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**COMMUNITY IMPACT STATEMENT
PORTION OF THE BEACH CLUB REDEVELOPMENT DISTRICT
SOUTH AMBOY, NEW JERSEY**

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INTRODUCTION

Beacon Planning and Consulting Services, LLC, has been retained by the City of South Amboy to conduct a community impact study of a proposed mixed-use development in the City of South Amboy, Middlesex County, New Jersey. The project site is located east of Broadway between Rosewell Street, a Conrail right-of-way, and the Raritan Bay and situated within the Beach Club District. The Redevelopment District consists of properties identified by the City Tax Assessor as Block 161.02, for all or part of Lots 6.02, 20, 20.01, 23, 24, 24.01, 25, 90 and 90.01. The study area is comprised of ~166.45 gross acres pursuant to the City of South Amboy's tax records (inclusive of property located east of a bulkhead line between uplands and the Raritan Bay). The proposed development will occupy a portion of the overall development tract's southern area.

BNE, the proposed redeveloper, seeks to develop a portion of the overall Redevelopment District with a multi-family project containing 501 residential units, 630 garage parking spaces, and open green spaces. The project will be constructed in two phases; the first will contain a 291-unit multifamily building and a 360-space parking garage while the second phase will contain a 210-unit building and a 270-space parking garage. Access will be provided from Radford Ferry Road. The development will be located in close proximity to the South Amboy train station as well as the ferry service, which is currently being reestablished.

The Developer is seeking a PILOT (Payment in Lieu of Taxes) for the proposed construction of 501 residential units in two phases. PILOTs are permitted via N.J.S.A 40A:20-1 and are utilized to spur development within communities that might otherwise not attract redevelopment and/or be financially feasible. Although a PILOT may appear to be just a tax break for the Developer, the community itself benefits from unproductive, possibly nuisance/delapidated/unsafe parcels being returned to productive use, and the attraction of new investments based on the success of the proposed initial project. PILOTs allow communities that may not otherwise experience growth or reinvestment to attract same.

Terms associated with the requested PILOT will include the payment of 10.5% against

development revenues for years 1 through 10, 12% for years 11 through 20, and 13% for years 21 through 25. The PILOT payments are structured such that they incorporate the land taxes. The county will receive 5% of the payment and the City will receive the remaining 95%.

Phase I is estimated to cost approximately \$75,000,000 and Phase II is estimated to cost approximately \$54,551,000. Assuming a capitalization rate of 5.75, upon stabilization Phase I is projected to have a market value of ~\$77,527,750 if the PILOT is approved and Phase II is projected to have a market value of ~\$56,241,434 if the PILOT is approved. Without the proposed PILOT, costs are projected to exceed the market value by ~\$14,011,284 for Phase 1 and ~\$9,902,831 for Phase 2, rendering the project not feasible. Without the proposed PILOT, the proposed project is not likely to be constructed.

In addition to the PILOT payments to be received by the City, the Developer will pay SARA \$10,000.00 per month in order to cover SARA's costs. This contribution will be reduced on a pro-rata basis only as units are completed. Moreover, for completed units, the Developer will make a one-time per unit payment of \$2,500 (if rental) or \$5,000 (if for-sale) to SARA resulting in aggregate payments of \$1,187,500 if rental or \$2,375,000 if for-sale. Finally, the developer will pay the City of Amboy a fee equal to \$40,000.00 x 5% of the number of market rates units completed in any particular phase. In addition to these contractual revenues, the City will receive fees associated with plan/application reviews for planning board approval, building permit issuance, and construction inspections.

Benefits already experienced by the City include the purchase of the restaurant parcel from SARA for almost \$3,800,000.00. This purchase enabled SARA to restructure its Community Center debt and make same self-sustaining, thus reducing the City's periodic contribution towards same. The Developer also purchased excess sewer capacity from the City of Sayreville for \$4,000,000 to serve not only the project site, but the City as a whole.

The intangible benefits include the positioning of the former Amboy Aggregates site for redevelopment, which will bring the site back into productivity and eliminate an eyesore, blighted parcel from the City's inventory of vacant properties.

The Redevelopment Plan adopted for this area envisions the development of a multi-family residential project with possible commercial uses consisting of restaurants, hotels, etc. The proposed project furthers the goals of the Redevelopment Plan, which include “To foster the development of recreational and residential uses that will advance the revitalization of the Redevelopment Area by providing for an increase in the City’s economic base.” The proposed 501 residential units represent ~30% of the total number (1,750) of residential units envisioned for the redevelopment area.

This study examines the anticipated impacts of the proposed development upon South Amboy’s population, school infrastructure, and municipal facilities and services. Based on our review and analysis, it is anticipated that upon completion the proposed development would have the following impacts:

- For both phases of development, project costs exceed potential market value rendering the development of same not feasible without a PILOT.
- Phase 1 is anticipated to generate ~\$201,322 - \$265,802* in additional revenue to the City starting in the base year, while Phase 2 is anticipated to generate ~\$93,500 - \$119,292* starting in the base year. Revenues are projected to increase each year for both Phases of the development over the 25-year duration of the PILOT. Therefore, additional revenue to the City is also anticipated to increase over the term of the PILOT. Revenues are anticipated to increase over the term of the PILOT and continue to exceed costs.

*The range projects revenue for configurations which include 3-bedroom affordable units and for configurations that consist of 1- and 2- bedroom affordable units.

- The City/SARA will receive additional revenues via fees beyond that associated with the PILOT, including: fees to cover SARA’s costs; unit completion fees; plan review fees; construction inspection fees; etc.
- A total of 20-27 public school children are anticipated to be generated by the two

phases of development.

- Revenue to the City will be more than sufficient to cover anticipated costs, such as public safety and increased overhead at the City Hall.
- The Developer will retain control over roadways within the development and provide trash removal, recycling, snow removal and roadway repairs.

Beacon Planning prepared the following evaluation of the project's influence on the community utilizing information gathered from local, county and school district officials.

PROPERTY DESCRIPTION

The site is located in the eastern portion of South Amboy along the Raritan Bay. The overall Beach Club Redevelopment District is comprised of ~166.45 gross acres pursuant to the City of South Amboy's tax records (inclusive of property located east of a bulkhead line between uplands and the Raritan Bay). The overall development consists of Block 161.02, for all or part of Lots 6.02, 20, 20.01, 23, 24, 24.01, 25, 90 and 90.01, which are located along Rosewell Street and a Conrail right-of-way to the west, a Conrail owned property to the north, the Raritan Bay to the east, and John T. O'Leary Boulevard/Raritan Reach Road to the south. The area includes lands located east of the bulkhead line which are tidally influenced and submerged. The parcels are currently characterized by abandoned industrial uses or are vacant.

BNE, the proposed redeveloper, seeks to develop a portion of the Beach Club District with 501 residential units in two phases. The proposed area is proximate to August Street and North Rosewell Avenue to the south and the railroad right-of-way to the west. Residential units within the project will consist of 253 one-bedroom and 222 two-bedroom market rate apartments as well as a total of 26 affordable units. The potential unit breakdown of affordable units, specifically one-, two- or three- bedroom configurations, has not been confirmed. Affordable Housing regulations/obligations are currently in a state of flux. BPCS will consider two configurations for affordable housing to be utilized in the analysis of school children generation. One will incorporate 3-bedroom units while the second will exclude same. Parking will be provided for a total of 630 vehicles within two parking garage

structures.

The proposed development will abut residential uses to the south along Augusta Street, which constitute consistent and compatible uses. Both sections of the proposed development abut residential properties, which constitute consistent and compatible uses.

PROJECT MARKET VALUE

The market value for Phase 1 of the project with the proposed PILOT is \$77,527,750. Phase 1 is anticipated to have a construction cost of \$75,075,871 for an overall value creation of \$2,451,879. Without the PILOT, the market value of the project is \$61,064,586, resulting in costs exceeding value by ~14,011,284; making Phase 1 not feasible to complete without a PILOT.

The market value for Phase 2 of the project with the proposed PILOT is ~\$56,241,434. Phase 2 is anticipated to have a construction cost of \$54,551,000 for an overall value creation of ~\$1,690,434. Without the PILOT, the market value of the project is ~\$44,648,168, resulting in costs exceeding value by ~\$9,902,831; making Phase 2 not feasible to complete without a PILOT.

Construction costs anticipate the use of an open bidding process for construction; which would permit open-shop subcontractors to participate. Costs associated with utilizing only union labor were not anticipated here and would almost certainly result in higher costs than projected, further eroding the market value of the completed structure.

MUNICIPAL TAX REVENUES

The 2017 property tax rate for South Amboy is \$2.705 per \$100 assessed value at an assessed to true value ratio of 101.13 percent. This translates into an equalized tax rate of \$2.736 per \$100 of market value. The components of the 2017 tax rate are identified in Table 2.

Table 1
2017 Tax Rate
South Amboy, New Jersey

Tax	Assessed Tax Rate	Equalized Tax Rate
County	0.351	0.355
Library	0.032	0.032
Open Space	0.029	0.029
District School	1.115	1.128
Local Purpose	1.178	1.191
Fire District	0	0.000
TOTAL:	2.705	2.736

Source: Tax rate obtained from South Amboy Tax Assessor

Note: Equalization ratio is 0.10113.

The Developer is seeking a PILOT (Payment in Lieu of Taxes) for the proposed construction of 501 residential units in two phases. Terms will include the payment of 10.5% against development revenues for years 1 through 10, 12% for years 11 through 20, and 13% for years 21 through 25. The PILOT payment is structured such that it incorporates land taxes. The county will receive 5% of the payment and the City will receive the remaining 95%.

POPULATION IMPACT

In order to determine a proposed development's impact on the municipal population, it is first necessary to establish a reference point for the introduction of the anticipated population increase. In view of the fact that construction has not yet commenced, the analysis of impacts will assume that the project has already been built out.

The most recent population estimate from the United States Census Bureau for South Amboy is 8,857 residents, as of July 1, 2017. Beacon Planning estimates 1.729 persons per household will be generated for one-bedroom market rate units, 2.67 persons per household for two-bedroom market rate units, 1.61 persons per household for one-bedroom affordable units and 2.76 persons per household for two-bedroom affordable units. The multipliers for household size were obtained from Who Lives in New Jersey? New Jersey Demographic Multipliers: The Profile of the Occupants of Residential and Nonresidential Development prepared by David Listokin et al., dated August 2006 (see Table II-D-1, All Housing Types, Five+ Units, Rent on page 108 and Table I-9, 5+ Units, Rent on page 139).

Based on the proposed number of dwelling units, the estimated average household size, and estimated 2017 population, the proposed development would increase South Amboy's population to 9,942. The total population of the proposed development is estimated to be ~1,085 residents with ~631 residents expected with Phase 1 and ~454 with Phase 2. The projected population attributed to the development represents a 12% percent increase in the City's population.

Typically, transit-oriented developments consisting of one and two bedroom configurations attract young professionals, couples without children or couples downsizing from larger homes. Couples with children tend to seek housing with additional bedrooms and yard areas.

SCHOOL DISTRICT IMPACT

The South Amboy School District consists of two schools; the South Amboy Elementary School (servicing pre-k through 5th grade) and South Amboy Middle High School (serving 6th through 12th grades). Utilizing demographics multipliers published in Who Lives in New Jersey? New Jersey Demographic Multipliers: The Profile of the Occupants of Residential and Nonresidential Development prepared by David Listokin et al., dated August 2006 (see Table II-G-1 and II-H-1) and excluding possible three-bedroom units, the first phase of the project is estimated to generate 11 school children while the second phase is anticipated to generate another 9 for a total of 20 public school children. School children generated would

be spread out from kindergarten through 12th grade.

Based on the per pupil costs quoted in the 2018-2019 school district budget for the 2017-2018 school year (\$12,896), the project would be anticipated to generate \$257,920 in costs to the South Amboy School District, specifically \$141,856 for Phase 1 and \$116,064 for Phase 2.

Utilizing the same Listokin demographic multipliers and incorporating three-bedroom units, we would conservatively estimate the generation of 27 total public school children; 16 within Phase I and 11 within Phase 2. Costs associated with same would total \$206,336 for Phase 1 and \$141,856 for Phase 2.

The Rutgers Center for Real Estate recently issued a white paper entitled "School-Age Children in Rental Units in New Jersey: Results from a Survey of Developers and Property Managers" dated July 2018. Pursuant to Table 1 of the report, we would anticipate ~20 total school children will be generated in Phases 1 and 2 for the configuration excluding three-bedroom units. A total of approximately 27 students is anticipated for Phase 2 utilizing the updated analysis. This validates the analysis above regarding the number of anticipated school children.

According to Jorge E. Diaz, South Amboy School District Superintendent, the existing school infrastructure would be able to accommodate the projected increase in students. Additional revenue from the PILOT would be available to be used to offset certain costs of the School District, if the City so chooses.

MUNICIPAL FACILITIES AND SERVICES IMPACT

The impact of the project on South Amboy's municipal services is analyzed in the following tables. This evaluation considers the added cost of providing services, as well as the projected additional revenue generated by the project.

Recent studies of the fiscal impact on municipal services indicate the demand for municipal services is based on system capacity or productivity thresholds. In order to ascertain the fiscal impact of a particular development one must review the project with respect to each of

the appropriations listed in a municipal budget. Based on a discussion with South Amboy officials and a review of the City of South Amboy municipal budget, the proposed development would trigger the need for additional law enforcement officers as well as a review of the City's EMS services.

Table 2

2017 Municipal Budget Appropriations City of South Amboy, New Jersey		
Budget Category	Amount	Percentage
General Administration	\$ 315,006.02	1.81%
Mayor and Council	\$ 51,435.42	0.30%
Municipal Clerk	\$ 89,625.01	0.52%
Financial Administration	\$ 192,115.67	1.11%
Audit Services	\$ 49,500.00	0.28%
Revenue Administration	\$ 110,508.00	0.64%
Tax Assessment Administration	\$ 42,252.23	0.24%
Legal Services	\$ 170,000.00	0.98%
Department of Engineering	\$ 180,000.00	1.04%
Vital Statistics	\$ 10,941.94	0.06%
Land Use Administration	\$ 60,458.78	0.35%
Public Safety	\$ 3,856,354.32	22.20%
Public Works	\$ 2,260,590.60	13.01%
Health and Human Services	\$ 84,693.04	0.49%
Municipal Court	\$ 140,383.09	0.81%
Public Defender	\$ 6,763.88	0.04%
Park and Recreation Functions	\$ 211,316.83	1.22%
Other Common Operation Functions	\$ 3,335,306.46	19.20%
Unclassified	\$ 604,000.00	3.48%
Statutory Expenditures	\$ 1,315,555.22	7.57%
Middlesex County Utilities Authority	\$ 700,000.00	4.03%
Maintenance of Free Public Library	\$ 318,472.00	1.83%
Length of Service Awards Program	\$ 40,000.00	0.23%
Public and Private Programs Offset by Revenues	\$ 205,250.25	1.18%
Capital Improvement Fund	\$ 200,000.00	1.15%
Municipal Debt Service	\$ 2,669,460.00	15.37%
Deferred charges	\$ 14,600.00	0.08%
Reserve for Uncollected Taxes	\$ 135,000.00	0.78%
Total	\$ 17,369,588.76	100.00%

Source: South Amboy Municipal Budget, 2017

Overall Municipal Services:

Departments most likely to experience impacts from the proposed development are Public Safety and the School District. The Developer will handle costs associated with road maintenance, snow removal, recycling and solid waste collection on site; therefore, Public Works will not be impacted by the project.

Police Department:

A discussion with Joseph Matarangolo of the South Amboy Police Department revealed concerns regarding current staffing levels within the City and the ability of the department to accommodate additional population growth. He estimated that, at full build out of the Beach Club District (1,750 residential units vs. the 501 units proposed with the current application) an additional 6 officers would be needed in order to properly patrol the proposed development. Therefore, for the 501 residential units proposed, an estimated 2 additional law enforcement officers would be required; one per phase of development. Pursuant to available resources, the average annual salary with benefits of a law enforcement officer in the City of South Amboy is ~\$180,000.00. Multiplying this by 2 officers results in an anticipated cost of \$360,000.00.

Fire Department:

Brian Tierney and Bob O'Conner of the South Amboy Fire Department indicated that current levels of volunteers are sufficient to accommodate the anticipated population growth associated with the project. Existing equipment includes a ladder truck capable of reaching buildings over 6 stories. Specific costs attributable to the proposed development were not identified. Notably, the Agreement with the main redeveloper, Sherman, requires Sherman to make payment to the City in the amount of \$500,000 upon the completion of the 1,250th residential unit in the project, to help offset costs associated with the City's public safety needs.

EMS:

The City currently utilizes a combination of volunteer and private, paid EMS services. Gene Cox of the volunteer EMS services indicated that the volunteer service would not be able to

absorb the new development. On an order of magnitude, we would expect a City-wide paid service to cost ~\$150,000.00 per year, which breaks down to ~\$17.00 per current resident, which results in a total additional cost of ~\$18,445.00 for the 1,085 person population growth associated with the proposed development. The City will have to look into a paid, private service; the logistics of which are beyond the scope of this report.

Public Works:

Impacts to the City’s Department of Public Works are anticipated to be minimal as the Developer will retain responsibility for trash pick-up, plowing, road maintenance, etc.

COST/REVENUE ANALYSIS

It is estimated that the proposed development will result in a positive fiscal impact to the community. The accompanying analysis indicates that the overall revenues generated by the project exceed costs.

Year 1 revenues for each phase of the development are depicted below. This chart is formatted so as to assume each phase is complete and occupancy has commenced.

Table 3

Proposed Development of 501 Residential Units Anticipated Revenues - Year 1 South Amboy, New Jersey		
	Phase 1	Phase 2
Year 1 PILOT Payment (Land Tax + Residual PILOT)	\$ 678,300.00	\$ 493,762.50
County Allotment (5%)	\$ (33,915.00)	\$ (24,688.13)
PILOT Revenues for City	\$ 644,385.00	\$ 469,074.38
Total Overall Revenue		\$ 1,113,459.38

Anticipated total fiscal impacts from the proposed development of 501 residential units are summarized below:

Table 4

Proposed Development of 501 Residential Units Anticipated Fiscal Impact - Year 1 South Amboy, New Jersey		
	Phase 1	Phase 2
Total Population Growth	631	454
Public School Children	11	9
School District Costs	\$ 141,856.00	\$ 116,064.00
Municipal	\$ -	\$ -
Police Services	\$ 180,000.00	\$ 180,000.00
EMS	\$ 10,727.00	\$ 7,718.00
Other Municipal	\$ 46,000.00	\$ 46,000.00
Total Per Phase Costs	\$ 378,583.00	\$ 349,782.00
Total Overall Costs		\$ 728,365.00

Comparing anticipated revenues against costs, we find:

Table 5

Proposed Development of 501 Residential Units Anticipated Revenues vs. Costs - Year 1 South Amboy, New Jersey		
	Phase 1	Phase 2
Anticipated Revenues To City	\$ 644,385.00	\$ 469,074.38
Anticipated Costs to City	\$ (378,583.00)	\$ (349,782.00)
Total Per Phase	\$ 265,802.00	\$ 119,292.38
Total Overall		\$ 385,094.38

Gross annual revenues to the municipality will exceed gross costs by ~\$265,802 for Phase 1 in year 1 and by ~\$119,292 for Phase 2 in year one. Revenues are anticipated to incrementally increase as the project is brought fully on line and as the percentage of the PILOT increases from 10.5% in Years 1- 10 to 12% for years 11 through 20 and finally 13% for years 21 through 25. Thereafter, the project will revert to the City's normal tax structure.

If we were to consider three-bedroom configurations and associated public school children generation from same, we would have the following total costs and total revenues:

Table 6:

Proposed Development of 501 Residential Units Anticipated Fiscal Impact - Year 1 South Amboy, New Jersey		
	Phase 1	Phase 2
Total Population Growth	631	454
Public School Children	16	11
School District Costs	\$ 206,336.00	\$ 141,856.00
Municipal	\$ -	\$ -
Police Services	\$ 180,000.00	\$ 180,000.00
EMS	\$ 10,727.00	\$ 7,718.00
Other Municipal	\$ 46,000.00	\$ 46,000.00
Total Per Phase Costs	\$ 443,063.00	\$ 375,574.00
Total Overall Costs		\$ 818,637.00

Table 7:

Proposed Development of 501 Residential Units Anticipated Revenues vs. Costs - Year 1 South Amboy, New Jersey		
	Phase 1	Phase 2
Anticipated Revenues To City	\$ 644,385.00	\$ 469,074.38
Anticipated Costs to City	\$ (443,063.00)	\$ (375,574.00)
Total Per Phase	\$ 201,322.00	\$ 93,500.38
Total Overall		\$ 294,822.38

Even accounting for a possible increase in public school children associated with three-bedroom affordable units, each Phase will continue to provide positive revenue to the City; specifically, ~\$201,322 for Phase 1 and ~\$93,500 for Phase 2 in Year 1. It is important to note that revenue to the City from the PILOT is anticipated to increase over the term of the agreement.

The projected revenues to the City from the PILOT do not incorporate the additional proceeds anticipated to be generated by the project. The Developer will pay SARA \$10,000.00 per month in order to cover SARA's costs to compensate SARA for expenses. This contribution will be reduced on a pro-rata basis only as units are completed. For completed units, the Developer will make a one-time per unit payment of \$2,500 (if rental)

or \$5,000 (if for-sale) to SARA resulting in aggregate payments of \$1,187,500 if rental or \$2,375,000 if for-sale. Finally, the developer will pay the City a fee equal to \$40,000.00 x 5% of the number of market rates units completed in any particular phase, the proceeds of which can be applied toward the cost of additional affordable units. In addition to these contractual revenues, the City will receive fees associated with plan/application reviews for planning board approval, building permit issuance, and construction inspections.

The City is already experiencing the benefits of redevelopment. For example, the purchase of the restaurant parcel from SARA for almost \$3,800,000.00. This purchase enabled SARA to restructure its Community Center debt and make same self-sustaining, thus reducing the City's periodic contribution towards same. The Developer also purchased \$4,000,000 in excess sewer capacity from the City of Sayreville to serve not only the project site, but the City as a whole.

There are also intangible economic benefits associated with the project that should be given consideration. These economic benefits include increased population with disposable income to support local merchants and businesses, including restaurants, service stations, and convenience stores. There will be an increased pool of volunteers for the fire department, first aid squad, and recreation programs.

CONCLUSION

The analysis herein has been supplemented with information regarding the adequacy of existing facilities and services. As a result, the actual increase in costs attributable to the proposed development will very likely be less than that indicated in this report, resulting in a greater benefit than projected.

There are numerous intangible positive benefits that the community will accrue, including the following:

- Redevelopment of a former industrial site into a new residential community supporting the local tax base and services;
- Creation of a development in furtherance of the Manhattan Beach Club

Redevelopment Plan;

- New and improved housing opportunities for City residents;
- Increased support for local businesses;
- The development is focused toward public transportation, thus promoting same and decreasing impacts to local roadways;
- Community revitalization and loyalty; and
- Maintain and expand the community volunteer pool.

Appendices

1.

Proposed Site Plan

2.

Estimated PILOT Revenue Charts – Phases I and II

**BNE South Amboy Phase I: Proposed PILOT
City of South Amboy, New Jersey**

Year	PILOT as % of Income	Estimated Net Revenue	Estimated PILOT Payment	Estimated County (5%)	Estimated City of S. Amboy
1	10.5%	\$ 6,460,000.00	\$ 678,300.00	\$ 33,915.00	\$ 644,385.00
2	10.5%	\$ 6,556,900.00	\$ 688,474.50	\$ 34,423.73	\$ 654,050.78
3	10.5%	\$ 6,655,253.50	\$ 698,801.62	\$ 34,940.08	\$ 663,861.54
4	10.5%	\$ 6,755,082.30	\$ 709,283.64	\$ 35,464.18	\$ 673,819.46
5	10.5%	\$ 6,856,408.54	\$ 719,922.90	\$ 35,996.14	\$ 683,926.75
6	10.5%	\$ 6,959,254.67	\$ 730,721.74	\$ 36,536.09	\$ 694,185.65
7	10.5%	\$ 7,063,643.49	\$ 741,682.57	\$ 37,084.13	\$ 704,598.44
8	10.5%	\$ 7,169,598.14	\$ 752,807.80	\$ 37,640.39	\$ 715,167.41
9	10.5%	\$ 7,277,142.11	\$ 764,099.92	\$ 38,205.00	\$ 725,894.93
10	10.5%	\$ 7,386,299.24	\$ 775,561.42	\$ 38,778.07	\$ 736,783.35
11	12.0%	\$ 7,497,093.73	\$ 899,651.25	\$ 44,982.56	\$ 854,668.69
12	12.0%	\$ 7,609,550.14	\$ 913,146.02	\$ 45,657.30	\$ 867,488.72
13	12.0%	\$ 7,723,693.39	\$ 926,843.21	\$ 46,342.16	\$ 880,501.05
14	12.0%	\$ 7,839,548.79	\$ 940,745.85	\$ 47,037.29	\$ 893,708.56
15	12.0%	\$ 7,957,142.02	\$ 954,857.04	\$ 47,742.85	\$ 907,114.19
16	12.0%	\$ 8,076,499.15	\$ 969,179.90	\$ 48,458.99	\$ 920,720.90
17	12.0%	\$ 8,197,646.64	\$ 983,717.60	\$ 49,185.88	\$ 934,531.72
18	12.0%	\$ 8,320,611.34	\$ 998,473.36	\$ 49,923.67	\$ 948,549.69
19	12.0%	\$ 8,445,420.51	\$ 1,013,450.46	\$ 50,672.52	\$ 962,777.94
20	12.0%	\$ 8,572,101.82	\$ 1,028,652.22	\$ 51,432.61	\$ 977,219.61
21	13.0%	\$ 8,700,683.34	\$ 1,131,088.83	\$ 56,554.44	\$ 1,074,534.39
22	13.0%	\$ 8,831,193.59	\$ 1,148,055.17	\$ 57,402.76	\$ 1,090,652.41
23	13.0%	\$ 8,963,661.50	\$ 1,165,275.99	\$ 58,263.80	\$ 1,107,012.19
24	13.0%	\$ 9,098,116.42	\$ 1,182,755.13	\$ 59,137.76	\$ 1,123,617.38
25	13.0%	\$ 9,234,588.17	\$ 1,200,496.46	\$ 60,024.82	\$ 1,140,471.64
Total Payments:			\$ 22,716,044.60	\$ 1,135,802.23	\$ 21,580,242.37

School and local expenses are projected to increase at the rate of 2.5% year to year. Land taxes and market taxes are calculated at an assumed annual increase of 1.25% per year. Rent Revenue is projected to increase 1.5% per year.

**BNE South Amboy Phase II: Proposed PILOT
City of South Amboy, New Jersey**

Year	PILOT as % of Income	Estimated Net Revenue	Estimated PILOT Payment	Estimated County (5%)	Estimated City of S. Amboy
1	10.5%	\$ 4,702,500.00	\$ 493,762.50	\$ 24,688.13	\$ 469,074.38
2	10.5%	\$ 4,773,037.50	\$ 501,168.94	\$ 25,058.45	\$ 476,110.49
3	10.5%	\$ 4,844,633.06	\$ 508,686.47	\$ 25,434.32	\$ 483,252.15
4	10.5%	\$ 4,917,302.56	\$ 516,316.77	\$ 25,815.84	\$ 490,500.93
5	10.5%	\$ 4,991,062.10	\$ 524,061.52	\$ 26,203.08	\$ 497,858.44
6	10.5%	\$ 5,065,928.03	\$ 531,922.44	\$ 26,596.12	\$ 505,326.32
7	10.5%	\$ 5,141,916.95	\$ 539,901.28	\$ 26,995.06	\$ 512,906.22
8	10.5%	\$ 5,219,045.70	\$ 547,999.80	\$ 27,399.99	\$ 520,599.81
9	10.5%	\$ 5,297,331.39	\$ 556,219.80	\$ 27,810.99	\$ 528,408.81
10	10.5%	\$ 5,376,791.36	\$ 564,563.09	\$ 28,228.15	\$ 536,334.94
11	12.0%	\$ 5,457,443.23	\$ 654,893.19	\$ 32,744.66	\$ 622,148.53
12	12.0%	\$ 5,539,304.88	\$ 664,716.59	\$ 33,235.83	\$ 631,480.76
13	12.0%	\$ 5,622,394.45	\$ 674,687.33	\$ 33,734.37	\$ 640,952.97
14	12.0%	\$ 5,706,730.37	\$ 684,807.64	\$ 34,240.38	\$ 650,567.26
15	12.0%	\$ 5,792,331.32	\$ 695,079.76	\$ 34,753.99	\$ 660,325.77
16	12.0%	\$ 5,879,216.29	\$ 705,505.96	\$ 35,275.30	\$ 670,230.66
17	12.0%	\$ 5,967,404.54	\$ 716,088.54	\$ 35,804.43	\$ 680,284.12
18	12.0%	\$ 6,056,915.61	\$ 726,829.87	\$ 36,341.49	\$ 690,488.38
19	12.0%	\$ 6,147,769.34	\$ 737,732.32	\$ 36,886.62	\$ 700,845.70
20	12.0%	\$ 6,239,985.88	\$ 748,798.31	\$ 37,439.92	\$ 711,358.39
21	13.0%	\$ 6,333,585.67	\$ 823,366.14	\$ 41,168.31	\$ 782,197.83
22	13.0%	\$ 6,428,589.45	\$ 835,716.63	\$ 41,785.83	\$ 793,930.80
23	13.0%	\$ 6,525,018.30	\$ 848,252.38	\$ 42,412.62	\$ 805,839.76
24	13.0%	\$ 6,622,893.57	\$ 860,976.16	\$ 43,048.81	\$ 817,927.36
25	13.0%	\$ 6,722,236.97	\$ 873,890.81	\$ 43,694.54	\$ 830,196.27
Total Payments:			\$ 16,535,944.23	\$ 826,797.21	\$ 15,709,147.02

School and local expenses are projected to increase at the rate of 2.5% year to year. Land taxes and market taxes are calculated at an assumed annual increase of 1.25% per year. Rent Revenue is projected to increase 1.5% per year.

3.

Estimated Public School Children Generation Charts

Who Lives in New Jersey Housing? published by the Center for Urban Policy Research, November 2006 Listokin, et. al.

PUBLIC SCHOOL CHILDREN ESTIMATE			
# OF UNITS	CATEGORY	MULTIPLIER	# OF CHILDREN
253	1 BR Market	0.02	5.1
13	1 BR Affordable	0.14	1.82
222	2 BR Market	0.02	4.44
13	2 BR Affordable	0.62	8.06
501	Est. Public School Students		19.38
2017-2018 COST PER PUPIL:			\$12,896
ESTIMATED GROSS COST:			\$249,924

Per pupil Cost obtained from South Amboy City 2018-2019 User Friendly Budget Summary: 2017-2018 Revised Budget. Student projections based on Tables II-G-1 and II-H-1 Who Lives In New Jersey Housing? published by the Center for Urban Policy Research, November 2006 Listokin, et. al. Assumes TOD multipliers for market rate units.

PUBLIC SCHOOL CHILDREN ESTIMATE			
# OF UNITS	CATEGORY	MULTIPLIER	# OF CHILDREN
253	1 BR Market	0.016	4.0
13	1 BR Affordable	0.103	1.339
222	2 BR Market	0.022	4.884
13	2 BR Affordable	0.721	9.373
501	Est. Public School Students		19.64
2017-2018 COST PER PUPIL:			\$12,896
ESTIMATED GROSS COST:			\$253,329

Per pupil Cost obtained from South Amboy City 2018-2019 User Friendly Budget Summary: 2017-2018 Revised Budget. Student projections based on Table 1 of School -Age Children in Rental Units in New Jersey. Results from a Survey of Developers and Property Managers published by the Rutgers Center for Real Estate, dated July 2018.

PUBLIC SCHOOL CHILDREN ESTIMATE			
# OF UNITS	CATEGORY	MULTIPLIER	# OF CHILDREN
253	1 BR Market	0.02	5.1
5	1 BR Affordable	0.14	0.7
222	2 BR Market	0.02	4.44
16	2 BR Affordable	0.62	9.92
5	3 BR Affordable	1.27	6.35
501	Est. Public School Students		26.47
2017-2018 COST PER PUPIL:			\$12,896
ESTIMATED GROSS COST:			\$341,357

Per pupil Cost obtained from South Amboy City 2018-2019 User Friendly Budget Summary: 2017-2018 Revised Budget. Student projections based on Tables II-G-1 and II-H-1 Who Lives in New Jersey Housing? published by the Center for Urban Policy Research, November 2006 Listokin, et. al. Assumes TOD multipliers for market rate units.

PUBLIC SCHOOL CHILDREN ESTIMATE			
# OF UNITS	CATEGORY	MULTIPLIER	# OF CHILDREN
253	1 BR Market	0.016	4.0
5	1 BR Affordable	0.103	0.515
222	2 BR Market	0.022	4.884
16	2 BR Affordable	0.721	11.536
5	3 BR Affordable	1.089	5.445
501	Est. Public School Students		26.43
2017-2018 COST PER PUPIL:			\$12,896
ESTIMATED GROSS COST:			\$340,815

Per pupil Cost obtained from South Amboy City 2018-2019 User Friendly Budget Summary: 2017-2018 Revised Budget. Student projections based on Table 1 of School -Age Children in Rental Units in New Jersey. Results from a Survey of Developers and Property Managers published by the Rutgers Center for Real Estate, dated July 2018.

Results from a Survey of Developers and Property Managers published by the Rutgers Center for Real Estate, dated July 2018

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1, 2 and
3Br.

