

TOWNSHIP OF BRANCBURG
1077 U.S. HIGHWAY 202 NORTH
BRANCBURG, NEW JERSEY 08876-3936

AFFORDABLE HOUSING DEVELOPMENT PROPOSAL

Submitted on behalf of:

S/K Stoney Brook Associates

Owner of Block 58, Lots 35 and 36; Block 58.01, Lot 4

Dated: March 1, 2017

INTRODUCTION

S/K Stoney Brook Associates (“Stoney Brook”) is pleased to present this proposal for an upscale inclusionary affordable housing development in the Township of Branchburg (the “Township”). As an affiliate of the Kushner Real Estate Group, an award-winning real estate development and management company found in 1979, Stoney Brook brings to bear decades of experience and success in residential development throughout the State of New Jersey. More importantly, as a long-term stakeholder in the Township, Stoney Brook appreciates the communal values that make the Township a wonderful place to live and work, and is committed to responsibly enhancing the social fabric of the Township.

I. Tax Map Identification, Zoning Designation, Current Development, and Tax Qualification of Property.

The subject properties are designated on the Township’s official Tax Map as Block 58, Lots 35 and 36 and Block 58.01, Lot 4 (the “Property”), which are proposed to be consolidated into Block 58, Lot 35. The Property contains a total tract area of approximately 52.816 acres and is located in the I-2 Zone District. Currently, the site can be developed with a wide range of non-residential uses, including industrial, manufacturing, and research/development. The portion of the Property proposed for development is currently vacant and semi-wooded, and has received the “farm” tax qualification for the past several years.

II. Statement of Ownership for the Property.

Stoney Brook has held clear fee simple title to the Property for over two (2) decades. The Property is not encumbered by any liens or mortgages.

III. The Nature, Type and Extent of All Proposed Development.

Stoney Brook envisions the development of an upscale and attractive rental community comprised of a total 609 luxury apartments. Twenty percent (20%) of the units are proposed to be designated as “affordable”, resulting in the construction of 122 affordable units. Stoney Brook proposes a bedroom distribution mix of 206 one-bedroom units, 378 two-bedroom units, and twenty-five (25) three-bedroom units. All affordable units will comply with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1, et seq. (“UHAC”), to facilitate the Township’s receipt of credit towards its affordable housing obligation.

The proposed density of the site is approximately 15 units per acre, which is consistent with the density of other sites in the Township's current affordable housing plan and the Prior Round Rules, N.J.A.C. 5:93-5.15.

The units will be housed within fifteen (15) four-story buildings interspersed throughout the site. Each building will be elevator serviced. Four (4) of the fifteen (15) buildings will contain forty-five (45) units, each with eighteen (18) garage spaces and eighteen (18) driveway spaces. The remaining (11) buildings will contain thirty-nine (39) units, each with fourteen (14) garage spaces and fourteen (14) driveway spaces. Stoney Brook proposes an additional 757 surface parking spaces and seven (7) clubhouse spaces for a total of 1016 parking spaces, in full compliance with the Residential Site Improvement Standards.

The proposed community would be served by a 5,000 square foot recreation/club facility (with a pool and fire-pit) fully capable of accommodating all on-site households. Residents will enjoy a community garden, a dog-run, and a walking trail. Furthermore, the Property will be enhanced by several plots of carefully-maintained green space, while an existing tract of woodland along Stony Brook Road is proposed to remain undisturbed to provide a natural buffer.

A concept plan prepared by Maser Consulting, P.A., depicting the proposed development is enclosed herein. In addition, sample elevation renderings prepared by Minno & Wasko are included for consideration.

IV. An Explanation of Stoney Brook's Financial Resources.

The Township can rest assured that Stoney Brook has access to and will bring to bear the necessary financial, professional, and management resources to construct this community in a timely and efficient manner. Stoney Brook is an affiliate of the Kushner Real Estate Group ("KRE Group"), a New Jersey real estate development and management company founded in 1979 by Murray Kushner and Eugene Schenkman. KRE Group has developed, owns, and currently manages over 6 million square feet of commercial, retail and industrial property, and owns over 10,000 apartments.

KRE Group takes a multi-disciplinary approach to property development, employing in-house critical expertise required for the successful development of both large and small projects. From the pre-approval phase, to entitlements, design and construction, financing, and all the way through lease-up, KRE Group's in-house professionals control and manage each phase of development.

KRE Group's development arm handles the full range of development functions required to build in New Jersey. Beginning with the planning process, KRE Group brings its considerable experience to bear upon the unique challenges that developers face in New Jersey.

KRE Group maintains a construction management arm which oversees the entire construction lifecycle and all of its internal and external participants. Under KRE Group auspices, the team directs and monitors construction activities and coordination through fixed onsite personnel and constant communication with contractors, development professionals and service providers. In addition, KRE Group has in-house general contracting capacity, which it uses for select projects. Construction management functions are adjusted according to specific requirements and size of a given project.

KRE Group has established itself as a major force on the New Jersey real estate landscape over three generations. KRE Group's talented and respected professionals are known throughout the New Jersey region for their competence and integrity in dealing with the full spectrum of stakeholders, ranging from local zoning boards to large financial institutions. In 2013, Kushner Real Estate Group was honored with the NAIOP New Jersey "Impact Award", a distinguished honor recognizing industry-leading firms who set the standard for commercial real estate development in the areas of service to the real estate community, professionalism, integrity and overall impact within their field.

With a proven track record of large-scale mixed-use development and a long history of financial relationships with lenders and institutional equity partners, KRE Group is one of New Jersey's leading real estate developers.

V. Why Stoney Brook's Proposal is Particularly Beneficial to the Township.

Stoney Brook's proposed upscale, inclusionary development is particularly beneficial to the Township for a multitude of reasons. First and foremost, Stoney Brook's community will include a significant affordable component, i.e., 122 units, which will aid the Township's satisfaction of its constitutional affordable housing obligation. Stoney Brook's proposal will provide the Township's low and moderate income families with an aesthetically appealing place to call home.

Second, Stoney Brook's proposal amply satisfies the statutory criteria for inclusionary development, in that it is "available", "suitable", "developable", and "approvable". See N.J.A.C. 5:93-1.3. The Property has access to adequate public water and sewer infrastructure and is within the service area of Elizabethtown Water. The Property is also within the Somerset Countywide Wastewater Management Plan and the service territory of the Somerset Raritan Valley Sewage Authority. Moreover, the New Jersey State Development and Redevelopment Plan locates the

Property in Planning Area #2, which is a growth area. The Property can and will be developed consistent with the Residential Site Improvement Standards and all agencies with jurisdiction over the site. A Planning Memorandum prepared by C. Richard Roseberry, P.E., P.P., AICP, dated March 11, 2016, detailing the proposed development's satisfaction of the statutory site suitability criteria and consistency with the Township's Master Plan is enclosed herein.

Third, the proposed community will generate significantly less traffic than other currently permissible uses in the I-2 zone. Given the Property's size, current zoning would allow the development of several hundred thousand square feet of total building area for industrial, manufacturing, and research/development uses. All of these uses are traffic intensive and would generate high volumes of truck activity. Furthermore, Stoney Brook's proposed residential community would eliminate the potential for the common nuisances associated with I-2 zone activity, including noise, air pollution, and reduction in roadway capacity. A Traffic Generation Comparison prepared by Dolan & Dean Consulting Engineers, LLC, dated March 11, 2016, detailing these findings is enclosed herein.

Fourth, the proposed community advances several of the goals set forth in the Municipal Land Use Law, N.J.S.A. 40:55D-2. The development promotes and enhances the general welfare since it will result in the prompt construction of affordable rental housing. It effectuates the development of lands and transportation routes that do not result in undue traffic congestion or blight. Its green spaces and buffers provides adequate light, air and open to its residents. Its attractive layout and upscale design promotes a desirable visual environment through creative development techniques and good civic design and management.

Fifth, this development will represent a significant increase in property tax revenue to the Township, the school district, and Somerset County. As noted earlier, the Property is currently qualified as farmland for tax assessment purposes. Block 58, Lot 36 is 37.93 acres and, in 2015, was assessed a taxable value of \$14,200.00, resulting in a total tax bill of \$310.41. Block 58.01, Lot 4, is 5 acres and, in 2015, was assessed a taxable value of \$4,000.00, resulting in a total tax bill of \$87.44. Thus, taxes on both properties in 2015 generated less than \$400.00 in tax revenue, only \$70.00 of which was allocable to the Township. In contrast, and assuming a full buildout of this 654-unit project, initial estimates indicate that the proposed community will generate in excess of \$2,000,000.00 in annual property taxes. The Township's share of this revenue stream would total approximately \$350,000.00 annually.

VI. Timing of Stoney Brook's Proposed Development.

Stoney Brook proposes to commence site-development work immediately upon receipt of authorization from the Township.

VII. In-kind or Monetary Contributions from the Township.

Stoney Brook's proposal currently includes the extension and connection of Evans Way to Old York Road. This extension is subject to discussion with the Township regarding cost sharing for these improvements. Otherwise, Stoney Brook does not anticipate any in-kind or monetary contributions from the Township.

VIII. In-kind or Monetary Contributions to the Township.

Stoney Brook's proposal does not currently include any in-kind or monetary contributions to the Township.

IX. Rental or For-sale Units.

All of Stoney Brook's proposed units are luxury rental.

CONCLUSION

Stoney Brook is firmly committed to this upscale inclusionary residential development. This project will enhance the Township's existing housing stock, generate significant tax revenue, and increase the availability of affordable housing for the Township's residents. The Property is available, suitable, developable, and approvable, and will contribute most beneficially to the Township's affordable housing plan. Stoney Brook is excited to work amicably with the Township to facilitate the responsible and efficient development of its Property.