



Engineers
Planners
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Environmental Scientists

Perryville III Corporate Park
53 Frontage Road, Suite 110
Hampton, NJ 08827
T: 908.238.0900
F: 908.238.0901
www.maserconsulting.com

MEMORANDUM

To: Branchburg Township

From: C. Richard Roseberry P.E., P.P., AICP

Date: March 11, 2016

**Re: Stoney Brook Associates Project
MC Project No. 16000174A**

PROJECT DESCRIPTION

S/K Stoney Brook Associates is responding to an RFP issued by Branchburg Township for the development of an upscale multi-family rental community on Block 58, Lot 36, 53 and 4, a 51.74 acre tract with frontage on Stoney Brook Road, Old York Road and Evans Way. The site is currently zoned I-2.

The upscale rental community envisioned by S/K Stoney Brook Associates would include 654 apartments located within 16 buildings consisting of a mix of one, two, and three bedroom units. All apartments will be located in four-story, elevator-serviced buildings. 15% of the rental units (98) will be designated as “affordable” units, distributed throughout the development. The entire community would be served by a 5,000 square foot recreation/club facility capable of accommodating all on-site households

SITE SUITABILITY AND DEVELOPABILITY

- 1) **The subject site is particularly suited for this rental residential development because it would serve as an appropriate land use transition between existing industrial uses and residential uses.**

The S/K Stoney Brook Associates site is located at the edge of two residential zones – the LD Low Density / 1 acre residential zone fronting on Stoney Brook Road to the west and the MDR Medium Density Residential Zone on Brenkenridge Drive to the north. The site is also located across from the CF Zone District encompassing White Oak Public Park and adjacent open space west of the site. To the east is the I-2 Industrial (5 acre) Zone which fronts on Evans Way, which forms the eastern property line of the subject site. To the south of the site across Old York Road, the area is zoned I-2 industrial.



The subject site is the first vacant tract along Old York Road positioned between light industrial/corporate office development that begins on Route 202 and the residential neighborhoods to the west.

Along Stoney Brook Road, the subject site faces eight (8) single family homes on lots of approximately 30,000 to 50,000 square feet in area. Along the northern border, the site lies adjacent to Society Hill, a 232 unit townhouse condominium development with a density of 8.44 dwelling units per acre. To the east, the light industrial development along Evans Way features nine (9) industrial developed lots. South of Old York Road, there are two large industrial buildings on two lots.

The proposed project would be more compatible with the existing residential neighborhood than the potential industrial development permitted by current zoning. The I-2 zone district would permit a variety of industrial uses on a site of 5 acres or more with maximum impervious coverage of 65 percent and a 50 foot building height. The minimum setback from a residential zone boundary line is 100 feet. S/K Associates is projecting approximately 200,000 square feet of industrial building floor area could be developed on this lot within the current zoning restrictions. An expansion of industrial development of this property could impact existing residential neighborhoods due to noise, excessive light at night, intrusions into privacy and security, the unsightly appearance of massive building structures and increased truck traffic.

The site has been owned by S/K Stoney Brook Associates for approximately 20 years and has clear title and is free from any encumbrances that would prelude development of affordable housing. As described above, the site is adjacent to compatible land uses and has access to appropriate streets, water and sewer infrastructure. The site can be developed consistent with the Residential Site Improvement Standards and all agencies with jurisdiction over the site; and is consistent with the site suitability criteria delineated in N.J.A.C. 5:93-5.3(b).

2) **The S/K Stoney Brook Associates proposed residential development supports the purpose of the Municipal Land Use Law, N.J.S.A. 40:55D-2**

40:55D2 - To encourage municipal action to guide the appropriate use or development of all lands in this State, in a manner which will promote the public health, safety, morals, and general welfare:

The S/K Stoney Brook Associates project promotes and enhances the general welfare because it will result in the provision of affordable rental housing. This project has the potential of generating 98 rental affordable housing credits for Branchburg, not including any applicable bonuses.

- 3) **The proposed site meets the definition of a “Developable Site” per N.J.A.C. 5:93-1.3.** The site has access to public water and sewer infrastructure along the frontage of the tract and is within the service area of Elizabethtown Water. The site is within the Somerset Countywide Wastewater Management Plan and the service territory of the Somerset Raritan Valley Sewage Authority. The New Jersey State Development and Redevelopment Plan designates this site as being in Planning Area #2, which is a growth area.
- 4) **The proposed density of the development at 15.2 units per acre is consistent with the density of other sites designated in the Township’s current Fair Share Plan, and is consistent with N.J.A.C. 5:93-5.15 that requires a minimum density of 10 units per acre and a maximum set-aside of 15% for rental housing.**

In July of 2010, the Township of Branchburg adopted a revised HEFSP to replace the previous 2008 HEFSP. The 2010 HEFSP provides sufficient information to determine anticipated densities, as the Land Development Ordinance contains little guidance on acceptable inclusionary development densities within the Township

The Fair Share Plan (beginning on page 85) describes the proposed mechanisms in satisfying the Township’s obligation. Page 3 of the Fair Share Plan contains a section entitled “Inclusionary Residential Zoning”. The plan calls out the Vollers property (Block 17, Lot 2) as an inclusionary site and states that “as few as 15 acres...would be able to accommodate the construction of the 250 apartments that would generate 50 affordable rental units, based on a 20 percent set-aside”. This translates to a density of 16.7 units per acre. The report also calls out the Triangle Site (Lots 3, 3.01 and 3.02 in Block 74) as a 100% affordable property. The document states that the 9.48 acre property would be developed at a density of 12 to 15 units per acre.

- 5) **The S/K Stoney Brook Associates proposed residential development would be substantially consistent with the zone plan and zoning ordinance amendments contemplated in the Branchburg Township Master Plan Re-examination Report, adopted May 23, 2006 by the Branchburg Planning Board.**

In this report, the Township examined “the goal of orderly, compatible infill” and found that “to assure compatible, orderly infill development, attention should be paid to areas where non-residential development will occur in close proximity to existing residences especially densely settled neighborhoods” (Branchburg Master Plan Re-examination Page 5). This report goes on to discuss how the use of targeted housing could be substituted for non-residential zones to reduce incompatible land use conflicts. Although the Master Plan Re-examination report specifically mentions zoning for age-restricted housing, the report does point out that age-targeted units in a blended community like the proposed project do appeal to childless couples and single persons.



“Providing a balance and diversity of non-residential uses remains a goal of this re-examination report. However, the potential build-out of non-residential zones, which will attract truck-intensive uses and limited employment, does not appear to reflect a balance, but rather is heavily loaded with industrial uses. Additionally, in locations where non-residential uses will intrude into established residential settings, or where future residential development will be negatively impacted by non-residential uses, it is appropriate to reconsider the most appropriate uses for some of these zones.”

The S/K Stoney Brook Associates proposed residential community achieves the goal of the Branchburg Master Plan as it is located in close proximity to the existing residential neighborhoods and would be more compatible with the existing residential neighborhood than the potential industrial development permitted by current zoning.

The S/K Stoney Brook Associates proposed residential development would be without question aesthetically more appealing to the surrounding residential neighborhood than what I-2 zoning would produce. In order to attract Millennials and Empty-Nesters, S/K Stoney Brook Associates would have to provide attractive residential details, lush landscaping and superior amenities. By contrast, industrial development on this site could result in a large boxy utilitarian building with outside truck loading activity behind a simplistic landscaped perimeter which may serve only to screen views but not delight the eye.

The proposed elevator-serviced apartments will attract childless couples ranging from the young professionals who are not ready to form a family to singles, divorced persons of varied ages and, and finally the mature household or empty nester who is seeking either an apartment to “downsize” or “right-size” in a new smaller residence with lifestyle features one cannot find a conventional active-adult development. The residential development envisioned by S/K Stoney Brook Associates will host a diversity of household types, social viewpoints and interests. The rental community permits a wider household demographic more closely matching the broader character and perspective of Branchburg’s population.

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, Lot 36; Block 58.01, Lot 4

Dated: March 14, 2016

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. Stoney Brook has the resources and expertise to efficiently develop this project and its property is particularly suitable for inclusion in the Township’s housing plan.

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 36 and Block 58.01, Lot 4 (the “Property”). The Property contains a total tract area of approximately 42.95 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 654 luxury apartments. Fifteen percent (15%) of the units are proposed to be designated as “affordable”, resulting in the construction of ninety-eight (98) affordable units. Stoney Brook proposes a bedroom distribution mix of 224 one-bedroom units, 410 two-bedroom units, and twenty (20) 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. All of the three-bedroom units will be affordable pursuant to UHAC.

The proposed density of the site is 15.2 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 sixteen (16) four-story buildings interspersed throughout the site. Each building will be elevator serviced. Five (5) of the sixteen (16) buildings will contain forty-five (45) units, each with eighteen (18) garage spaces and eighteen (18) driveway spaces. The remaining (9) buildings will contain thirty-nine (39) units, each with fourteen (14) garage spaces and fourteen (14) driveway spaces. Stoney Brook proposes an additional 796 surface parking spaces and seven (7) clubhouse spaces for a total of 1291 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 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., ninety-eight (98) 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 space for 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.

VIII. 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.



GARY W. DEAN, PE, PP
ELIZABETH DOLAN, PE

792 CHIMNEY ROCK ROAD
MARTINSVILLE, NJ 08836

732 469 0600
732 469 0663 FACSIMILE

TRAFFIC ENGINEERING
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March 11, 2016

Township of Branchburg
Mayor and Township Committee
1077 US Highway 202 North
Branchburg, NJ 08876

Re: Traffic Generation Comparison
Proposed Residential Community
Old York Road and Evans Way
Block 58, Lot 36
Township of Branchburg
Somerset County, New Jersey

Dear Mayor and Township Committee Members:

As requested by the proponent, we have performed an analysis of the projected traffic impacts associated with a proposed zoning amendment to permit residential housing on a 43.09 acre tract currently located in the Industrial (I) Zone. The subject property is located between Evans Way and Stony Brook Road along westbound Old York Road.

The purpose of this analysis is to quantify the expected traffic activity associated with a residential use of the property in lieu of continued industrial development as allowed under the current zoning. The focus of this analysis is to first project the traffic activity that would be generated by the development of industrial use the site in accordance with the current zoning standards. Once that estimated traffic activity is known, the appropriate traffic generation standards can be used in reverse to determine the size of a residential development that would generate the same traffic activity.

TRIP GENERATION REVIEW

The Industrial (I) Zone permits a wide range of non-residential uses, including industrial, manufacturing, and research/development. Virtually all such uses would be fairly traffic intensive and would generate high volumes of heavy truck activity. In preparing this analysis, we reviewed the current Industrial zoning standards for the subject property to identify a reasonable "by-right" development yield.

Specifically, the current (I) Zone permits industrial, manufacturing, and research uses. Given the size of the property under consideration (43.09 acres), the zoning would allow the development of approximately 375,000 square feet of total building area.

TRAFFIC GENERATION ANALYSIS
PROPOSED RESIDENTIAL COMMUNITY
STONY BROOK ROAD AND OLD YORK ROAD
BLOCK 58, LOT 36
TOWNSHIP OF BRANCBURG, SOMERSET COUNTY

MARCH 11, 2016

For this analysis, traffic projections were estimated using the Institute of Transportation Engineers (ITE) trip generation rates as published in the 9th Edition (2012) of *Trip Generation*. Weekday morning and evening peak hour trips were estimated based on the estimated 375,000 SF as allowed under the current I Zoning standards. These periods were chosen for comparison due to the maximum traffic concentration that occurs during the weekday commuter hours when the resulting traffic impacts are most noticeable.

Table I shows the projected trip generation associated with permitted I Zone uses during the critical peak hours.

TABLE I
TRIP GENERATION – 375,000 SF BUILDING AREA
I ZONE

Permitted Uses	Morning Peak Hour	Evening Peak Hour
Manufacturing	275	275
Research and Development	460	400
Light Industrial	345	365

In the typical traffic study, ITE data is used to determine the projected traffic generation based on a specific use and size of a proposed development. This is the methodology used to determine the volumes in Table I. These projections serve as the basis of what can be considered “accepted” traffic activity in the I Zone (as well as the associated off-tract impacts) for zoning comparison purposes.

Using these volumes, a “reverse” calculation was made using ITE trip generation data to determine the maximum number of multi-family residential units that would generate the same traffic activity as would otherwise be expected from a permitted R&D use in the I Zone. ITE data for apartments was used and following an iterative process, it was determined that 695 apartments would be the traffic equivalent of a conforming Industrial development. Table II shows the traffic projections for 695 apartments.

TABLE I
EQUIVALENT TRAFFIC GENERATION
ALTERNATE LAND USE

Use	Morning Peak Hour	Evening Peak Hour
695 Apartments	344	400

TRAFFIC GENERATION ANALYSIS
PROPOSED RESIDENTIAL COMMUNITY
STONY BROOK ROAD AND OLD YORK ROAD
BLOCK 58, LOT 36
TOWNSHIP OF BRANCHBURG, SOMERSET COUNTY

MARCH 11, 2016

As noted from the comparison in Table II, 695 apartments would generate less traffic than an R&D development, the same traffic as Light Industrial and slightly more traffic than a manufacturing use during the morning peak hour. Obviously fewer apartments developed on the site would accordingly reduce the projected traffic, potentially to levels even lower than the I Zone uses.

A residential development would also eliminate the potential for the common nuisances associated with Industrial Zone truck activity including noise, air pollution and reduction in roadway capacity due to larger/slower vehicle activity.

CONCLUSIONS

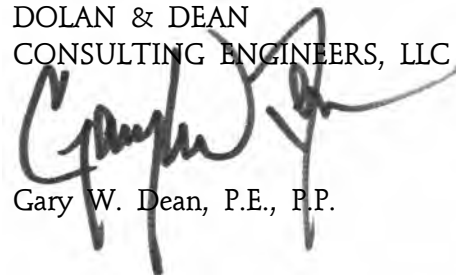
Based on the above, the proposed residential development represents a unique opportunity for a development that has the potential to reduce the overall traffic impact on roadway conditions when compared with the allowable uses in the I Zone. Therefore, from a traffic engineering perspective, there are no negative traffic consequences associated with a proposed zoning amendment to permit residential uses as proposed on the affected property. In general (depending on the density under consideration), a residential use will have significantly less weekday peak hour traffic generation than other, "by-right" permitted uses.

Also, based on these findings, it is concluded that the application would advance one of the purposes of zoning as articulated in the Municipal Land Use Law, specifically N.J.S.A. 40:55d-2(h) through the development of lands and transportation routes that do not result in undue traffic congestion or blight. The application readily advances this goal by promoting a use that could generate traffic impacts equal to, or less than, those generated by a "by right" use as permitted by the I Zone.

Please contact our office should you have any questions or comments with our findings.

Very truly yours,

DOLAN & DEAN
CONSULTING ENGINEERS, LLC



Gary W. Dean, P.E., P.P.

