adopted on December 15, 2011. The Master Plan does not include an Economic Development Plan.

A Township Planning Board recommendation in the 2021 reexamination report was that an Economic Development Plan element should be prepared. This was in response to the economic downturns that took place across the country during the Great Recession of 2008 and the Covid-19 pandemic of 2020-21. According to the report, “The Economic Development Plan will provide an opportunity to review existing economic contributors, land development patterns, workforce and employment characteristics of the Township. An analysis of these factors will provide a means to develop strategies to diversify the local economy, promote workforce initiative, develop economic partnerships, increase economic and natural resiliency, and foster meaningful redevelopment opportunities that will take into consideration the location and types of development that will benefit not only new residents and employees but also provide additional development and services for existing residents.”

The Tourism and Economic Development Advisory Committee was established by Hopewell Township on September 19, 2022. Its goal is to promote agriculture, historical and recreational tourism, local restaurants, and other businesses. The Committee works to support existing businesses, attract new businesses, and promote tourism in the Township and the entire Hopewell Valley. In January 2025, representatives of the Pennington Borough Economic Development Commission were invited to participate in a “business listening session” held by the Committee. An outcome was that the Township Committee and the Borough Commission may cooperate on development areas of interest to both parties. Of particular interest to the Borough is commercial development on Route 31 adjacent to the Borough. Properties to the south of West Delaware Avenue are largely in the Township, whereas those to the north are in the Borough. It would make sense that development in both locations follows a consistent and optimized plan.

## **2) Mercer County**

Mercer County does not have an Economic Development element in its Master Plan. However, the Mercer County Office of Economic Development provides a variety of business development programs and workshops to help small and large businesses in the County build growing, successful companies. Examples are:

- Business Workshops such as Business Fundamentals, Financing, and Procurement
- Individual Business Mentoring
- Financial Assistance for Mercer County Businesses
- Foreign Trade Zone Program
- Site Selection Services
- Employee Recruitment and Training Assistance

The County offers financial assistance through a variety of grant programs. A 2025 example is the Revitalize & Grow Grant program, which provides grants to businesses for signage and façade improvements to improve traffic for businesses and support increased tourism. Another is the Business Builder Rebate Grant program to help cover some costs of startup or refreshing, such as accountant fees, office supplies, software and some website development. The Mercer County Purchasing Department offers a streamlined process for local businesses to navigate the County procurement process, a comprehensive system of specifications and competitive solicitations.

## **3) New Jersey State Development and Redevelopment Plan**

The State Development and Redevelopment Plan (SDRP), also known as the State Plan, provides a vision for the future that will preserve and enhance the quality of life for all residents of New Jersey. The State Plan is the result of a cross-acceptance process that included thousands of New Jersey citizens in hundreds of public forums, discussing all the major aspects of the plan - its goals, strategies, policies and application.

The purpose of the State Plan is to coordinate planning activities and establish Statewide planning objectives in the following areas: land use, housing, economic development, transportation, natural resource conservation, agriculture and farmland retention, recreation,

urban and suburban redevelopment, historic preservation, public facilities and services, and intergovernmental coordination (N.J.S.A. 52:18A-200(f)).

The current plan was adopted in 2001 and is in the process of being updated by the Office of Planning Advocacy (OPA) and the State Planning Commission (SPC). The SPC approved the Preliminary SDRP on December 4, 2024. It can be found at [https://nj.gov/state/bac/planning/documents/update-to-state-plan/Draft%20Preliminary%20SDRP%20\(SPC%20Approved%2012.4.2024\).pdf](https://nj.gov/state/bac/planning/documents/update-to-state-plan/Draft%20Preliminary%20SDRP%20(SPC%20Approved%2012.4.2024).pdf)

Of the ten Goals of the updated SDRP, two are related to Economic Development:

- #1. Promote Economic Growth that Benefits all Residents of New Jersey
- #3. Economic Opportunity Through nation-leading Infrastructure

The OPC has completed the presentation of the SDRP at meetings in all the counties of New Jersey and the feedback has been incorporated into the Plan. A series of Cross-Acceptance meetings are scheduled for the second half of 2025, and it is anticipated that the final plan will be released at the end of 2025. Pennington Borough participated in a meeting on the SDRP in Mercer County and will participate in a cross-acceptance session.

Policy objectives for Economic Development can be found on page 69 of the Preliminary SDRP: Encourage new businesses, private sector investment, and tourism where appropriate and based on smart growth principles. Revise outdated zoning restrictions to promote flexible workplaces that recognize the changing needs of the contemporary workplace. Any economic development occurring outside the center should be planned and designed to maintain or enhance the area's qualities with minimum impact on agricultural or environmentally sensitive resources. Development should aim to diversify the local economy and achieve more sustainable year-round models.

It is notable that the policy encourages the revision of outdated zoning restrictions.

## **Relationship with Other Plan Elements in Master Plan 2025**

### **1) Land Use Plan**

The Land Use Plan will consolidate recommendations for zoning ordinance changes in the Borough. The zoning change simplifications in the Economic Development Plan aimed at broadening the allowed uses of commercial properties will be incorporated into the Land Use Plan. Recommendations for areas in need of redevelopment will be considered.

### **2) Housing Plan**

The Housing Plan is focused on increasing the availability of affordable housing. This may allow more people who work in Pennington to reside here. The zoning changes recommended to convert some of the current commercial-only areas to mixed commercial and residential areas will be welcomed to allow the development of more affordable housing units.

### 3) Mobility Plan

The recommendations in this Plan about traffic, parking, and non-vehicle access to commercial areas may result in changes to the Mobility Plan if conflicts are found.

### 4) Utilities

The creation of new facilities for businesses or use changes of existing facilities could increase the demand for drinking water and for wastewater delivery to the SBRSA Pennington treatment plant. While there is adequate capacity for small-scale additions, larger scale developments will need to be coordinated with Public Works and may generate a request for service expansion.

### 5) Open Space and Recreation Plan

The businesses in town frequently participate in the recreational activities organized by the Parks and Recreation Committee. The plans should ensure that the joint efforts are supported appropriately. Open Space developments and linkages to the town center will be important to local businesses,

### 6) Historic Preservation Plan

Many of the businesses in the Town Center are housed in properties that are subject to preservation. While businesses should respect the recommendations of the Historic Preservation Committee, the Historic Preservation Commission should ensure that the regulations are not so onerous that they negatively impact the economics of a business.