

Edison Village Downtown Redevelopment

Present



Edison Battery Factory Site November 2011
Charles Street view

Upcoming Phase 1



Rendering by redeveloper of completed Phase 1 - Charles Street view

OVERVIEW

The Edison Village Downtown Redevelopment is a project developed over a ten-year period. The Redevelopment Plan was originally adopted in 2003. The Redeveloper, an affiliate of Prism Capital Partners, LLC was designated in 2006. Since being designated, the Redeveloper has spent over \$60 million to reach this point. The Township has worked with the Redeveloper through numerous plans and numerous shifts in the real estate market to reach a point where Edison Village opens. The Township's goal throughout the project has been to revitalize a site that remains vacant and a burden both from a cost and a revenue perspective to the Township. Redeveloping the site is crucial to spur economic development in the area.

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PHASE 1: EDISON BATTERY BUILDING

Prism Green Associates IV, L.L.C. proposes to redevelop Block 66, Lots 1, 5 and 7 (the “Edison Battery Building”) to construct:

- approximately 333 residential rental units comprised of 285 “loft” style units, 14 penthouse units to be built on top of the building, and 34 newly constructed units above a main street retail building with the option to convert all the residential units to condominium ownership in the future;
- approximately 18,500 square feet of retail space;
- approximately 31,700 square feet of amenity support space;
- a parking structure containing approximately 635 parking spaces; and
- certain public infrastructure (e.g. roads, utilities, sidewalks, etc.).

ADAPTIVE REUSE: THE BATTERY BUILDING HISTORY



Edison Laboratory Complex 1912

Thomas Edison moved to West Orange in 1886. The following year Edison built a new laboratory complex on what he believed would be a perfect site. From 1906 -1914, Edison built a one-million square feet industrial complex. The Battery Building was made entirely of reinforced “Portland” cement and steel. The complex has 14-foot and 16-foot ceiling heights with more than 750 individual window openings consisting of “oversized” multi-panel industrial windows. The Battery Building, which is Phase I of the Downtown Redevelopment, was part of this industrial complex. The Battery Building manufactured alkaline storage batteries for light delivery vehicles, automobiles, railroad signals, industrial applications and mining equipment. The Battery Building ceased operation in 1965.

Presently, the Battery Building is on the National Register of Historic Places, the New Jersey Register of Historic Places and designated locally by the Township of West Orange as a historic site.

The developer collaborated with the West Orange Historic Preservation Commission to maintain the historic integrity of the building. Forty-four percent of the exterior concrete requires repair, and Prism has had a team of experts working on issues related to doing the work with historical accuracy. The “oversized”

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multi-panel industrial windows will be replaced with historically accurate replicas meeting current energy code standards.

The new construction on Main Street consists of light gauge steel with brick and cast stone exteriors. The retail portion has traditional storefront retail glass. The penthouses on top of the Edison Building are also light gauge steel framing with metal panel and glass exteriors. The garage is pre-cast panels in a double “T” formation, fully enclosed, with mechanized air and fire sprinklers.

The redeveloper has already commenced partial demolition and site excavation, and has completed environmental remediation sufficient to commence residential construction and will receive a site wide no further action letter during construction. The pre-cast concrete garage has already been purchased and manufactured. It is sitting at the pre-caster’s yard in eastern Pennsylvania, awaiting delivery to the site.

MARKETING

The Building affords a luxury lifestyle in a one-of-a-kind living environment at an affordable price for North Jersey standards. The historic fabric of the building itself, set in a safe, semi-suburban downtown setting, with access to local highways, retail and public transportation will be a significant draw. To ensure the building exceeds expectations, the developer has planned for an outstanding amenity package including:

General Community Features

- LEED certified buildings, designed with green principles for a healthier environment
- 24-hour doorman
- Live-in building superintendent
- Building and grounds secure, card access system
- Residential building integrated into a suburban landscape including parks and open green spaces
- Jitney service to both the Orange (1mile) and South Orange (3 miles), NJ Midtown Direct train stations
- Luxurious spacious Edison building lobby with historical exhibit
- Community room with restrooms
- Interior loading dock

Unit Features

- Web-based resident network
- Ceiling heights ranging from 14- to 16-feet and 10-foot tall windows
- Washer/Dryer in each unit
- High efficiency HVAC systems
- Premium units finishes with granite counters, stainless steel appliances, and wood cabinetry and flooring

Recreational Amenities

- 16,000 square feet fitness center
- Three lane, 400 feet indoor lap pool

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- Hot tub, sauna and steam room
- Business center
- Card room
- Media/screening room
- Game room
- Roof-top outdoor lounge with New York City skyline views

Storage

- Secure dedicated bike storage room
- Ground floor storage lockers for residents

Parking

- Covered, secure, card access parking system
- 1.67 parking spaces per unit

The parking garage sits between the retail shops and the Edison building; it will be mostly hidden from sight. The site's topography lends itself well to the proposed development. It drops approximately 10 feet from Main Street to Ashland Avenue. This natural drop allows the garage to remain hidden behind the Main Street retail and residential structures. The garage has been designed as a completely enclosed structure on all sides.

Retail Amenities

The Shoppes at Edison Village, approximately 18,500 square feet of Main Street retail on the corner of Charles Street and along Main Street, will provide current and future area residents with a new in-town shopping experience.

Common Areas

The central focus of the Project will be the connection with the local community and a sense of place. The main entrance to the residential units in the Edison building will be located on Ashland Avenue and will include a "breezeway" connecting Ashland Avenue to Main Street, allowing pedestrians to walk through a garden-scape on walkways that will stretch from Main Street to Charles Street. The heavily landscaped "L" shaped "Mews" which connects Charles Street on the southern portion of the site with Main Street at the northern portion of the site provides for landscaped walking paths, water features and a private evening environment for residences as gates will allow for limited access; "residents only" during the evenings

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FINANCIAL INFORMATION

Projected 2016 Tax Analysis

Aggregate Gross Revenue	\$ 9,475,254	
	\$ 8,354,653	Rental Revenue
	\$ 451,885	Parking
	\$ 352,640	Retail
	\$ 316,076	Other
1 Year Land Tax	\$ 152,765	
	\$ 56,046	County
	\$ 68,187	BOE
	\$ 27,882	Municipal
	\$ 552	County Open Space
	\$ 97	Municipal Open Space
1 Year Annual Service Charge	\$ 947,525	
	\$ (152,765)	Land Tax Credit
	\$ 47,376	County
	\$ -	BOE
	\$ 747,385	Municipal
	\$ -	County Open Space
	\$ -	Municipal Open Space
Total Municipal	\$ 775,267	
Total BOE	\$ 68,187	
Combined	\$ 843,453	
Bonds		
Term	30	
Rate	5.00%	
Principal Amount	\$ 3,150,000	
Payment	(\$204,912)	
Net Municipal Revenue	\$ 638,541	

PUBLIC SCHOOL STUDENTS RESIDING IN APARTMENT COMPLEXES
(Surrounding Towns and West Orange)

Working with data from the West Orange school administration, there are currently 6,800 students enrolled in West Orange Public Schools. Of the total **rental** population in the Township, approximately 11.22% are schoolchildren. Of the total Township population residing in **townhouse** units, approximately 10.9% are schoolchildren.

Based on research prepared by Michael I. Handley of NW Financial Group, LLC, a survey of projects similar to the units to be built at Edison Village indicate that the project will generate approximately 4.28% children; far less than the current 11.22% student enrollment generated from established Township rental apartments.

The survey of projects similar to Edison Village in surrounding towns is as follows:

Survey of Competitive Properties				
Analysis of School Age Children				
	<u>Units</u>	<u>School Age Children</u>	<u>Municipality</u>	<u>Percentage</u>
City Homes at Essex Park			Belleville	
Crystal Rose Condos	14	1	Bloomfield	7.14%
Silk Mill Lofts	48	0	Bloomfield	0.00%
Reserve at Glen Ridge	37	0	Glen Ridge	0.00%
Bellclair at Montclair	70	1	Montclair	1.43%
Siena	101	3	Montclair	2.97%
Gaslight Commons	200	6	South Orange	3.00%
Highlands at Hilltop	95	5	Verona	5.26%
Montclair Residences	163	14	Montclair	8.59%
Avenue Residences			South Orange	
Livingston Town Center			Livingston	
River Place at Rahway			Rahway	
Park Square	159	7	Rahway	4.40%
Highlands at Morristown Station	219	7	Morristown	3.20%
140 Mayhill	158		Saddlebrook	
Xchange	307	18	Secaucus	5.86%
Metropolitan at Morristown	130	4	Morristown	3.08%
Average	1543	66		4.28%
Median				3.74%

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GOVERNMENTAL APPROVALS NEEDED

Governing Body:

- Resolution approving updated application for Long Term Tax Exemption for Phase 1 Project;
- Introduction of ordinance approving updated financial agreement for Phase 1 Project;
- Introduction of bond ordinance authorizing not to exceed \$6,300,000 Phase 1 Infrastructure Bonds;
- Second reading, public hearing and final adoption of ordinance approving updated financial agreement;
- Second reading, public hearing and final adoption of ordinance authorizing not to exceed \$6,300,000 Phase 1 Infrastructure Bonds;
- Resolution authorizing modification to Redevelopment Agreement to incorporate updated Phase 1 Project description;
- Resolution authorizing Infrastructure Construction Agreement setting forth public infrastructure to be constructed as a part of the project.

Planning Board:

- Amended site plan reflecting updated Phase 1 Project description.

CONCLUSION

The redevelopment will revive a now vacant, contaminated site that is a burden to the Township; restore a historic property and neighborhood to productivity; generate approximately 150 construction jobs and 37 full-time jobs; and generate new revenue to the Township.