

**AFFORDABLE HOUSING DEVELOPMENT PROPOSAL
TO BRANCBURG TOWNSHIP**

Applicant: 3361 Route 22, LLC

Dated: February 28, 2017

1. The tax map identification, zoning designation, current development and tax qualification of property included within the proposal

The property is designated as Block 9, Lots 9-13 on the official tax map of the Township of Branchburg (the "Property"). The Property is located in the I-1 Industrial Zone with the PO Planned Overlay Zone. The PO Planned Overlay Zone includes of series of commercial uses as permitted and conditional uses.

The Property consists of approximately 24 acres of land along US Highway Route 22. The front portion of the Property consists of two restaurants, a bar, assorted commercial uses and some residential bungalows. The rear portion of the Property is currently wooded. For property tax purposes, Lots 9, 11, 12 and 13 are classified as 4A commercial and Lot 10 is classified as 4B industrial.

The Township of Branchburg has previously identified the Property as a site that may be included in the Township's Housing Element and Fair Share Plan ("Fair Share Plan") to address the Township of Branchburg's affordable housing obligation. The Applicant also received a use variance from the Zoning Board to permit a commercial development on the front portion of the Property along Route 22.

2. A statement of ownership for the property proposed for development or of legal control of the property, including any contingencies and expiration dates

Lot 9 is owned by 3373 Route 22, LLC; Lot 10 is owned by 3361 Route 22, LLC; Lot 11 is owned by 3355 Route 22, LLC; Lot 12 is owned by 3351 Route 22, LLC and Lot 13 is owned by 3331 Route 22, LLC. Alan Frank is the managing member of all those entities.

3. The nature, type, and extent of all development proposed including, but not limited to, affordable housing

The Applicant proposes a mixed use development with commercial uses along the frontage of U.S. Highway Route 22 and a multifamily residential development at the rear of the Property as shown in the attached Concept Plan prepared by Dynamic Engineering Consultants & Melillo & Bauer. The commercial component is similar to the commercial development already approved by the Branchburg Zoning Board for a use variance.

The proposed uses for the commercial component as shown on the Concept Plan are:

- Building A: Sandwich Shop with drive-thru (approximately 4,300 sq. ft.)
- Building B: Food Market with fuel sales (approximately 5,400 sq. ft.)
- Building C: Pharmacy (approximately 12,900 sq. ft.)
- Building D: Retail / Office Space (19,450 sq. ft.) with warehouse / basement underneath (6,000 sq. ft.)

- Building E: Restaurant with liquor license (approximately 6,500 sq. ft.)

Buildings C, D and E for the commercial component are effectively the same as what was approved by the Zoning Board for this Property. See attached resolution of approval dated January 31, 2012, Case No. 2009-002A. The approval has been extended three times, most recently on December 6, 2016. The standards of the Planned Overlay Zone may need to be adjusted with this current proposal, but overall the commercial component is in line with the vision for commercial development on this Property as evidenced by the Planned Overlay Zone and Master Plan.

The residential development at the rear of the Property would consist of approximately 214 multifamily residential units with a 25% set aside for affordable housing. That is a density of approximately 16 units per acre which is consistent with typical rental developments. To achieve the 25% set-aside, the Applicant would seek a PILOT (payment-in-lieu-of-taxes) with respect to the residential component of the project. The Applicant or subsequent developer would seek financing from the New Jersey Housing & Mortgage Finance Agency (HMFA) for the residential component of the project. The PILOT would be granted under the HMFA statute that allows PILOTs for residential projects that receive HMFA financing and provide affordable housing, N.J.S.A. 55:14K-37.

The PILOT payment would be based upon a percentage of rental revenue from the residential component of the project. The percentage is typically around 6% to 10% of the rental revenue. Though the Township would receive less than the current “real estate taxes”, the Township would get to keep 100% of the PILOT payment where currently, the Township only retains about 16% of the real estate taxes, with the remainder going to the county, school board, open space and library.

The Applicant has reviewed the preliminary review letter from the Township Engineer dated February 7, 2017, which provides comments with respect to the concept plan submitted with the Applicant’s 2016 RFP Submission. The Concept Plan submitted herewith takes into account several of the comments from the Township Engineer (like residential building layout, fire access, etc.). Other items that deal with grading and drainage can properly be addressed during a site plan review.

4. An explanation of owner’s or developer’s financial resources sufficient to demonstrate that the proposal can reasonably be developed

The Applicant and its related entities are the owners of the Property. The Applicant will partner with a national residential developer with respect to the residential component or build it itself.

5. An explanation of why the owner or developer believes that its proposal would be particularly beneficial

This Property is particularly suited for construction of a mixed use commercial / multifamily housing development for several reasons. The front portion of the site proposed for commercial development has frontage along U.S. Highway Route 22, which provides direct access to a major highway with no operational impacts to local roads and limited impact to the adjacent development. The development proposal with commercial in the front will also be a visual upgrade to the site. The rear of the property slopes down from the commercial portion so the residential will “sit down” lower than the commercial and not have a significant visual impact. The difference in grade from the front portion of the Property to the rear portion of the Property makes it difficult to market the rear portion for commercial development. There is not impact to established single-family neighborhoods from a land use, traffic or visual standpoint

There are existing sanitary sewer lines and easements to service the Property and NJDOT approval for signalized access from Route 22 in connection with the approved commercial uses on the front portion of the Property..

At the most recent Zoning Board hearing in December 2016 to extend the existing use variance approval, the board members were excited and anxious to see the commercial development proceed forward and provide a “face-lift” to this gateway section of Route 22.

The proposal is consistent with prior visions for this Property with respect to the existing zoning and prior inclusion as a potential site for affordable housing. The proposal would provide an enhanced visual appearance to this gateway section of Route 22 and provide a substantial ratable to the Township estimated at approximately \$60 million to \$70 million..

6. The timing of the proposed development

The Applicant is ready, willing and able to proceed with this proposal .

7. Any in-kind or monetary contribution required from Branchburg

None.

8. Any in-kind or monetary contribution to Branchburg proposed by the developer

None.

9. Whether each component of the proposed development is intended to be rented or sold.

The Applicant currently proposes the residential units to be rental units.