Proposed Beach Club District Redevelopment Project

South Amboy Redevelopment Agency

City of South Amboy
The Redevelopment Area
Redevelopment Area Tax Map
Chronology of Key Events

**1999/2002:**
Commenced studies of certain areas as “areas in need of redevelopment”

**2002:**
Adopted Broadway/Main Street Redevelopment Plan

**2004:**
Adopted Southern Waterfront Redevelopment Plan

**2005:**
Designated Amboy Aggregates (AA) property as an “area in need of redevelopment”
Chronology of Key Events

**2007:**
Commenced negotiation for a sewer capacity agreement with Sayreville

**2010:**
Amended Broadway/Main Street Redevelopment Plan to, among other things, increase permitted density by 50%

**2009/2014:**
Multiple attempts to sell SARA property

**2012:**
Commenced negotiations with redevelopers for redevelopment of Redevelopment Area (including AA Property)
Current Constraints/Conditions: Amboy Aggregates Portion of Site

- 41 Acres (Block 161.02, Lots 6.02, 25 and 90)
- Current “industrial use” permitted in perpetuity
- Regulated by Broadway/Main Street Redevelopment Plan (as amended December 2010)
  - Permits all forms of residential uses
  - Permits extensive list of retail uses
Current Constraints/Conditions: Amboy Aggregates Portion of Site

Limitation on Residential Units:
- 7.75 residential units per gross acre plus 1 unit/acre for every 2 off-street public parking spaces (no maximum number of units)
  - 617 + 80 residential units for every 2 off-street public parking (i.e. 30 public parking spaces gets an additional 1200 units); 1,817 total units
- 12 residential units per acre if “age-oriented residential” plus 1 unit/acre for every 2 off-street public parking spaces (no maximum number of units)
  - 955 + 80 for every 2 public parking space; 2,155 total residential units with 30 public parking spaces
Existing Amboy Aggregates Site Conditions
Project Goals/Vision

• Close industrial use on AA property and remediate the property
• Sell SARA owned property for redevelopment/restaurant
• Maximize revenues to SARA and the City with the goal of retiring debt, promoting Broadway Business District and stabilizing taxes
• Continue waterfront development (including walkway) already completed to the south of site

• Create a plan where the City can be experienced as a “Seaside Town”
• Design multi-family architecture in an urban grid that anticipates increasing mixed use in the future
• Coordinate project with expected ferry access to New York City
• Contribute to the development of Broadway Business District
• Create Jobs
The Redeveloper

- Sherman Financial Group is the Owner of Manhattan Beach Club Street LLC
  - Ben Navarro and Brett Hildebrand control the company and have a combined ownership of more than 50%
  - Employs 1,600 people
  - Investments to date exceed $7 Billion
  - Large development projects in Delaware, Florida, Philadelphia, and Dublin
- O’Neill Properties is joint venture partner in project.
  - National developer of residential, retail and commercial project, 11,000 residential units in development, 5 Million sf of retail and $2 Million office space
Key Points of the Proposed Project

- **Project:** 1,750 residential units, 88 affordable housing units (on or off-site), restaurant, associated parking, accessory commercial uses

- **Project Limitations:**
  - No stand alone commercial or retail uses (other than a restaurant)
  - No more than 1,750 residential units (plus 88 affordable housing units)
  - Project to be undertaken in phases (30 year build out)

- **Public Improvements:**
  - Public park at easternmost portion of the site
  - Continuance of waterfront walkway
  - Approximately $500 Million investment in the City
Key Obligations of the Redeveloper

- Purchase SARA/City Parcels (Block 161.02, Lots 20, 20.01 and 23) for $3.8 Million on or about December 31, 2014
- Donate $500,000 to the City for public safety improvements
- Make a payment (≈$2.8 Million) to Sayreville for almost twice the sewer capacity required for the Project which will allow for future development in the City
- Pay $15,000 monthly to SARA until the issuance of a final Certificate of Completion (CC); upon the issuance of a CC pay $7,500 per month for 3 years
- Pay SARA $5,000 for each for-sale residential unit and $2,500 for each residential rental unit
Key Obligations of the Redeveloper

- Make a good faith effort to recruit and hire City residents in connection with the undertaking of the Project
- Fund an escrow account to cover the expenses of SARA/City
- Provide for a public park on the waterfront and continue walkway upon receipt of funding for the same
- Include 88 affordable housing units
- Contribute $3,480,000 to an affordable housing trust fund
## Financial Benefits

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
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<tbody>
<tr>
<td>$3,800,000</td>
<td>Sale of SARA Property</td>
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<tr>
<td>$2,800,000</td>
<td>Acquisition of Sewer Capacity from Sayreville</td>
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<tr>
<td>$5,670,000</td>
<td>Monthly Payments to SARA</td>
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<tr>
<td>$4,375,000</td>
<td>For-Sale Unit Payments</td>
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<tr>
<td>$2,187,500</td>
<td>Rental Unit Payments</td>
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<tr>
<td>$500,000</td>
<td>Public Safety Contribution</td>
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<tr>
<td><strong>$19,332,500</strong></td>
<td><strong>Total</strong></td>
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**$4,000,000**  
*Annual Ratables (City, County, School District) at first year full Build Out*
Expected Impact on Schools

- Rutgers study of transit oriented developments showed that such developments produce 1/6th number of public school children (≈40 students assuming 50% one bedroom/ 25% two bedroom/ 25% three bedroom)

- Light House Beacon Point and Harbor Village (203 two bedrooms with 125 dens) produce approximately 15 public school children (≈70 students if applied to two bedroom)

- Currently 1,169 public school children costing taxpayers ≈$7,300 per student; and increase of 48 students since 2007-2008

- 6% increase in public school children over 20 to 30 years (≈$525,000 additional cost to taxpayers)
Impact on City Revenues/Ratables

• Current Taxes $147,000
  ▫ $76,000 Municipal
  ▫ $71,000 School

• Projected Taxes (at full build out using 2014 tax rate in excess of $4 Million annually)
  ▫ $1,760,000 Municipal
  ▫ $1,640,000 School
  ▫ Reverses 30% Decline in net valuation since 2010
The Future: Manhattan Beach Club
The Look
Looking West Toward Central Park
View Towards Pier, Looking East
View of Harbor and Boardwalk
Unit Plan Concepts

One Bedroom: 720 SF

Two Bedroom: 880 SF

Second Floor

First Floor
Townhome - 1240 SF
Before and Projected After
Next Steps

**November 12:**
Joint Meeting of City Council and SARA to approve RDA and resolutions sending the Manhattan Beach Redevelopment Plan and GDP Ordinance to Planning Board for Comment

**November 13:**
Execution of RDA

**November 18:**
Planning Board Meeting to consider Manhattan Beach Redevelopment Plan and GDP Ordinance

**December 2:**
City Council Meeting to consider introduction of ordinance adopting Manhattan Beach Redevelopment Plan and GDP Ordinance
Next Steps

**December 16:**
Alternative date for Planning Board to consider Manhattan Beach Redevelopment Plan and GDP Ordinance

**December 17:**
City Council to adopt ordinance approving Manhattan Beach Redevelopment Plan and GDP Ordinance following receipt of comments by Planning Board

**December 31:**
Closing on purchase of AA’s property and SARA’s property by Redeveloper

**2015:**
Approval of site plan, commencement of construction of first phase of project and closing on AA site