

# Broad Street West Redevelopment

## *Subdistrict 3 Update*



Prepared by **Topology**  
For The City of Summit

**June 15, 2022**

# Project Area



## EXISTING TAX COLLECTIONS

### Redevelopment Area (SD 1, 2 & 3)

2022 Tax Revenue: \$85,216

Municipal Share: \$15,846

### Project Area (SD 3)

2022 Tax Revenue: \$29,525

Municipal Share: \$5,971

# WHY ARE WE DOING THIS?

# Existing Conditions



# Existing Conditions



# Master Plan Vision for BSW

**“...align with stated public goals that encourage public benefits such as: affordable housing; live/work unit types; ...pedestrian amenities; public art and open space; affordable neighborhood retail...”**

**“Improve connectivity and access between the train station and the commuter parking garage through pedestrian experience and safety improvements, particularly at the Summit Avenue and Broad Street intersection.”**

**“Consider a financial feasibility analysis on single-story parcels to identify private-market incentive needs and barriers to encourage development (e.g., along Broad Street Corridor).”**

**“Improve the street tree canopy and streetscape to enhance the pedestrian environment (e.g., Broad Street...).”**

**“Identify target areas likely to meet the statutory requirements for an “area in need of redevelopment” (e.g., Broad Street Corridor).”**

## A.2. 2016 MASTER PLAN RE-EXAMINATION + UPDATE REPORT

This Redevelopment Plan is consistent with the 2016 Master Plan Re-Examination and Update report. Specifically, the following goals from the 2016 Re-Examination report are in line with the type of development envisioned by this Plan.

A.2.1. Goal 1: Guide Development to Maintain and Enhance the Character of Summit

- A. Objective 1.01: Strengthen Design Standards and Guidelines
- B. Objective 1.03: Protect Existing Sites That Are of Historic Value to Preserve the City's Historic Character
- C. Objective 1.05: Redevelopment Should Be Pursued by The Planning Board in Areas Likely to Meet the Statutory Requirements for An Area in Need of Redevelopment

A.2.2. Goal 2: Maintain a Dynamic and Vibrant City

- A. Objective 2.01: Promote Mixed Use and Residential Development Downtown
- B. Objective 2.02: Enhance the Programming and Design of Public Spaces
- C. Objective 2.03: Incorporate Public Art and Infrastructure into Streetscapes and Infrastructure Throughout the City
- D. Objective 2.05: Redefine the Boundaries of "Downtown" to Include the Broad Street Corridor

A.2.3. Goal 3: Improve Connectivity Between People and Places to Promote a Healthy and Vibrant Community

- A. Objective 3.01: Address Pedestrian and Cycling Safety Priorities
- B. Objective 3.02: Utilize the Village Green as an Active Center that Connects Neighborhoods

## **A.2. 2016 MASTER PLAN RE-EXAMINATION + UPDATE REPORT**

- A.2.4. Goal 4: Promotes a City that is Welcoming to Residents of All Ages, Races, Ethnicities, Abilities and Income Ranges
  - A. Objective 4.01: Promote the Development of a Variety of Housing Types
  - B. Objective 4.02: Ensure that Residential Neighborhoods are not Isolated from Community services and are designed to Encourage Pedestrian Mobility and Access to Public Transportation
- A.2.5. Goal 5: Build Economic Resiliency by Supporting Reinvestment
  - A. Objective 5.01: Recognize and Manage the City's Position as an Economic Hub
- A.2.6. Goal 6: Preserve and Enhance natural Beauty, Open Space and Community Facility Assets for Future Generations
  - A. Objective 6.01: Preserve and Enhance Park and Recreation Facilities, Where Appropriate, to Meet the needs and Demands of Presents and Future Residents
  - B. Objective 6.02: Encourage Low-Impact Development and Green Technologies in All New and Existing Buildings, Infrastructure and Capital Projects

# RDP Vision for Subdistrict 3

**“While Subdistricts 1 + 2 should provide transitional opportunities for architecture and uses from the surrounding historical districts, Subdistrict 3 has more relaxed design expectations.”**

**“A hub for this new neighborhood adjacent to an active downtown that provides experiences not currently available and complements the existing built environment and downtown.”**

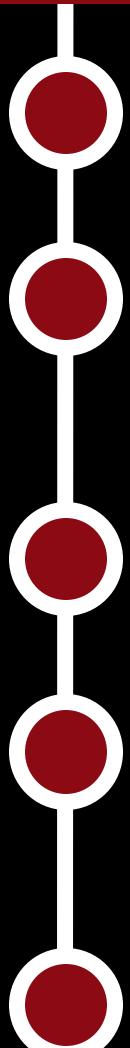
**“It is the intention of this Redevelopment Plan that the space should invoke the feeling of several unique outdoor rooms. This space should become a community hub that can easily be closed down for events.”**

# Specifically

- **106 market-rate units**
- **20 affordable housing units**
- **7 workforce housing units**
- **\$8m to pay down municipal debt service**
- **\$563,833 in average net PILOT revenue**
- **20,000 SF of new public open space**
- **7 intersection interventions**
- **4 public art installations**
- **2 improved corridors**
- **1 Art Walk**

# HOW DID WE GET HERE?

# Redevelopment Planning Timeline



- 2016: **Master Plan Re-examination identified area to be considered for redevelopment.**
- 2017: **The Broad Street West Area is declared an “area in need of redevelopment” following a preliminary investigation.**
- 2018: **Considerable public outreach to create a redevelopment plan.**
- 2019: **Continued public outreach and sessions with existing property owners to refine redevelopment plan parameters.**
- 2019: **Adoption of Redevelopment Plan by Common Council after Planning Board review.**

# Redevelopment Planning Timeline



- 2018/19: City solicited proposals and vetted interested redevelopers.
- Dec 2019: City designated *Broad Street West Managers I LLC*; a partnership of L+M and Toll Brothers.
- 2020: Steering Committee worked directly with designated developer on concept plans.
- May 2021: Public presentation of draft concept.
- 2021: Steering Committee worked with stakeholders + experts to refine concept plans based on public feedback.

# Redevelopment Planning Timeline



- Feb 2022: **Public Presentation of Updated Design.**
- Mar 2022: **Public Presentation of traffic + financial findings.**
- Spring 2022: **Finalize parking programming + building design.**
- June 2022: **Public presentation of updated information.**

# WHAT ARE WE DOING?

# Today's Objectives

- **Updated Project Numbers**
- **Updated Building Design**
- **Parking Solution**
- **Traffic Interventions**
- **Review Proposed Amendments**
- **Fiscal Impact Update**

# Project Numbers

**133 Units (106 Market, 20 COAH, 7 Workforce)**

**196 Parking Spaces Required**

**\$8m Purchase Price for City Land**

**30 Year PILOT**

**\$1.75m Redevelopment Area Bond**

**32 School Aged Children**

# Open Space



PUBLIC REALM  
IMPROVEMENTS  
LAYOUT

- CEDAR PLAZA
- MORRIS AND BROAD PLAZA
- MORRIS LAWN
- ART WALL
- ART INSTALLATION OR  
INTERACTIVE OPPORTUNITY

# Previous Design



PEOPLE STREET EXTERIOR VIEW

# Modifications



PEOPLE STREET EXTERIOR VIEW



Inglese Architecture + Engineering  
632 Pompton Ave.,  
Cedar Grove, NJ 07009  
Phone: 201.438.0081

# Updated Design



# Previous Design



CEDAR PLAZA EXTERIOR VIEW



Inglese Architecture + Engineering  
632 Pompton Ave.,  
Cedar Grove, NJ 07009  
Phone: 201.438.0081

# Modifications



Inglese Architecture + Engineering  
632 Pompton Ave.,  
Cedar Grove, NJ 07009  
Phone: 201.438.0081

# Updated Design











# Previous Design



BROAD & MORRIS EXTERIOR VIEW



Inglese Architecture + Engineering  
632 Pompton Ave.,  
Cedar Grove, NJ 07009  
Phone: 201.438.0081

# Modifications



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# Updated Design









# Proposed Parking Solution

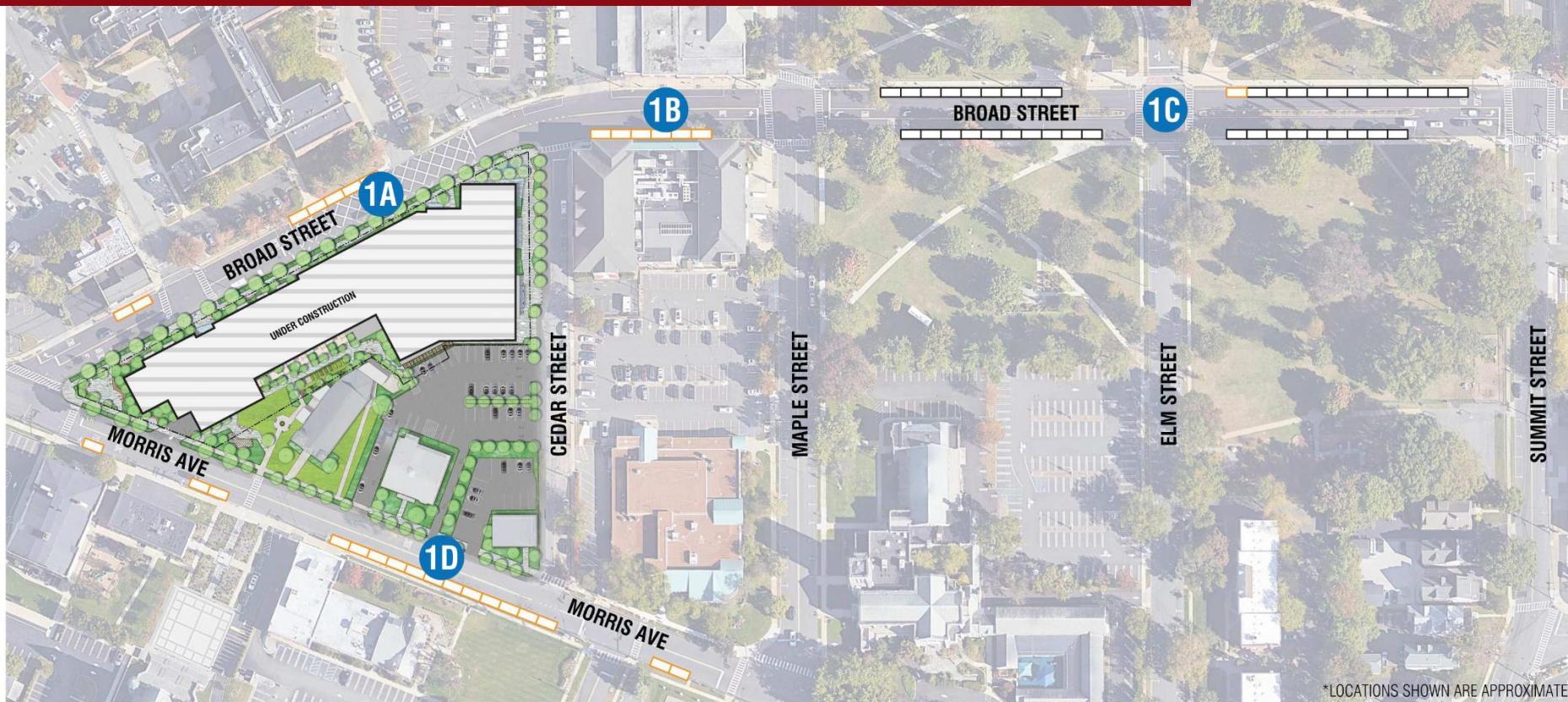
**59 spaces from the Chestnut Parking Lot + 170  
Parking Spaces of New Parking Demand =**

**229 Spaces Required**

**Ultimately, consolidation in Subdistrict 1 parking garage planned.**

**Demand will be met in interim phases so that project meets parking requirements if Subdistrict 1 is never built.**

# Proposed Parking Resolution



\*LOCATIONS SHOWN ARE APPROXIMATE

1A

1B

1C

1D

**BROAD STREET @ SD3** **BROAD STREET @ YMCA**

7 New Parking Spaces

6 New Parking Spaces

**BROAD STREET @ GREEN**

40 Resident/Employee Parking Spaces  
(Includes 1 New Parking Space)

**MORRIS AVENUE**

17 New Parking Spaces

Phase 1 Total Required: 59

**PHASE 1 TOTAL PROVIDED: 70**

## LEGEND

= Newly Created Parking Space

= Repurposed Parking Space

Note: All locations and designations are approximate and are subject to change based upon field conditions.

**BROAD STREET WEST PARKING DIAGRAM - PHASE 1 (DURING CONSTRUCTION)**

06.07.2022



\*LOCATIONS SHOWN ARE APPROXIMATE

**2A**

**2B**

**2C**

**2D**

**2E**

**2F**

Phase 2 Total Required: 229

**PHASE 2 TOTAL PROVIDED: 229**

**SUB-DISTRICT 1**

**BROAD STREET @ SD3**

11 New Parking Spaces

15 New Parking Spaces

**BROAD STREET @ YMCA**

6 New Parking Spaces

**BROAD STREET @ GREEN**

40 Resident/ Employee Parking Spaces

(Includes 1 New Parking Space)

**1 BROAD WEST DEVELOPMENT**

140 New Parking Spaces

**MORRIS AVENUE**

17 New Parking Spaces

#### LEGEND

Orange box = Newly Created Parking Space

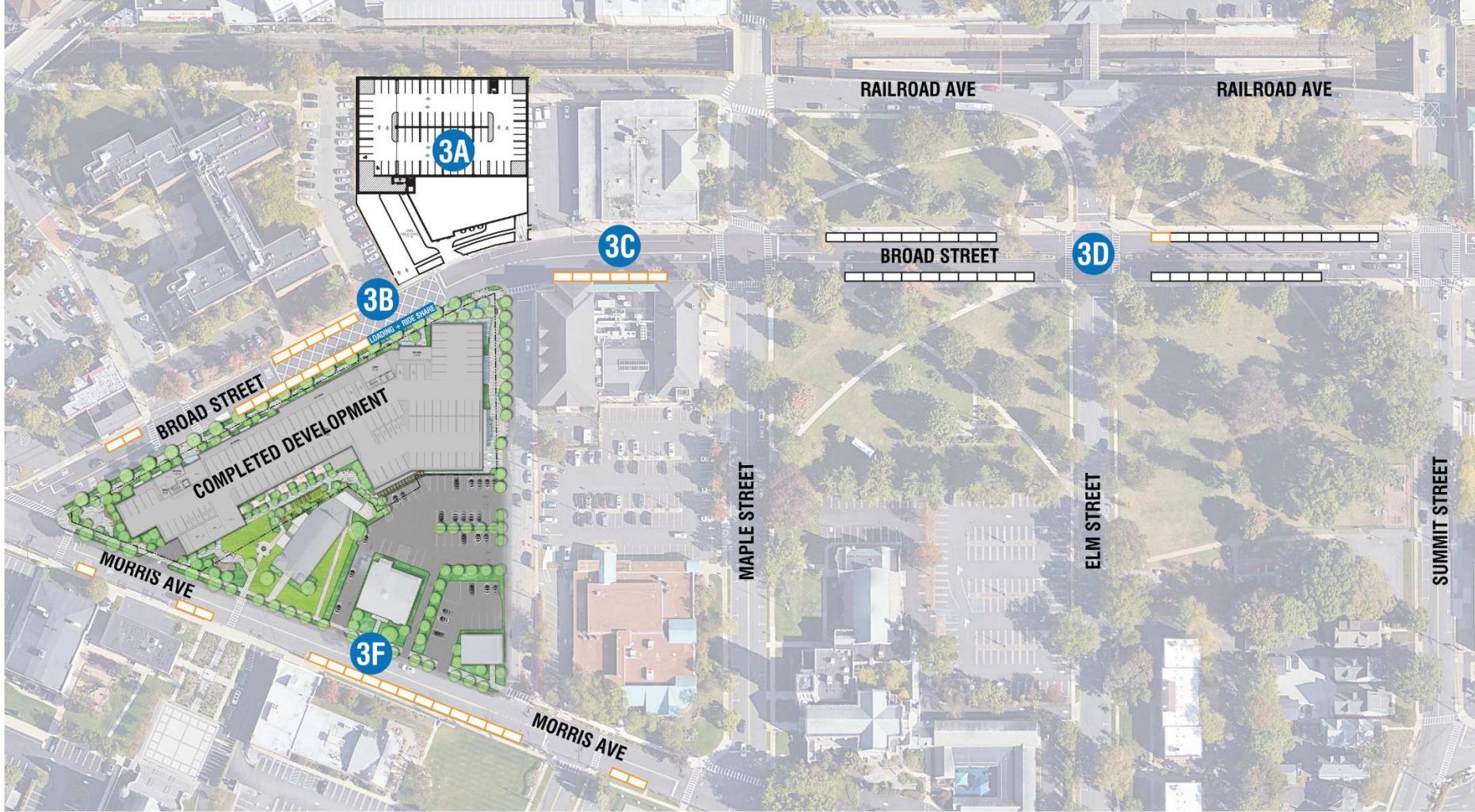
White box = Repurposed Parking Space

Blue box = Loading Zone + Ride Share

Note: All locations and designations are approximate and are subject to change based upon field conditions.

**BROAD STREET WEST PARKING DIAGRAM - PHASE 2 (AFTER COMPLETION OF SD3)**

06.07.2022

**3A**

**SUB-DISTRICT 1**  
250-350 New Parking Spaces in Garage

**3B**

**BROAD STREET @ SD3**  
15 New Parking Spaces

**3C**

**BROAD STREET @ YMCA**  
6 New Parking Spaces

**3D**

**BROAD STREET @ GREEN**  
40 Resident/Employee Parking Spaces

**3F**

**MORRIS AVENUE**  
17 New Parking Spaces

**LEGEND**

- = Newly Created Parking Space
- = Repurposed Parking Space
- = Loading Zone + Ride Share

Note: All locations and designations are approximate and are subject to change based upon field conditions.

**BROAD STREET WEST PARKING DIAGRAM - PHASE 3**

06.07.2022

# Traffic Interventions

STUDY INTERSECTION (TRAFFIC CONTROL)	PROPOSED IMPROVEMENT
Morris Avenue & Maple Street (traffic signal)	Reduce the length of the long crosswalk across the north leg of Maple Street – through modifications to corner radii and/or relocation of the crosswalk. Union County will not support curb extensions/ "bump-outs" at County intersections.
Morris Avenue & Elm Street (stop control)	None. Pedestrian "bump-outs" – also known as curb extensions – were considered, but Union County will not support curb extensions/ "bump-outs" at County intersections.
Morris Avenue & Summit Avenue (traffic signal)	"Fair share contribution" toward revised geometry of Morris Avenue approaches, to provide one left turn lane and one through-right lane; add left turn green arrow phases on Morris Avenue; and optimize signal timing to improve Summit Avenue LOS.

# Traffic Interventions

STUDY INTERSECTION (TRAFFIC CONTROL)	PROPOSED IMPROVEMENT
Broad Street & Chestnut Street (stop control)	Install high-visibility crosswalks and Rectangular Rapid Flashing Beacons (RRFBs) to increase pedestrian visibility. Pedestrian “bump-outs” – also known as curb extensions – were considered, as was a raised crosswalk, but Union County will not support curb extensions/ “bump-outs” or vertical features on County roadways.
Broad Street & Maple Street (traffic signal)	Upgrade signal and curb ramps for ADA compliance, and incorporate pedestrian “head start” phasing to allow pedestrians to establish themselves in the crosswalk prior to vehicles receiving a green signal. Pedestrian “bump-outs” – also known as curb extensions – were considered, but Union County will not support curb extensions/ “bump-outs” at County intersections.
Broad Street, Elm Street & Railroad Avenue (stop control)	None. Pedestrian “bump-outs” – also known as curb extensions – were considered, but Union County will not support curb extensions/ “bump-outs” at County intersections.
Broad Street & Summit Avenue (traffic signal)	Fair share contribution toward traffic signal timing revisions to optimize timings and address LOS impacts.

# REDEVELOPMENT PLAN AMENDMENTS

Standard	Existing	Proposed
<b>SUBDISTRICT 1</b>		
Lots Included	Block 2702, Lots 1, 2 and 3	Block 2702, Lots 2 and 3
<b>SUBDISTRICT 2</b>		
Permitted Uses	Dwelling	Remove residential uses and density bonus
<b>SUBDISTRICT 3</b>		
Retail Minimum	10,000 SF	8,500 SF
Density	45 to 55 units/acre	Cap district at 133 units and remove density bonus
Height	4 to 5 stories or 60 to 70'	5 stories or 70'

Standard	Existing	Proposed
<b>Side Yard Setback</b>	<b>5 feet</b>	<b>2 feet to allow for artwalk</b>
<b>Parking</b>	<b>Parking insularly to each district.</b>	<b>Parking allowed to be shared within the redevelopment area or within walking distance (250 ft) as long as minimum parking requirements are still met.</b>
	<b>New on-street parking limited to Maple Street.</b>	<b>New on-street parking spaces can be anywhere within the Redevelopment Area or within walking distance (250 ft) as long as minimum parking requirements are still met.</b>
<b>Façade Glazing</b>	<b>60-80%</b>	<b>40-60%</b>
<b>Pedestrian Walkway</b>	<b>10 feet</b>	<b>Allowing landscaping features to intrude into this area as long as a 5-foot clearance is maintained.</b>

# Effects of Amendments

STANDARD	EXISTING	PROPOSED
<b>Acreage within Subdistrict 1, 2 and 3</b>	<b>5.866</b>	<b>5.076</b>
<b>Permitted Residential Units within Subdistrict 1, 2 and 3</b>	<b>168 or 222 (with bonus)</b>	<b>133</b>
<b>Effective Density of Subdistrict 1, 2 and 3 (units per acre)</b>	<b>40 to 55 (with bonus)</b>	<b>26.20</b>

# BSW FISCAL ANALYSIS

**Dr. Robert S. Powell, Jr.  
Nassau Capital Advisors, LLC  
Princeton, NJ**



NASSAU CAPITAL ADVISORS, LLC

# Proposed Development Plan

- 1. Total of 133 Apartments**
- 2. Mix of studios, 1, 2 and 3 BRs (some 1 and 2s have dens)**
- 3. 106 Market Rate Units**
- 4. 7 “workforce” housing units ( 1BR), available to tenants with incomes up to 120% of median in Union County**
- 5. 20 “affordable” units, restricted to low- and moderate-income tenants with incomes between 35% - 60% of Union County median income**
- 6. 8,500 s.f. of retail space at ground level**

# Affordable Housing Income Limits

## INCOME LIMITS AND RENT CALCULATIONS FOR THE 20 AFFORDABLE UNITS

### Income Limits by Family Size – COAH REGION 2 - 2022

% of Median Income	FAMILY SIZE			
	One	Two	Three	Four
35%	\$28,222	\$32,254	\$36,285	\$40,317
50%	\$40,317	\$46,077	\$51,836	\$57,596
60%	\$48,380	\$55,292	\$62,203	\$69,115

# What is a PILOT Agreement?

The Long-Term Tax Exemption Law of 1992 (N.J.S.A 40A:20-1 et. seq.) provides for agreements for payments in lieu of taxes (PILOTs).

## PILOT Program:

- Widely used by large and small municipalities throughout New Jersey
- Financial incentive tool to attract private investment in area in need of redevelopment.
- Purpose:
  - Offset subsidized affordable housing
  - Site demolition
  - Environmental remediation
  - Existing underground utility infrastructure
  - Costs of open space/public use improvements
- 95% of PILOT payments go to municipality.
- 5% of PILOT payments go to county.
- PILOT payments are calculated as a percentage of annual gross revenues from the project.
- Payments are made quarterly.
- PILOT payments are secured by potential municipal lien on the property.

# Why a Redevelopment Area Bond?

- 1. State law permits municipalities to include in the Financial Agreement a provision for “Redevelopment Area Bonds,” or “RABs.”**
- 2. Without the RAB, total unit count in project would need to be higher and \$8 million land purchase price would need to be lower, in order to maintain financial feasibility of the project.**

# Needs Assessment for a PILOT

*Financial analysis considered the following relevant data:*

1. Detailed development costs
2. Projected market rate, affordable and workforce housing units
3. Estimated operating costs
4. Proposed Sources and Uses funds (i.e., long-term mortgage loan plus developer's equity), which includes assessment of estimated mortgage loan terms
5. Projected rental income and operating expense increases over holding period.

# **Project Financial Feasibility (Full Ad Valorem Real Estate Taxes):**

- 1. \$23.7 million – developer's equity required to fund project**
- 2. 7.6% - developer's internal rate of return (IRR)**
- 3. An 7.59% IRR is inadequate in the real estate capital market to justify the level of capital investment, given the high project costs.**

# Findings and Conclusions

**BSW Subdistrict 3 redevelopment project includes a number of extra-ordinary cost generating elements related to pre-existing property conditions, desired new public improvements, and public policy/planning goals.**

- 1. BSW Subdistrict 3 project REQUIRES a PILOT and RAB to be financially feasible.**
- 2. With a PILOT and RAB, estimated 12% IRR (an acceptable market metric of financial feasibility).**
- 3. Financial Agreement**
  - 30-year PILOT from project**
  - City receives 10% of project annual gross revenues**
    - minus annual land taxes assessment amounts for County, School District, and Library**
    - minus annual RAB loan payment over 20 years**

# PILOT and RAB Estimates

## PILOT (30 YEARS)

- **City Share (95% of 10% Annual Gross Revenue):** **\$18.36 Mil.**
- **Land Assessment Taxes (full Ad Valorem taxation):** **\$4.35 Mil.**
  - 2022 Est. Rates: \$145,155 Annual Total Taxes (\$29,046 City Share)
- **Administrative Fee (2% of 10% AGR) :** **\$473,590**

## RAB (\$1.75 Mil. Loan, 20 Years, and 5.0% Assumed Interest Rate)

- **Annual City PILOT Revenue Pledged to RAB:** **\$139,427**

**CITY TOTAL NET REVENUE OVER 30 YEARS:** **\$16.91 Mil.**

**CITY AVERAGE NET REVENUE OVER 30 YEARS:** **\$563,833**

# Recap of Financial Benefits

- 1. \$8 Million: in Land Sale Proceeds**
- 2. \$16.91 million: Estimated Net PILOT Payments Over 30 Years (net land taxes and RAB financing payments over 20 years)**
- 3. IF the Project were subject to full Ad Valorem taxes, THEN the City's share (20% in 2022) is estimated to be \$7.86 million over 30 years.**

# Public School Impacts

## *1. Data Source: U.S. Census - American Community Survey Demographics Multipliers*

## **2. Findings:**

- **Historic Enrollment:**
  - 2016: 4,124
  - 2017: 4,118
  - 2018: 4,026
  - 2019: 4,041
  - 2020: 3,980
- **The project projected to produce 32 PSAC (Grades K-12) or 0.8%.**
- **The students will likely be allocated to grade levels as follows:**
  - **Grades K-5: 23 students**
  - **Grades 6-8: 4 students**
  - **Grades 9-12: 5 students**

# Municipal Services Impact Analysis

Richard B. Reading Associates: Engaged firm to conduct detailed municipal service costs analyses associated with Subdistrict 3 project. Five fiscal methodologies (models) were used in the analyses.

- Models 1 and 2: population-based approaches are NOT appropriate for mixed-use developments.
- Model 3 (Tax-supported residential and non-residential costs): based on "average" cost allocations that use a pro-rata assignment of all municipal costs without regard to services that might not be affected by added development.
- Model 4 (Tax-supported marginal cost): estimates municipal services that may be impacted by new development and assigns costs only to specific budget categories where there may be a potential impact.
- Model 5 (Proportional cost allocations valuation): This model is most appropriate to estimate potential added municipal costs instead of shared service and facility costs already being provided by City.

# Municipal Services Cost Summary

- Nominal increase in City's total population (1.3%) and employment base (0.15%)
- Additional residents and employees can be largely accommodated by City's existing facilities, personnel and equipment.
- Projected Municipal Service Costs MAY range from \$113,818 (Model 5) to \$189,229 (Model 4)

# Municipal Services Cost Summary

*While there is a range of municipal costs allocated by these fiscal models, the last two approaches (Models 4 and 5 below) are believed to be the most appropriate and reasonable in view of the nature and magnitude of the Broad Street West Mixed-Use Redevelopment and the established fiscal infrastructure of the City of Summit.*

**Projected service costs are estimated to be between \$ \$113,818 - \$189,229 per year.**

Cost Allocation Model	Allocated Municipal Service Costs
Proportional Valuation Cost Allocations	\$113,818
Tax Supported Marginal Costs	\$189,229
Tax Supported Residential and Non-Residential Costs	\$417,744
Tax Supported Cost/Total Population	\$469,650
Total Cost/Total Population	\$677,205

# WHAT'S NEXT?

# Planned Next Steps



- June 21, 2022:** Potential ordinance introduced for RDP Amendments
- June 27th:** Potential Planning Board Meeting: Consistency
- July 19th:** Potential Second Reading of RDP Amendments + Adopted of Redevelopment Agreement
- July/September:** Potential adoption of financial agreement.
- Fall 2022:** Earliest possible Planning Board Site Plan application.



# THANK YOU

