

PRESS RELEASE

FROM THE DESK OF MANCHESTER MAYOR KENNETH T. PALMER

Hovsons Redevelopment Proposal for the Heritage Mineral Site

5/26/16

Just after being sworn in as your Mayor last year, I met with representatives of Hovsons Inc., regarding the 2004 settlement agreement that permits the developer to build 2,400 age-restricted homes in the Heritage Minerals tract. As you know, due to the national housing crash and Manchester Township's surplus of senior age-restricted housing, Hovsons never started construction. At that meeting, the developer proposed a new project that included residential and commercial units surrounding a "Town Center." At that time and still today, my feelings about the project have not changed. Recognizing Manchester Township's limited commercial development possibilities and the adverse effect our town demographics have on the school funding formula, I believe Manchester Township's best interests are served exploring the potential of this project.

Approximately a year ago, I created the "Heritage Minerals Working Group." The purpose of the Working Group was to meet with Hovsons and exchange mutual ideas, concepts, and goals for the project. The Working Group was comprised of a cross-section of township officials, school administrators and residents with varying backgrounds. After extensive meetings, the Working Group and Hovsons prepared a proposed Redevelopers' Plan to be presented to the Manchester Township Council. A full copy of the Redevelopment Plan is available online at the township website. The proposed Redevelopers' Plan provides basic zoning for a development which includes a mixture of various housing types (condos, townhomes and single family homes) as well as commercial businesses concentrated in a town center. The Redevelopment Plan provides for a tentative number of housing units up to 6,543 units. I would like to stress that the number 6,543 is a tentative number.

The procedural steps going forward with this project are very important to understand. Assuming the Town Council approves the Redevelopment Plan, Hovsons must then go to the State DEP and DOT for permits. Even Hovsons recognizes after they submit the plans to the State DEP and DOT, this project and the number of housing units, 6,543 is going to be reduced. Then Hovsons will need approvals from the county for various infrastructure issues. Please know, neither the Township Council nor I believe building 6,543 units is in Manchester Township's best interests. However, we are convinced that building 2,400 senior homes is not the best long term planning for the town either.

As mentioned above, Manchester Township has a few inter-related long term problems that will start affecting us in approximately 10 years. First, even though our town is 82 square miles (over 50% is protected by various governmental agencies), we have limited tracts of land available to attract commercial development. As a result, we rely upon our property owners to pay approximately 90% of our school, county and municipal tax levy. Considering we will likely "build-out" over the next ten years

or so, thereafter, we will not have new construction to off-set the ever increasing costs of running a town, salaries, pensions, health insurance, roads, schools, etc.

A second problem is our town's demographics, 70% seniors to 30% non-seniors. As a result of those demographics, Manchester Township is adversely affected when it comes to the school funding formula. Currently, we receive about 14% of our school budget from the State while our neighboring towns receive up to 50%. This inequity is caused by the State's mistaken presumption that we are a wealthy school district because the large number of individual residences (20,000 homes, mainly age-restricted) are presumed to generate enough taxes to support our relatively small student population (3,000 students). Ironically, we are anything but a wealthy town. Our average per capita income and per capita home value is among the bottom 10% of the state. As a result, the school funding formula does not allocate our town any "equalization aid."

As stated above, if Hovsons opts to build the 2,400 age restricted homes, the 2004 settlement agreement provides they can start the process tomorrow and Manchester or the DEP have no input. While such a project might result in a short term benefit, a large increase to our tax base without any students burdening our school budget, we run the realistic risk of skewing the school funding formula the wrong way and becoming a "No-Aid" school district. The impact of such a designation is significant. Currently, Manchester Township receives 14% of our school budget from the State, amounting to just under \$8 million. That would be a new obligation we would be required to pay if under the "No Aid" designation.

Over the next several weeks, there are several pending procedural steps that must be satisfied before Hovsons can move forward to the State agencies. First, on June 6th the Manchester Township Planning Board will review the proposed Redevelopment Plan to ensure the plan comports with the Township's Master Plan. Should the Planning Board determine the Redevelopment Plan is consistent with the Master Plan, it is then referred back to the Township Council for their consideration on June 13th. Residents have the opportunity to comment on the Redevelopment Plan at both the Planning Board meeting and the Township Council meeting. As mentioned above, if approved by the Township Council, Hovsons will then need to approach the State DEP about modifying the 2004 settlement agreement. Then, they will need to apply for permits to CAFRA and the State Department of Transportation. Quite candidly, who knows what the project will look like when Hovsons returns to Manchester Township. Assuming they do return to Manchester Township from the various state agencies and want to develop the "Town Center" project, Manchester Township and Hovsons will then try to negotiate a "Redeveloper's Agreement." This is where the rubber meets the road. At this point, Manchester Township will have a true number of housing units and commercial space and can more accurately predict the impact on our schools, roads, environment and infrastructure. At this point, if Hovsons cannot prove the project is a financial and overall "plus" for the town, we have the unilateral ability to end the negotiations and cancel the project. Without taking more steps down the path, we will never know if a viable beneficial project exists.

Recently, the Pinelands Preservation Alliance forwarded a "shock" mailer about this project to a number of residents. Their goal was to scare and misinform you about the project and about the

manner in which this government is exploring the project. The plain truth is that the Township has not approved 6,543 housing units and we are far from approving any project. The Pinelands Preservation Alliance contends we are hiding facts from the public. The plain truth is I wrote to you last year about the project and labeled it the most important issue facing Manchester Township over the next 20 years. I have spoken about this issue when I campaigned, after I took office and at just about every public speaking event I have attended.

The Pinelands Preservation Alliance has insinuated that this government has made backroom deals and kept the project secret. However, when the Pinelands Preservation Alliance requested the Working Group's meeting minutes detailing all of the contract negotiations between the parties, we readily provided them. Considering they were contract negotiations, the Township could have kept those meeting summaries confidential. When the Working Group completed its work, the very next day the Pinelands Preservation Alliance was provided with the Developers' Plan, Fiscal Reports and other materials. I know this because I personally made sure they were emailed. Obviously, I knew the Pinelands Preservation Alliance would be diametrically opposed to any project. I provided the information because I promised you that while I am your Mayor, this government will be transparent, fair and dedicated to serving Manchester's best interests.

The plain truth of the matter is that I believe, the Council believes and the Working Group believes it is in Manchester Township's best interests to explore whether the possibility of a viable project exists that will ensure smart growth and financial stability for Manchester Township over the next 25 years. If we did not explore the possibilities, we would not be doing our jobs.