



SUPPORTING PRIORITY INVESTMENT IN SOMERSET COUNTY

Executive Summary

Somerset County, NJ

April 2015



Prepared by:



Executive Summary

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The *Supporting Priority Investment in Somerset County Phase 1* study, presented herein, is the product of Somerset County's commission (through a Local Government Capacity Grant from Together North Jersey) of a detailed existing conditions analysis for each of its 24 areas designated for investment and growth (called Priority Growth Investment Areas, or PGIAs). According to Somerset County's Investment Framework overview, PGIAs are "areas where primary economic growth and community development strategies that enhance quality of life are preferred and where growth-inducing investments are encouraged. PGIAs are often areas where development and infrastructure assets are already concentrated." Channeling development to designated areas creates benefits such as reducing sprawl, and generates efficiencies thanks to concentrated infrastructure, transportation resources, and housing.

This study identifies recommendations for transportation improvements, infrastructure investments, and land use and zoning changes that advance implementation of the Somerset County Investment Framework and New Jersey's Draft Final State Strategic Plan. This *Supporting Priority Investment in Somerset County Phase 1* study was undertaken, essentially, to answer a series of substantive questions, simply phrased as follows:

- What are and will continue to be the PGIAs' economic strengths and assets?
- How can the PGIAs' identified strengths and assets be further enhanced?
- What are the PGIAs' current growth opportunities and constraints?
- How can the PGIAs' identified growth opportunities be achieved and growth constraints be overcome, in both the near and long term?

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Though these questions may be plainly stated, arriving at their answers and communicating what those answers suggest for the county required a well-orchestrated and thoroughly considered response. This effort consisted of extensive quantitative and qualitative analysis; a comprehensive tour of the county's PGAs; review of existing planning documents; and numerous technical analyses (including improvement-to-land-value (ILV), socioeconomic, workforce and labor, business and industry, existing land use conditions, and infrastructure for each of the 24 PGAs); as well as a current land use policy and regulations assessment; identification of workforce housing opportunities; and a steady-state build-out analysis of the PGAs (i.e., if no major land use or zoning changes were to occur).

It is important to recognize that the data included in the series of analyses that comprise this study represent a point in time. Although useful for current land use planning initiatives, these data and analyses should be updated and reexamined on an on-going basis so that they remain valuable in informing land use and infrastructure policies and investment decisions by both the public and private sectors.

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The individual PGIAs in Somerset County range in size from less than one-tenth of a square mile to over 12 square miles, and fit a range of place-types, from commercial town centers to corporate campuses. A list of the PGIAs is provided on page 7, and a map of the PGIAs can be found in Appendix A.

The 24 PGIAs are categorized by typologies taken from the *Somerset County Planning Board Draft Final County Investment Framework PGIA and LPA Screening Criteria Results*. While each of the PGIAs is meant to accommodate growth and development, their current land uses vary widely. Several PGIAs are employment nodes, including the AT&T corporate campus in Bedminster Township, Bridgewater Township's Chimney Rock Interchange Area, and Warren Township's Exit 78 East of I-78. The Imclone and Meister Avenue Industrial Parkway PGIAs in Branchburg Township are industrial parks and employment nodes. The Mt. Bethel Employment Area in Warren Township is an employment node also classified as a commercial corridor and redevelopment site. Other redevelopment sites include the Hamilton Street/Renaissance Redevelopment site in Franklin Township, and the Weldon Quarry in Watchung.

Town center type PGIAs include the Bound Brooks, Hillsborough Town Center/Gateway in Hillsborough Township, Manville Town Center, and North Plainfield Town Center. A number of PGIAs are categorized as PA1, or Metropolitan Planning Area 1, areas designated to "provide for much of the state's future redevelopment; revitalize cities and towns; promote growth in compact forms; stabilize older suburbs; redesign areas of sprawl; and protect the character of existing stable communities." These sites include Easton Avenue Corridor (Franklin Township), Green Brook Neighborhood Center and Green Brook Route 22 Corridor (Green Brook), the Route 202/NJ TRANSIT Spur (Bridgewater Township), Veronica Avenue (Franklin Township), and Watchung Route 22 Corridor (Watchung).

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The Somerset County Regional Center, the largest PGIA, covers parts of three municipalities (Bridgewater Township, Raritan, and Somerville), and is classified as a regional center and transit village. RVCC/Easton Turnpike in Branchburg Township is a higher education facility, and Hillsborough Township's VA Depot is a closed military facility. Remaining PGIAs, the Homestead Road/206 Bypass in Hillsborough Township and the I-287 Industrial Complex in Franklin Township, are categorized as industrial/commerce areas.

The diversity of land uses found in the PGIAs understandably generate a wide variety of findings and recommendations. While some PGIAs have large, dense populations, others have zero residents. Transportation access and infrastructure vary between the PGIAs, as do the number of businesses and industry types present. Available land, as well as community facilities and housing assets, also differ among the various PGIAs. A summary of findings for each individual PGIA is provided in Appendix C, and detailed discussion follows in the body of this report.

A number of overall trends and recommendations emerged as a result of this analysis of the PGIAs, as well as comparison analysis of Somerset County and surrounding areas. In addition to PGIA-specific recommendations, a number of general themes came to light, and will be important for continued countywide and PGIA economic health and development. These overall themes are discussed on the remaining pages of this executive summary. PGIA-specific findings and recommendations are contained in the body of this report, and summarized in the PGIA Summary Matrix that comprises Appendix C.

PGIA Name	Municipality	Area (acres)	PGIA Typology
AT&T Campus	Bedminster Township	194	Employment/technology node
The Bound Brooks	Bound Brook/South Bound Brook	1,558	PA1, Joint Town Center, Bound Brook Transit Village
Chimney Rock Interchange Area	Bridgewater Township	205	Employment node
Easton Avenue Corridor	Franklin Township	218	PA1
Exit 33 of I-78	Warren Township	280	Employment node
Green Brook Neighborhood Center	Green Brook	57	PA1
Green Brook Rt. 22 Corridor	Green Brook	324	PA1
Hamilton St./Renaissance Redevelopment	Franklin Township	320	PA1 and redevelopment area
Hillsborough Town Center/Gateway	Hillsborough Township	598	Town center (transit-ready)
Homestead Rd./206 Bypass	Hillsborough Township	623	Industrial/commerce area
I-287 Industrial Complex	Franklin Township	2,930	Major industrial/commerce complex
Imclone	Branchburg Township	624	Industrial park/employment node
Manville Town Center	Manville	1,568	PA1 and town center
Meister Avenue Industrial Parkway	Branchburg Township	916	Industrial park/employment node
Mt. Bethel Employment Area	Warren Township	522	Employment node, commercial corridor, redevelopment site
North Plainfield Town Center	North Plainfield	1,805	Town center
Somerset County Regional Center	Bridgewater Township, Raritan and Somerville	7,994	Regional center and transit village
Rt. 202/NJ TRANSIT Rail Spur	Bridgewater Township	343	PA1
RVCC/Easton Turnpike	Branchburg Township	471	Higher education facility
Sanofi Aventis	Bridgewater Township	316	Office node
VA Depot	Hillsborough Township	1,121	Closed military facility
Veronica Avenue	Franklin Township	654	PA1
Watchung Rt.22 Corridor	Watchung	259	PA1
Weldon Quarry	Watchung	206	Redevelopment area

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Commercial Vacancies

Approximately 4.6 million square feet of Somerset County's office space (comprising all classes) is currently vacant (most of which was built in the 1980s and early 1990s), and nearly 82,350 square feet of additional office space is, reportedly, in some stage of the development process. This vacancy accounts for 26.6 percent of Somerset County's office space, and was almost seven points higher than the surrounding metro area vacancy rate as of second quarter 2013. Unaddressed, high vacancy rates can lead to disinvestment, depreciation of surrounding property values, a diminished tax base, and fewer job opportunities.

Though expected to decrease over the next few years, Somerset County's forecasted 2017 office vacancy rate of 20 percent is cause for concern. Though a healthy office vacancy rate varies from market to market (based on the amount of office inventory, the type of office demand and office using industries, etc.), with regard to the Somerset County office market, a vacancy rate between six and ten percent is considered to be relatively healthy. A vacancy rate much higher than ten percent suggests a weak market (e.g., slack demand), and lower than six percent indicates a market that will likely exhibit upward pressure on lease rates, potentially pricing out smaller companies and undermining economic growth.

Much of the county's existing office stock is characterized by large, isolated, single-tenant office and research and development (R&D) campuses (traditional low-rise suburban office centers). These corporate campuses, when empty or nearly so, not only represent a loss of potential ratables, but can also negatively impact surrounding property values. To the extent that surrounding retail is dependent on purchases made by the corporate center's workers, the resulting decline in sales due to corporate vacancies may cause the value of the commercial property to decline, as rents and property value are tied to the sales volume the retail space is expected to achieve.

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Commercial Vacancies (cont.)

County and local planners, building owners, and developers will need to commence collaborative efforts for repurposing and/or demolishing office buildings otherwise likely to remain vacant for the foreseeable future to make way for alternative land uses that contribute to a healthy economy, quality of life, and sustainable, resilient communities. The current effort to repurpose suburban R&D complexes, like the former Sanofi Aventis Research and Development Campus, is part of a national trend in which owners and host governments are pursuing mixed-use, higher-intensity redevelopment strategies that include not only office, but retail, service and residential uses, where appropriate.

Findings from this study indicate that there is enough existing and proposed office space, locally and within the surrounding market area, to more than satisfy projected near- and long-term office demand, particularly given the increasing influence of technology (e.g., telecommuting and virtual offices).

Like commercial office space, a large portion of retail center space within Somerset County's PGIAs is likely to become physically and/or economically obsolete over the next five to ten years, due to changes in consumer preferences, the growing allure of online retail purchasing, and inadequate property reinvestment. In order to proactively address retail centers that are likely to become obsolete, county and local officials, in collaboration with existing retail center owners, should initiate a detailed inventory of all retail centers located within PGIAs, noting such key characteristics as physical condition, vacancy metrics over the past three years, tenant mix and quality of tenants. This retail space will require the collaborative efforts of owners, county and local planners, and real estate developers to put forth sustainable repurposing strategies (e.g. mixed-use retail/recreation destinations, satellite medical offices, workforce rental and owner-occupied housing, etc.).

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Housing Affordability

Somerset County's high cost of living will be a challenge to many employers and employees alike. As the greatest employment growth in Somerset County is projected to occur in occupations offering relatively low wages (e.g., Healthcare and Social Assistance, Retail, and Accommodation and Food Services), the long-term strength of the county's economy will depend, in large part, upon ensuring an adequate supply of quality housing stock (for sale and rental) which is affordable to low- and moderate-income workers. Despite flat and weak population growth projections in Somerset County, there will be an estimated demand for between 25,000 to 33,000 new housing units within the county by 2028, largely due to pent-up worker demand.

Supporting the creation of workforce housing should be an economic priority for Somerset County. In addition to those who qualify for income-restricted housing, workforce housing should be attainable by those whose incomes are above the eligibility limits associated with New Jersey Council on Affordable Housing (COAH) and other income-restricted affordable housing opportunities, but still struggle to afford housing close to their places of employment. Absent such intervention, Somerset County's relatively high housing costs (coupled with a limited public transit system) will ultimately place upward pressure on local wage rates, which will undermine the economic competitiveness of the region and the ability of local businesses to recruit and retain a quality talent pool.

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Municipal Zoning

Municipalities wishing to encourage economic growth, development, and the repositioning and reuse of underutilized properties must accommodate this growth through supportive land use policies, including zoning that allows for a mix of land uses, increased density, and the establishment of redevelopment areas, where appropriate. Allowing mixed-use development is particularly important for encouraging growth in places that are served by mass transit and that offer pedestrian amenities.

A number of Somerset County's PGAs could benefit from greater concentrations of housing and/or non-residential land uses. Potential changes to zoning codes include, but are not limited to, the addition of mixed-use provisions, allowance of higher floor-area ratios (FARs) for commercial and industrial uses, higher permitted residential dwelling unit densities and/or form-based zoning. Redevelopment planning and zoning strategies that promote higher density, mixed use redevelopment in areas already well served by transportation and utility infrastructure are also recommended, as this may allow people to live closer to their places of work, as well as walk to various commercial uses, establishments and public amenities. In addition to creating opportunities to reduce vehicle miles traveled, compact, mixed-use redevelopment strategies (pursuant to NJ Local Redevelopment and Housing Law - 40A:12A) when implemented at the local level can maximize land use efficiencies and infrastructure investments, revitalize neighborhoods, and improve the local economy.

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Transportation

Traffic congestion is a problem in many of the PGIAs during the AM and PM peak travel periods. Overtaxed and/or inadequate transportation infrastructure may constrain growth in the PGIAs.

Capital projects and improvements (such as intersection upgrades, improvement of traffic control systems, and reconfiguration of inefficient interchanges) can help ease congestion and create additional traffic capacity. Additionally, expanded public transportation in the county will increasingly become an investment priority, as will enhanced connectivity between all modes of transportation, as well as pedestrian amenities. The recent and projected growth of local-serving service industries that principally rely upon a large and mainly lower-wage workforce will increase the need for various public transit options, as this demographic tends to require a public transit network; as well as improvements that allow for increased pedestrian access. The county can respond to these challenges by creating additional shuttle services to employment and housing nodes, altering or expanding bus routes to provide more proximate and attractive routes, and employing smart growth strategies that promote walking and biking.

Pedestrian-oriented mixed-use zoning and redevelopment strategies that include workforce housing located near jobs will allow people to walk, bike and/or drive shorter distances to their places of work, thus decreasing commute period travel demand, as well as both commuting costs and travel time. As land-use intensities increase, public transit service enhancements may be better supported, contributing to the success of the PGIAs in attracting both workers and jobs.

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Supporting Business and Industry

There is a wealth of commercial and industrial land in the PGIAs, as well as a multitude of diverse businesses that bring tax ratables to the county, provide jobs, contribute to vibrant, active communities, and support economic stability. While the majority (approximately 74 percent) of the businesses in the PGIAs are small (having less than 20 employees), there is a mix of business sizes. Small businesses are essential to a diverse and robust economic base, as are young (considered to be five years old or less) and start-up businesses, (considered to be two years old or less), which allow the flexibility needed to respond to changes in consumer demand, supply, technology, and talent. The high proportion of young (31.6 percent) and start-up (15.1 percent) businesses in Somerset County's PGIAs is an economic asset that the county should work to support by expanding access to resources and networking opportunities, and keeping an inventory of various commercial and flex space that may be a good match for these companies.

Land use policies, particularly within the PGIAs, could have significant economic implications for the expansion or contraction of industries. In general, state, countywide, and local policies must reflect economic development priorities such as job creation, labor force attraction, increased economic output, support for growth industries, economic diversity, quality of life, and the prosperity of all residents and businesses.

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Future Growth and Development

A build-out analysis of the PGIAs shows that significant growth can be accommodated within the PGIAs, including over 19,000 new residential units and approximately 25 million square feet of non-residential space. In addition, the tenanting of vacant existing commercial spaces can result in additional growth beyond that which is shown via the build-out analysis. Future investment and development in the PGIAs should be based on a number of factors, including land-use type (i.e., intensification may not be appropriate in some lower-density, single-family residential neighborhoods or environmentally sensitive lands within PGIAs), proximity to transportation infrastructure, current land use intensity (which considers population and employment density), and the presence of concentrations of land with low improvement-to-land (ILV) ratios.

Socio-economic and demographic trends that shape consumer and locational preferences must also be taken into account. For example, although total population growth in Somerset County is forecasted to remain flat, the county has shown growth in non-family households, which tend to be small and prefer to rent. This suggests a demand for smaller, rental units, as does the aging population of Somerset County. The greatest growth is forecasted for age cohorts ranging from 55 to 74. These “empty nesters” will continue to drive demand for multi-family residential units, as this age group tends to prefer smaller housing units with access to amenities, jobs, and entertainment.

The number of Somerset County residents aged 25 to 54 however, is in decline. This decline includes graduates and entry-level workforce participants, as well as skilled workers. This trend may result in labor shortfalls as older residents retire and there are not sufficient numbers of replacement workers. This will create significant challenges to growing Somerset County’s economy.



SUPPORTING PRIORITY INVESTMENT IN SOMERSET COUNTY

Final Report

Somerset County, NJ

April 2015



Prepared by:



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Background and Purpose of Study

Background and Purpose of Study

The Draft Final New Jersey State Strategic Plan (*State Strategic Plan: New Jersey's State Development & Redevelopment Plan*) was introduced in 2012, as an update to the 2001 State Plan. It is currently in the “final plan proposed for adoption” stage, and promotes planning objectives intended to channel growth and development throughout the state. The plan aims to “guide future growth by balancing development and conservation objectives best suited to meet the needs of New Jersey” (*State Strategic Plan*, iii) by calling for designation of all land into four categories: Priority Growth Investment Area, Alternate Growth Investment Area, Limited Growth Investment Area, and Priority Preservation Investment Area. It is a framework intended to guide land use in the state, prioritizing existing assets and infrastructure, while preserving open space and environmentally sensitive areas.

Somerset County and its municipalities have a long history of support for the State Development and Redevelopment Plan. The County Planning Board was appointed to serve as the Cross Acceptance Negotiation entity for Somerset County. In this role, the County Planning Board supported the county and its municipalities in successfully completing three rounds of the State Plan Cross Acceptance Process, including the completion of comprehensive Cross Acceptance Reports, which were submitted to the State Planning Commission, the public hearing and negotiation processes. As a continuation of its support for the State Planning Process, the County Planning Board and its municipalities were directly engaged in the process of developing the Draft Final State Strategic Plan, collaborating with the Office for Planning Advocacy in testing and refining the criteria-based process for identifying and mapping the above-noted land use categories. The County Planning Board utilized its Geographic Information System (GIS) resources to demonstrate the feasibility of this approach.

Somerset County Investment Framework Background

The Somerset County Investment Framework (CIF) replaces the Land Use Management Map contained in the county's 1987 Master Plan. The CIF is comprised of the map and description included in the Appendix. It was developed from 2011- 2013, and adopted as an element of the County Master Plan by the Somerset County Planning Board in April, 2014.

The CIF was developed using the criteria-based approach for identifying areas most suitable for land use and infrastructure policies and investments that support growth and preservation that is described in the Draft Final State Strategic Plan (FDSSP), in collaboration with municipalities and a diverse group of stakeholders. The State Planning Commission endorsed, via resolution, the Somerset County Investment Framework as a model for use statewide in October 2013. More information about the CIF including the methodology and process through which it was developed has been posted on the County Planning Board website:

<http://www.co.somerset.nj.us/planweb/sustainable/sciframework.htm>.

The County Investment Framework illustrates the lands in Somerset County that have been designated as "Priority Growth Investment Areas," (PGIAs) "Priority Preservation Investment Areas" (PPIAs), "Alternate Growth Investment Areas" (AGIAs) and "Limited Growth Investment Areas" (LGIAs), consistent with the approach described in the Draft Final State Strategic Plan. In addition to these four designations, the CIF includes "Local Priority Areas" (LPAs) as a sub-set of AGIAs. The County Investment Framework map divides all land in Somerset County into one of these four main designations.

The County Planning Board recognizes that State endorsement and the adoption of the CIF map by the County Planning Board places Somerset County in a leadership position statewide and within the NJTPA region with regard to demonstrating the sound geographic framework the CIF provides for strengthening the coordination of planning initiatives at all levels of government, promoting regional sustainability, and improving predictability for property owners and developers.

Implementing the County Investment Framework: Supporting Priority Investment in Somerset County Through Access and Mobility Improvements

The County Investment Framework served as the basis for selecting the seven sites addressed in the county's June 2013 study entitled "*Supporting Priority Investment in Somerset County Through Access and Mobility Improvements*," which was prepared as part of the NJTPA's Subregional Studies Program grant funded by the Federal Transit Administration and the Federal Highway Administration of the U.S. Department of Transportation.

This study was initiated as a strategy for implementing the County Investment Framework, and focused on the identification of land use and transportation improvements that support redevelopment and targeted growth sites within the Priority Growth Investment Areas identified on the CIF Map. This study emphasized the importance of working with local officials and community leaders to identify site-specific planning and investment strategies and local best practices in order to successfully implement the CIF and FDSSP concepts. It also provided an understanding of some of the constraints and potential solutions that can serve as models for other PGIAs within the county. This study also revealed the need for expanded local planning support if the CIF concepts are to be successfully implemented at the local level, which led to the planning initiatives described below.

Implementing the County Investment Framework: Supporting Priority Investment in Somerset County, Phases I, II & III

Further support for implementing the CIF and SSP at the local level in Somerset County was made available through a Local Government Capacity Grant from Together North Jersey (TNJ) (formerly known as the North Jersey Sustainable Communities Consortium), which enabled the county to embark on a planning initiative entitled “*Supporting Priority Investment in Somerset County, Phase I*” during 2013. The Phase I initiative is aimed at characterizing the economic assets and strengths of each of the PGIAs within the county. The background data on socio-economic, real estate, land use, existing conditions and other analyses that comprise the Phase I study embodied in this document were submitted to the NJTPA in December, 2014. This work is intended to help inform future land use and infrastructure policies and investments within the county’s PGIAs and serve as a platform for Phase II of Somerset County’s “Supporting Priority Investment” initiative.

Work on *Supporting Priority Investment in Somerset County, Phase II* commenced in 2014, and is funded by a Subregional Studies Program grant from the NJTPA. Phase II involves the following major tasks: 1) Outreach and Data Assembly, 2) PGIA Screening and Assessment, and 3) the provision of Framework Plans for six of the county’s 24 PGIAs. The Framework Plans will include detailed land use, transportation and infrastructure assessments, and implementation strategies comprised of land use and infrastructure recommendations that support economic growth. The “*Supporting Priority Investment in Somerset County, Phase III*” initiative involves completion of similar assessments and Framework Plans for the balance of the county’s PGIAs. The county has been recommended for funding through a FY2016-2017 Subregional Studies Program grant to carry out Phase III, which is anticipated to commence in 2015.

Phase I Study: A Planning Foundation for PGIAs

In an effort to advance the county's investment framework efforts, this Phase I study provides a comprehensive look at entire PGIAs and an understanding of current conditions and potential future land use in each. This report informs the Phase II Study, which will select six to seven PGIAs that will be provided with more detailed analyses of potential land-use changes, which is now underway.

This Phase I study focuses on the Priority Growth Investment Areas (PGIAs) in Somerset County. A PGIA is designated as “an area where more significant development and redevelopment is preferred and where public and private investment to support such development and redevelopment will be prioritized” (*State Strategic Plan*, 19).

While adoption of the New Jersey State Plan is uncertain, the Somerset County Planning Board is now working with its municipalities and other stakeholders on promoting economic growth within the identified PGIAs, starting with an assessment of each area's assets, conditions, and capacity. This will help the county and its municipalities understand the policies and investments needed to make each PGIA more economically competitive and improve quality of life. It will also show how the concepts in both the Somerset County Investment Framework (CIF) and the Draft Final State Strategic Plan can be applied to promote economic revitalization within Priority Growth Investment Areas.

Supporting Priority Investment in Somerset County, Phase I

Overview

This report, *Supporting Priority Investment in Somerset County Phase I*, addresses the goals of the Together North Jersey Local Government Capacity Grant Program through analysis of data at the county and state levels, as well as for each individual PGIA. The report discusses Somerset County's PGIAs through the following lenses:

- Improvement-to-Land Value Analysis
- Socio-economic trends analysis
- Workforce and labor market analysis
- PGIA business and industry inventory
- Industry cluster analysis
- Base line of existing land use conditions analysis
- Regional infrastructure analysis
- Assessment of current land use policies and regulations
- Identification of areas within PGIAs suitable for multi-family housing opportunities
- Build-out analysis for PGIAs

The technical analyses that follow provide a greater understanding of priorities, needs, and opportunities for investment in the PGIAs.

Study Areas

Somerset County, in northern New Jersey, is shown at right. The individual PGIA's in Somerset County range in size from less than one-tenth of a square mile to over 12 square miles, and fit a range of place-types, from commercial town centers to corporate campuses. The 24 PGIA's are categorized by typologies taken from the *Somerset County Planning Board Draft Final County Investment Framework PGIA and LPA Screening Criteria Results*. The various typologies include employment node, technology node, office node, industrial park, higher education facility, town center, redevelopment area, planning area 1 (Metropolitan Planning Area 1, or PA1, designated as an area to “provide for much of the state’s future redevelopment; revitalize cities and towns; promote growth in compact forms; stabilize older suburbs; redesign areas of sprawl; and protect the character of existing stable communities”), commercial corridor, industrial/commerce area, major industrial/commerce complex, regional center, transit village, and closed military facility. A list of the 24 PGIA's, along with corresponding acreage and typologies, follows, and a PGIA map is provided in Appendix A.



Source: The New Jersey State Development and Redevelopment Plan, 2001

PGIA Name	Municipality	Area (acres)	PGIA Typology
AT&T Campus	Bedminster Township	194	Employment/technology node
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Sanofi Aventis	Bridgewater Township	316	Office node
VA Depot	Hillsborough Township	1,121	Closed military facility
Veronica Avenue	Franklin Township	654	PA1
Watchung Rt.22 Corridor	Watchung	259	PA1
Weldon Quarry	Watchung	206	Redevelopment area

Regional Connections, Implementation and Next Steps

Summary of Recommendations

The preceding Executive Summary identifies the key recommendations contained in this report. PGAs comprise various place types, ranging from traditional, mixed use town centers that have been designated by the State Planning Commission to single-use suburban office or industrial nodes. The applicability of the recommendations in this report vary based on PGA place type. A table summarizing PGA place types comprises Appendix B. Recommendations specific to each PGA are summarized in the *Summary of PGA Characteristics and Existing Conditions* that comprises Appendix C. These recommendations include local land use policies that will support the re-purposing and re-positioning of the county's vacant, underutilized commercial properties, which are present in most of the PGAs. Strategies that can achieve this goal include updating local master plans and adopting zoning policies to promote mixed-use redevelopment and re-use of underutilized commercial properties consistent with smart growth principles. In addition, recommendations for increasing the supply of workforce housing, including housing affordable to low- and moderate-income housing eligible households pursuant to the State Fair Housing Act are included in this report, based on the recognition that an adequate supply of workforce housing is necessary for expanding the local workforce, strengthening the county's economic competitiveness, and creating vibrant, prosperous communities. Strategies for accomplishing this goal include, but are not limited to, the use of zoning and redevelopment policies and strategies that support a mix of land uses and increased densities in places that are well-served by transportation infrastructure, transit service and pedestrian and community amenities; and allowances for densities that support future investments in infrastructure, transit, and community assets. Furthermore, transportation recommendations are included in the report which focus on improving multi-modal linkages between employment and housing nodes, and land use strategies such as the co-location of residential and employment opportunities and community amenities to support increased walking and biking, and reduction in vehicle miles traveled, commute time, and commuting costs.

Community Engagement

The county undertook an extensive public outreach effort. Phase I information, including progress reports and preliminary and final results for analyses conducted in this effort, and the preliminary and final results of all of the analyses were provided to the Somerset County Planning Board at each of its regularly scheduled meetings held throughout the course of the project, as well as with the Land Use/Master Plan Committee of the County Planning Board. A Phase I Stakeholder Meeting with the Central Jersey Housing Resource Center (CJHRC), which represents the interests of low income, minority, elderly, and disabled residents, was held on November 21, 2013. Sharon Clark, Executive Director of the CJHRC, provided a PowerPoint Presentation that describes the critical housing issues facing Somerset County. Updates on the draft Phase I analyses were presented at the regularly scheduled monthly meetings of the Somerset County Regional Center Partnership and Somerset County Business Partnership throughout 2014, as well as at the Somerset County Planning Chair Forum held on May 6, 2014 and at the Somerset County Board of Chosen Freeholders Mayors Roundtable held in June 2014. Three Sub-area Meetings for municipal officials took place on December 10th and 11th (two were held on December 10th), and the draft results were presented at the Somerset County Planning Board's December 16, 2014 Meeting. A Vibrant Communities Public Forum is planned for early 2015, at which the final results will be presented. The County Planning Board partners with these and other organizations, including those that serve under-represented groups on a regular basis as part of its outreach efforts, and will obtain their assistance in getting the word out regarding availability of the final report.

The final report comprised of the results of this study will be shared with all municipalities, other governmental entities, the general public, business community, various stakeholders and special interest groups via the County Planning Board website. Press releases, newsletters, announcements at public meetings, Facebook, Twitter and other venues will be used to announce its availability.

Traditionally Under-Represented Communities

The key recommendations of this study, which support the creation of additional job opportunities and workforce housing opportunities (including low- and moderate-income housing pursuant to the requirements of the State Fair Housing Act) and expanded multimodal transportation options within the County's PGAs, uniquely benefit underserved communities by improving quality of life, economic prosperity, and mobility choices. The recommendations in this study support expanding "access to opportunities" for under-represented populations such as seniors, youth, minority, and low-income households who are less likely to own cars. "Opportunities" referred to herein include but are not limited to transit, pedestrian amenities, employment, education, affordable housing, parks, and cultural facilities. A *Comparative Profile of Traditionally Disadvantaged Populations* for the municipalities in Somerset County within which the PGAs are located can be found in Appendix D.

TNJ's Regional Fair Housing and Equity Assessment (FHEA) includes an identification of "Communities of Concern," defined as Census block groups in the TNJ Region comprised of high concentrations of minority, low-income, and other disadvantaged populations that exceed the regional threshold. According to the FHEA, approximately half (11) of the county's municipalities contain one or more block groups in this category. A total of 132,492 people (pursuant to the 2010 Census) live in a Community of Concern in Somerset county, or 3.7 percent of all people living in Communities of Concern within the TNJ region's "Communities of Concern" population. A series of maps that provide a breakdown of the "Community of Concern" factors specific to Somerset County are included as part of Appendix E. Future PGA planning and implementation processes will provide opportunities for citizen engagement for these communities.

Regional Context

This study supports implementation of the County Investment Framework, which was adopted in October 2014. The recommendations in the analyses apply to the Priority Growth Investment Areas (PGIAs) as delineated on the County Investment Framework Map. Somerset County's PGIAs are areas where primary economic growth and community development strategies that enhance quality of life and economic competitiveness are preferred, and where appropriate growth-inducing investments are encouraged. PGIAs are comprised of areas where development and infrastructure assets are already concentrated. They are prime locations for the vibrant, mixed-use, live-work environments within walking distance of transit and green space, and that many employers, workers and households desire. PGIA "place-types" range from mixed-use transit-served centers to commercial corridors and industrial districts.

The information provided in the Phase I analyses contained herein is being used to refine the draft Vision, Guiding Principles and Planning Objectives associated with the County Master Plan Update, as well as shape the plan implementation agenda.

The County Investment Framework and associated Phase I and II Initiatives are intended to serve as a model statewide. The Phase I results address virtually all of the TNJ topics.

Planning Coordination

The Phase I results are being used to support the completion of the Updated Master Plan for Somerset County and implementing the associated Somerset County Investment Framework consistent with the concepts in the Draft Final State Strategic Plan. These analyses provide the basis of the PGIA-specific land use policy and infrastructure investment recommendations being developed as part of the Phase II and Phase III Studies. All of these integrated planning initiatives also align with the recently adopted Somerset County Comprehensive Economic Development Strategy, and Updated Somerset County Hazard Mitigation Plan.

County Planning Staff created a matrix that identified the goals and priority projects identified within the Comprehensive Economic Development Strategy for Somerset County (endorsed by the U.S. Economic Development Administration and adopted as an element of the County Master Plan in 2014) that impact each of the 24 PGIA's. This matrix is included in the appendix. County Planning staff also created a matrix that identifies the degree to which each of the PGIA's is potentially impacted by the hazards addressed in the county's updated Hazard Mitigation Plan. Each PGIA is potentially impacted by all of the hazards addressed in the plan. A GIS-based analysis of the degree to which PGIA's are affected by FEMA's 100-year flood prone areas ranges from less than one percent of a PGIA's land area to as high as 68 percent.

Together North Jersey Topics Addressed

Table 1

Livability and the Environment	Economic Competitiveness and Workforce Development	Society and Community
Land Use & Urban Design	Asset-based Economic Development	Health & Safety
Transportation	Workforce Preparedness & Training	Arts & Culture
Housing	Industry Sector Development	Education
Energy & Climate	Business Environment & Entrepreneurial Support	
Natural Lands		
Air Quality		
Water Resources		

Transferability

The Somerset County Investment Framework map and description, as well as all aspects of the Supporting Priority Investment in Somerset County Phase I, II and III initiatives are intended to serve as models, which can be replicated throughout the NJTPA Region/TNJ Plan area. The County Investment Framework provides a criteria-based regional geographic framework for guiding land use and infrastructure planning, policies, and investments that support both growth and preservation, which can be similarly developed and applied to any county in this region. The Phase I, II and III initiatives identify and demonstrate how the Priority Growth Investment Area (PGIA) concepts represented in the County Investment Framework can be applied at the local level. What makes this work particularly useful is that it is designed to take into consideration the differences among the unique place types that the county's PGIAs represent. These place types are shown in the PGIA Summary Matrix that comprises Appendix B. Phase I comprises an analysis of the characteristics of each PGIA, and highlights the importance of tailoring land use policies and strategies to specifically address each PGIA's unique "place type" characteristics. A variety of place types exist throughout the NJTPA/TNJ region. Identification of appropriate re-use and revitalization strategies for PGIAs elsewhere will require development of a detailed understanding of the PGIAs and their place type characteristics. The Phase II and III work involves the identification of PGIA-specific land use policies and strategies, which are developed in collaboration with municipal and community representatives and other stakeholders. These policies and strategies represent realistic scenarios that can be implemented to achieve smart growth and sustainable community goals consistent with the Somerset County Master Plan, the State Development Redevelopment Plan, the Draft Final State Strategic Plan, and the TNJ Regional Plan.

Improvement to Land Value Analysis

Glossary of Terms

Land Use Class: Land use classes are taken from New Jersey's MOD IV User Manual. These codes are used for classification of taxable real property.

Commercial Land Use: Includes all parcels with MOD IV land use code 4A. Examples of commercial land uses include banks, stores, gas stations, restaurants, office buildings, malls, etc.

Industrial Land Use: Includes all parcels with MOD IV land use code 4B. Examples of industrial land uses include bio-medical labs, light manufacturing, industrial parks, certain utilities spaces, factories, warehousing, mineral extraction, etc.

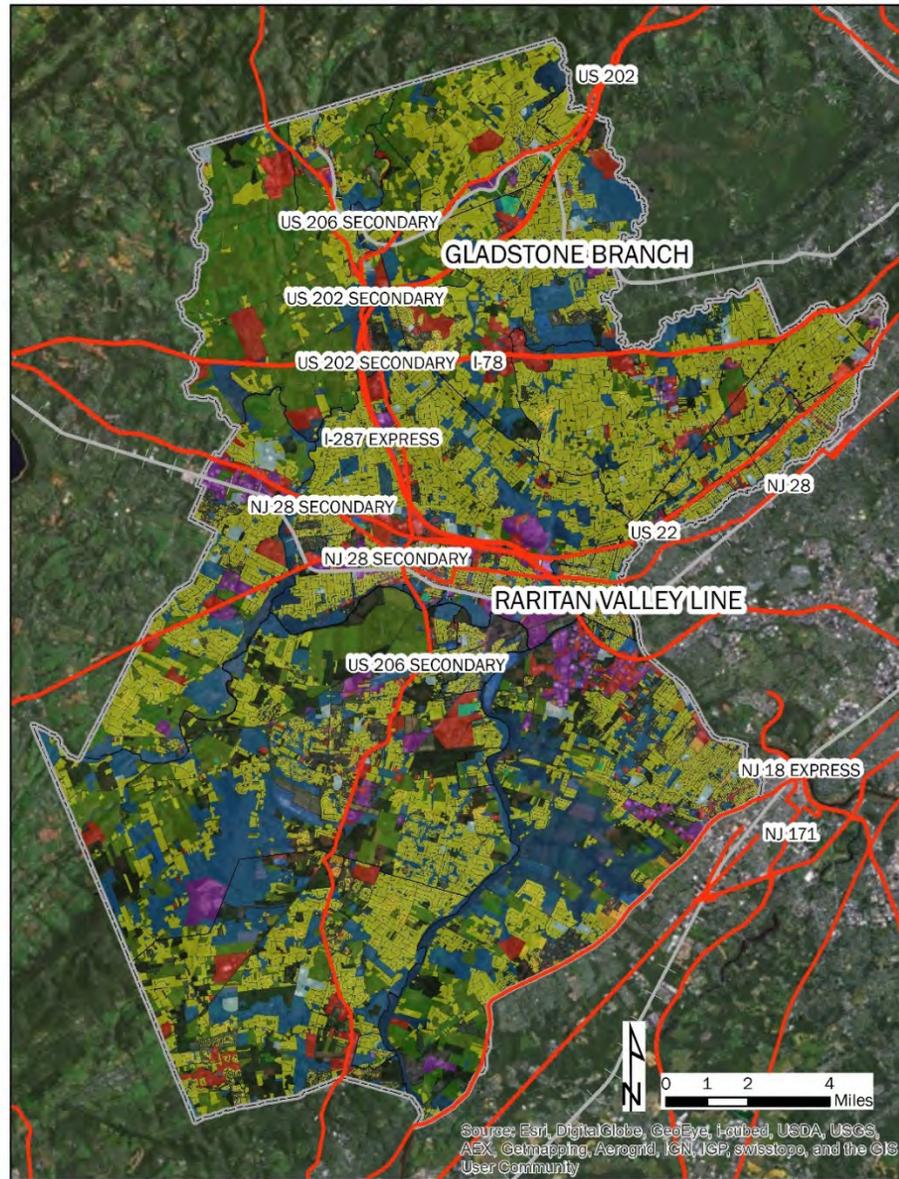
Source: MOD IV User Manual, 2010

Methodology

The improvement to land value (ILV) ratio analysis is one commonly used technique used to identify prospective redevelopment opportunities within a given locality. The technique's underlying assumption is that the value of an improvement (e.g., a house or commercial building) when compared to the value of the underlying land parcel should yield a ratio greater than one-to-one and, typically, a ratio greater than two-to-one (for example, a house assessed at \$200,000 and the land on which it sits assessed at \$100,000). ILV ratios can and do vary, based on factors such as area real estate market values, the degree of urbanization, access to transportation and utilities, and property assessment techniques. While the ILV method is not the only tool for identifying redevelopment areas, as a general rule, properties which exhibit ILV ratios of one-to-one or less typically reflect economic and/or physical obsolescence (e.g., candidate redevelopment properties).

Utilizing geographic information system (GIS) mapping technology (ArcGIS 10.2) and Somerset County tax assessor land and improvement data, properties in Somerset County PGAs exhibiting relatively low ILV ratios were identified. First, ILV ratios were calculated for all properties in the county. As valuation methods vary between municipalities, it was then necessary to normalize the ILV ratios by the municipal equalization rates so as to facilitate comparison between *all* Somerset County properties. We then grouped parcels according to land-use category (e.g., commercial and industrial) and calculated the ILV ratio statistical median for each category. Properties exhibiting particularly low ILV ratios, defined as properties where ILV values are less than half of their land-use category's median ILV value, were identified as potential redevelopment sites. As further validation, real property vacancy data was gathered using LoopNet, an online commercial real estate listing service. Parcels with both low ILV ratios and vacancies are, consequently, identified as likely redevelopment candidates.

Land Use: Somerset County

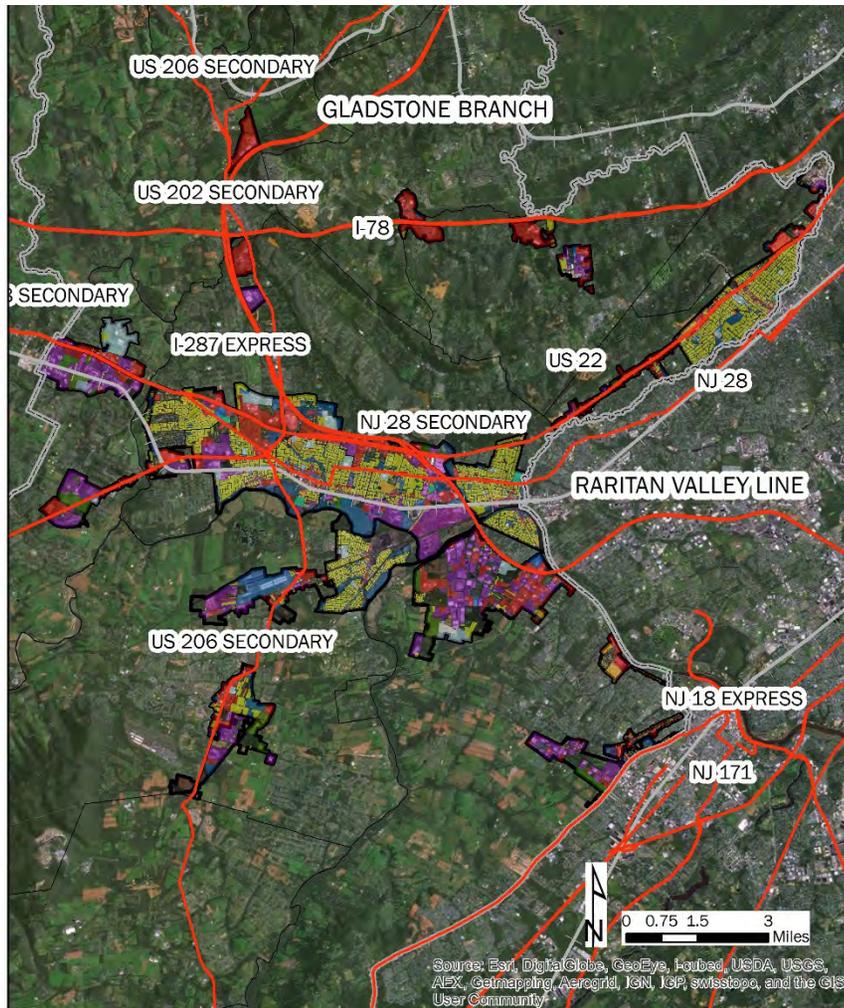


Land use sorted by acreage is summarized in the table below. Properties on the map shown as “not classified” consist mainly of qualified farmland, condominiums, and right-of-way. Mixed-use commercial/residential property is included as a sub-category of “commercial” as per New Jersey MOD-IV classification.

Property Class	Acres	Percent
Residential	64,668.6	33.1%
Unclassified	27,147.0	13.9%
Public Property	26,746.5	13.7%
Farm (Regular)	24,359.7	12.5%
Commercial	12,255.9	6.3%
Vacant	11,627.6	6.0%
Other Exempt	9,293.5	4.8%
Farm (Qualified)	7,316.4	3.7%
Industrial	5,705.9	2.9%
Public School	2,318.6	1.2%
Church and Charitable	1,507.9	0.8%
Apartment	940.0	0.5%
Railroad (Class I/II)	451.6	0.2%
Cemeteries and Graveyards	410.6	0.2%
Other School	360.4	0.2%

Sources: Somerset County Geographic Information Systems; New Jersey Department of Transportation Geographic Information Systems; NJ office of Information Technology (NJGIT), Office of Geographic Information Systems (OGIS)

Land Use: PGIAs



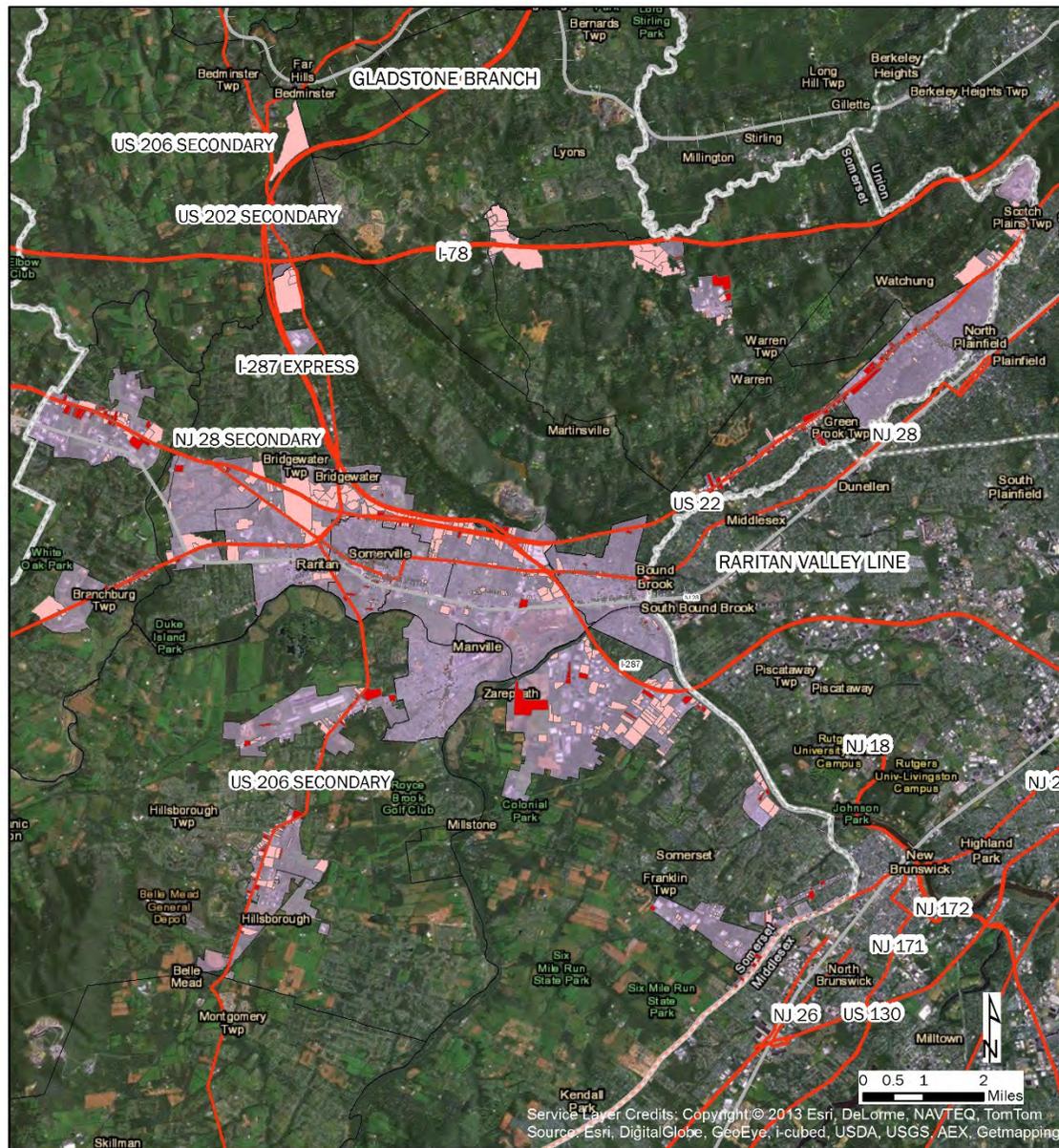
Property Class	Acres	Percent
Commercial	4,565.8	18.9%
Unclassified	4,505.9	18.7%
Residential	4,470.6	18.5%
Industrial	3,949.9	16.4%
Vacant	2,218.2	9.2%
Public Land	1,946.2	8.1%
Public School	740.0	3.1%
Farm (Qualified)	344.0	1.4%
Apartment	330.0	1.4%
Railroad (Class I/II)	230.0	1.0%
Other Exempt	226.3	0.9%
Farm (Regular)	215.3	0.9%
Church and Charitable	209.0	0.9%
Cemeteries and Graveyards	97.5	0.4%
Other School	56.4	0.2%

While the top land use in Somerset County is residential, the top land use in the PGIAs is commercial. Farmland comprises 16.2 percent of county land but only 2.3 percent of the PGIAs. The percentage of land used for apartments is slightly higher in the PGIAs than in the county, but is still low considering the goal of residential density in many of the PGIAs.

Sources: Somerset County Geographic Information Systems; New Jersey Department of Transportation Geographic Information Systems; NJ office of Information Technology (NJGIT), Office of Geographic Information Systems (OGIS)

Overview: Low ILV Commercial Parcels in the PGIAs

-  Highways
-  NJ Transit Passenger Rail
-  Somerset County Boundary
-  Municipal Boundaries
-  PGIAs
-  Commercial Parcels (NOT low ILV)
-  Low ILV Commercial Parcels



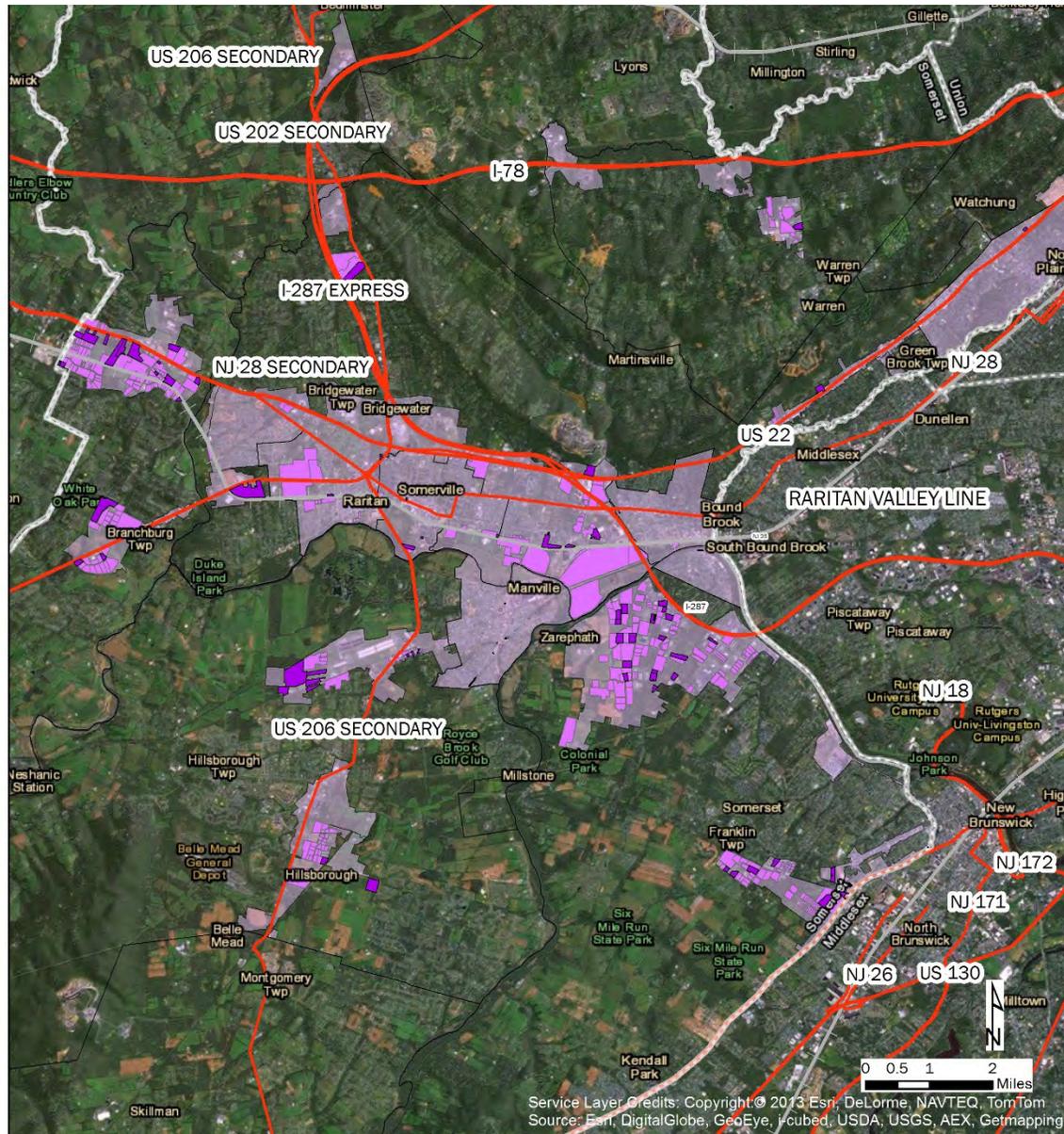
Sources: Somerset County Geographic Information Systems; New Jersey Department of Transportation Geographic Information Systems; NJ office of Information Technology (NJGIT), Office of Geographic Information Systems (OGIS)

The median ILV ratio for commercial parcels in Somerset County is 1.234, making the target ILV ratio for commercial 0.617. Based on this measure, 757 commercial parcels exhibit low ILV ratios, amounting to 822.0 acres. These low ILV parcels make up approximately 18 percent of the 4,565.8 commercial acres in the PGIAs.

Note: Eleven commercial parcels have zero assessed land value and were thus excluded from this analysis.

Overview: Low ILV Industrial Parcels in the PGIAs

-  Highways
-  NJ Transit Passenger Rail
-  Somerset County Boundary
-  Municipal Boundaries
-  PGIAs
-  Industrial Parcels (NOT low ILV)
-  Low ILV Industrial Parcels



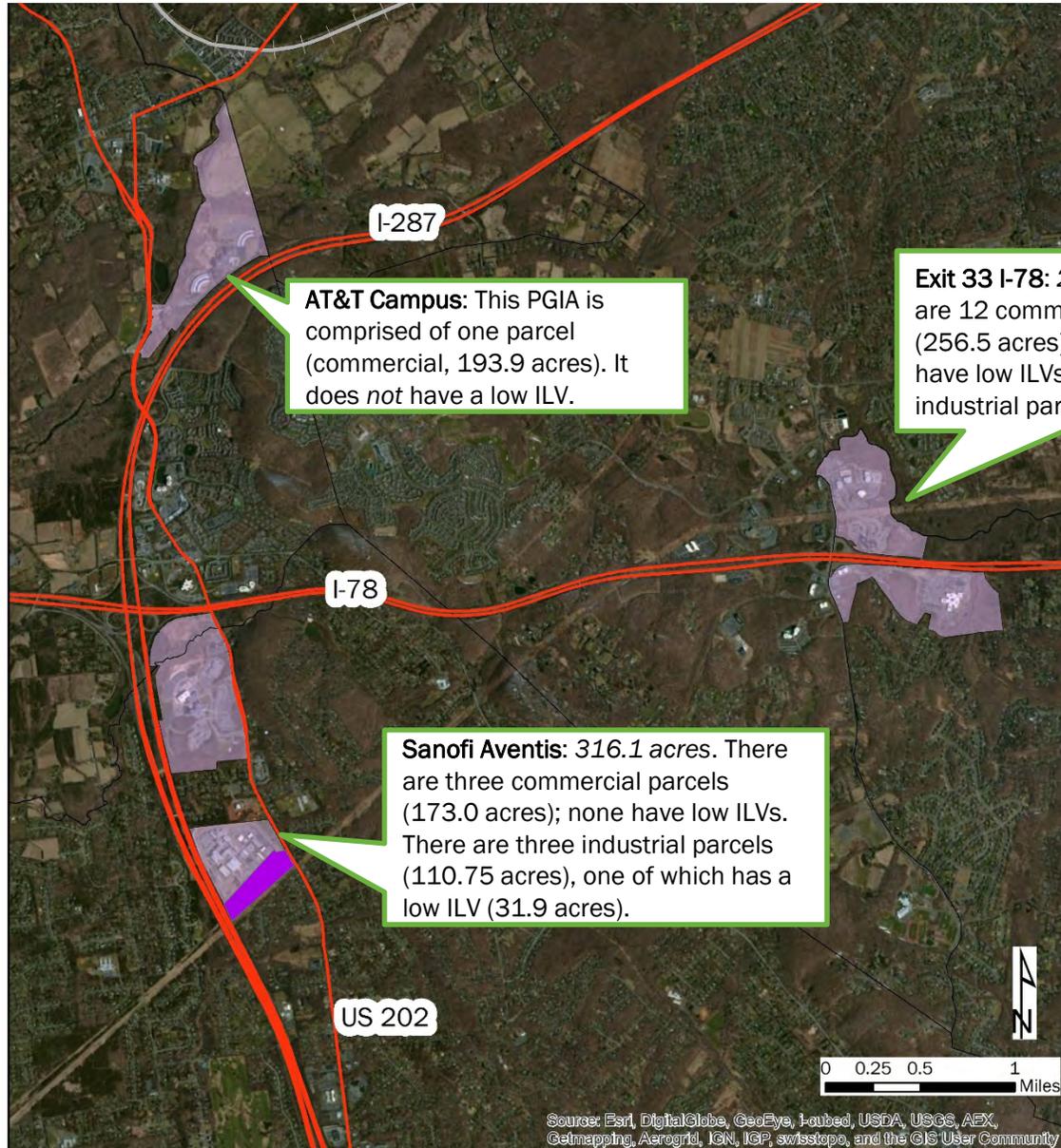
Sources: Somerset County Geographic Information Systems; New Jersey Department of Transportation Geographic Information Systems; NJ office of Information Technology (NJGIT), Office of Geographic Information Systems (OGIS)

The median ILV ratio for industrial parcels in Somerset County is 1.618, making the target ILV ratio for industrial 0.809. Based on this measure, 172 industrial parcels exhibit low ILV ratios, amounting to 662.1 acres. These low ILV parcels make up approximately 16.8 percent of the 3,949.9 industrial acres in the PGIAs.

Note: Nine industrial parcels have zero assessed land value and were thus excluded from this analysis.

Low ILV Parcels: Northern PGIAs

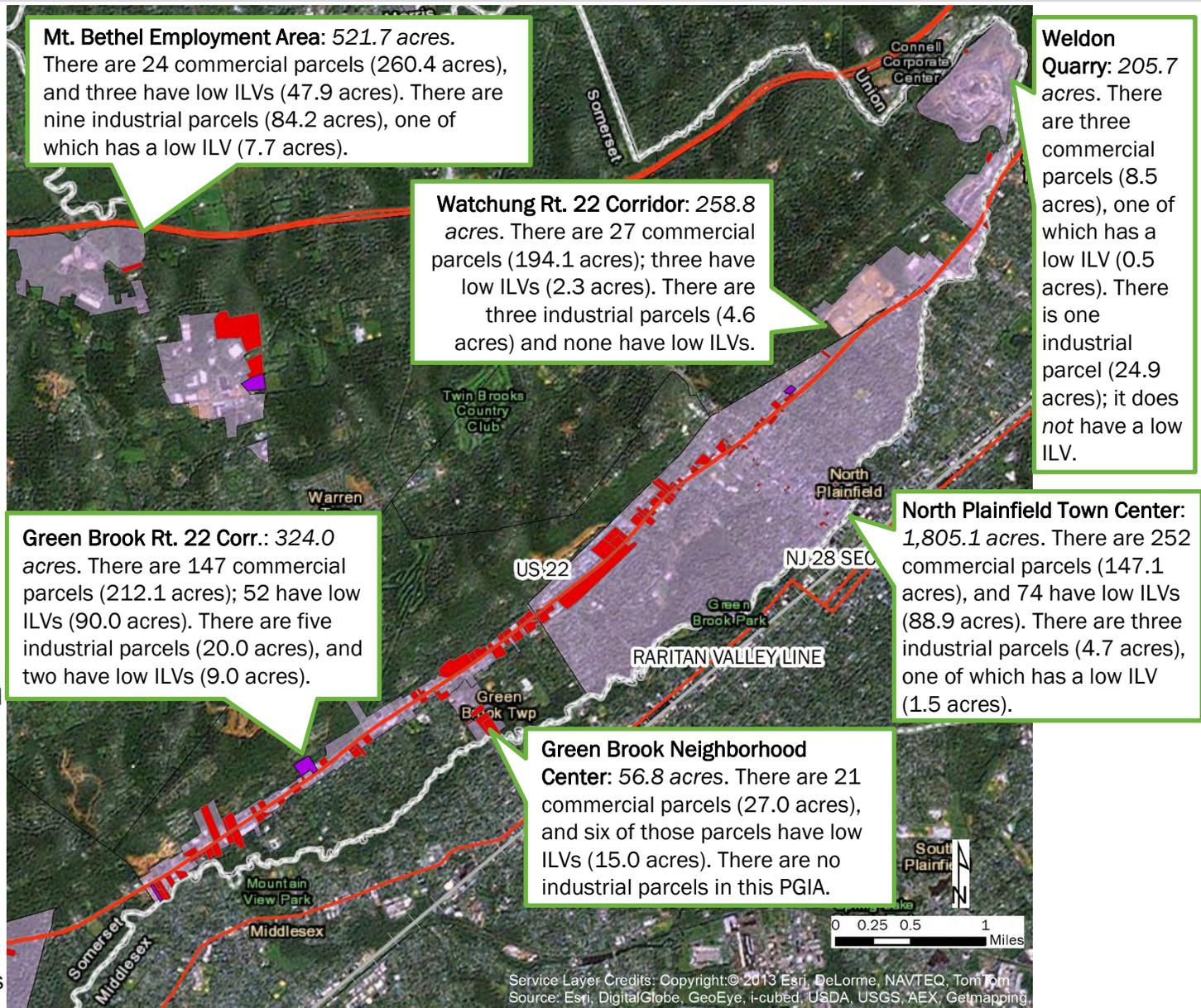
-  Highways
-  NJ Transit Passenger Rail
-  Somerset County Boundary
-  Municipal Boundaries
-  PGIAs
-  Low ILV Commercial Parcels
-  Low ILV Industrial Parcels



Sources: Somerset County Geographic Information Systems; New Jersey Department of Transportation Geographic Information Systems; NJ office of Information Technology (NJGIT), Office of Geographic Information Systems (OGIS)

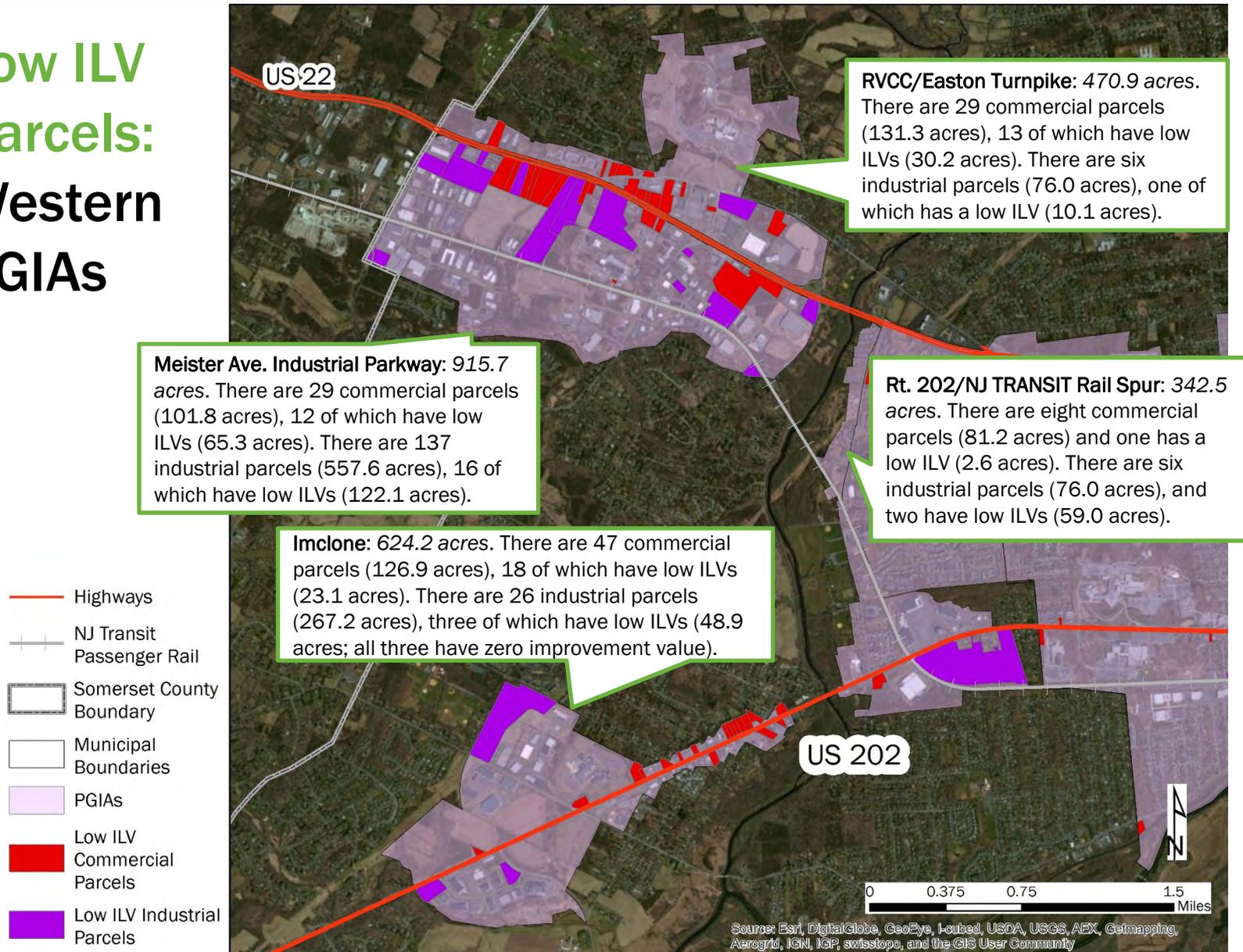
Low ILV Parcels: North- Eastern PGIAs

-  Highways
-  NJ Transit Passenger Rail
-  Somerset County Boundary
-  Municipal Boundaries
-  PGIAs
-  Low ILV Commercial Parcels
-  Low ILV Industrial Parcels



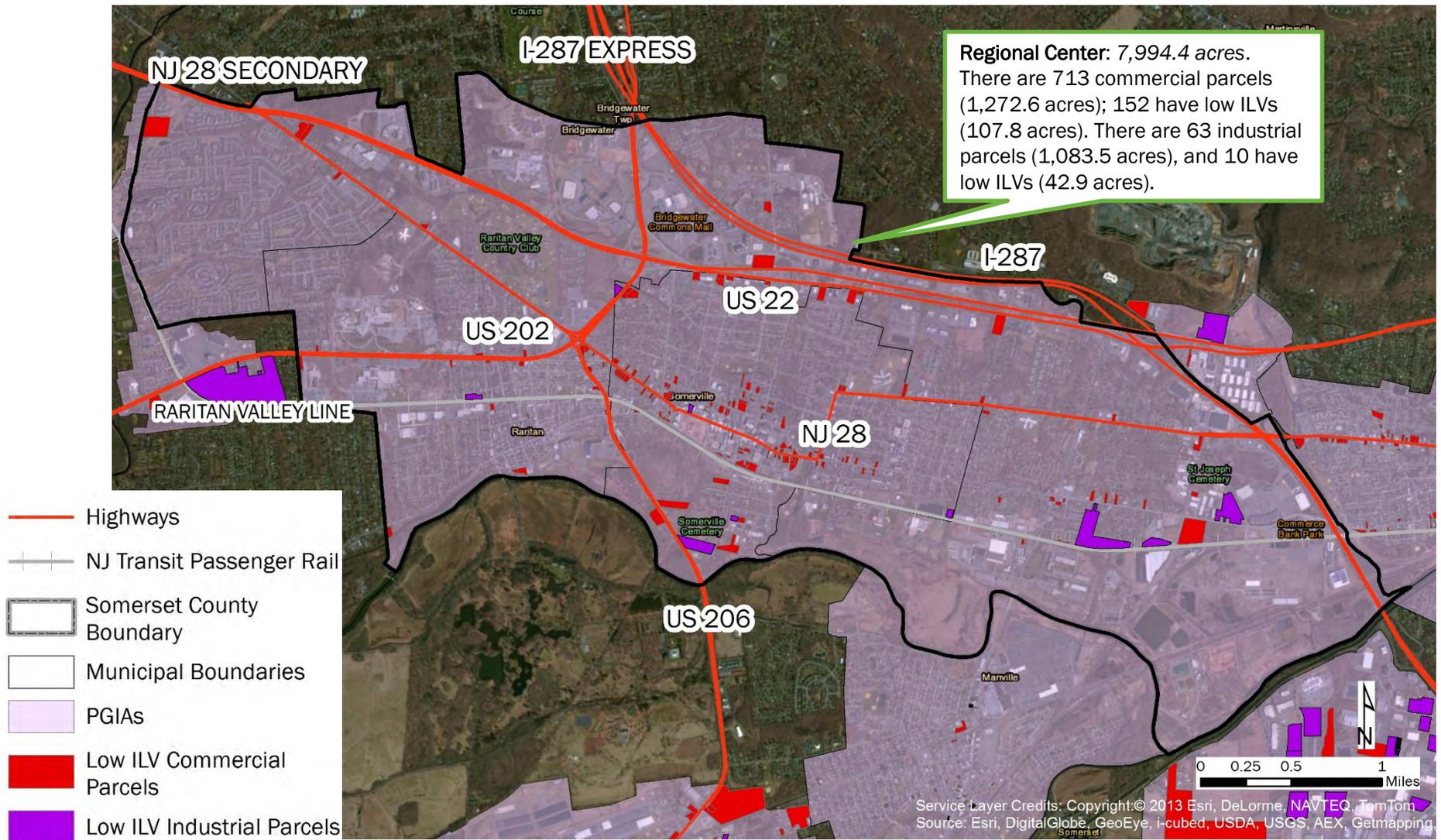
Sources: Somerset County Geographic Information Systems; New Jersey Department of Transportation Geographic Information Systems; NJ office of Information Technology (NJGIT), Office of Geographic Information Systems (OGIS)

Low ILV Parcels: Western PGIAs



Sources: Somerset County Geographic Information Systems; New Jersey Department of Transportation Geographic Information Systems; NJ office of Information Technology (NJGIT), Office of Geographic Information Systems (OGIS)

Low ILV Parcels: Regional Center PGIA



Sources: Somerset County Geographic Information Systems; New Jersey Department of Transportation Geographic Information Systems; NJ office of Information Technology (NJGIT), Office of Geographic Information Systems (OGIS)

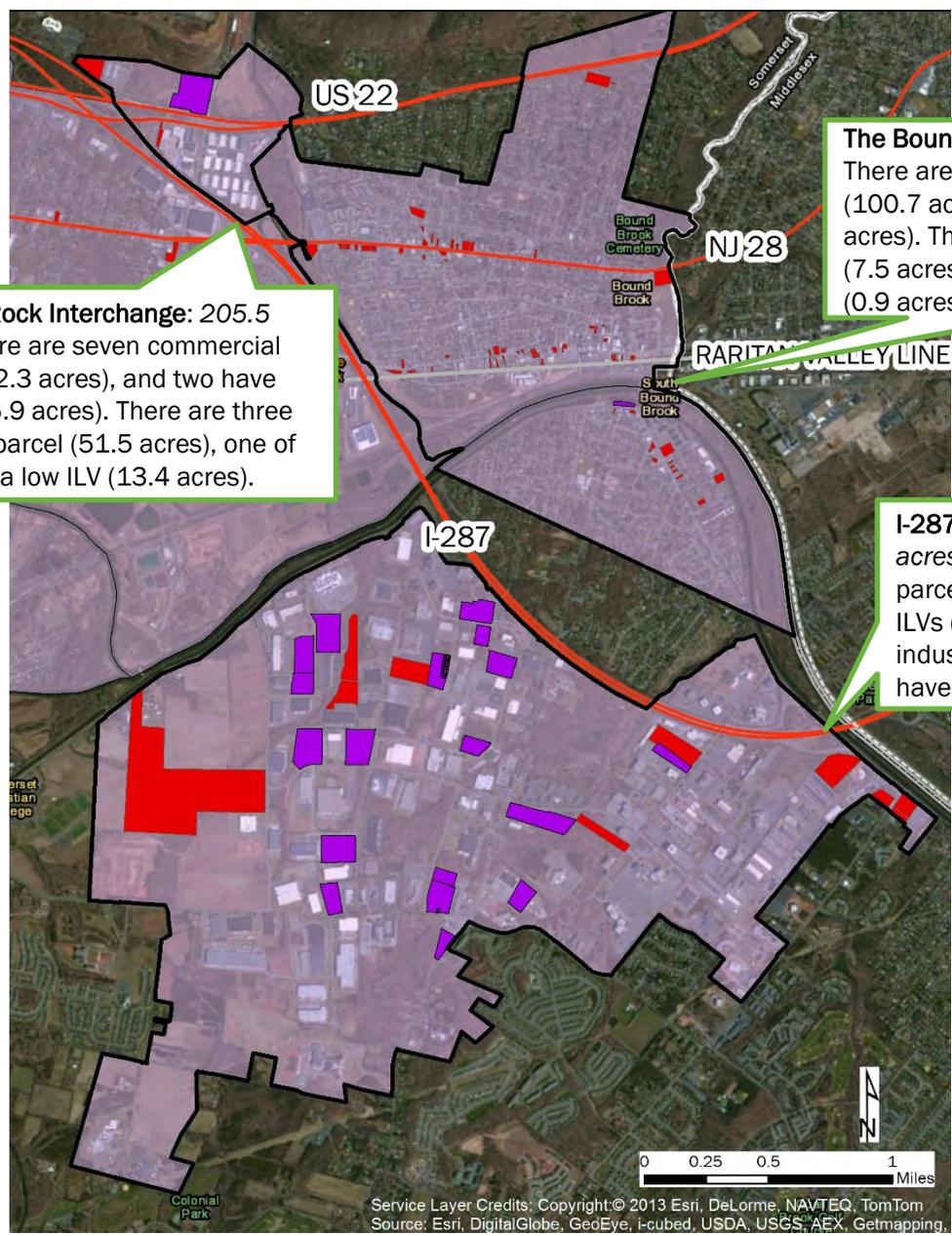
Low ILV Parcels: Central Eastern PGIAs

Chimney Rock Interchange: 205.5 acres. There are seven commercial parcels (32.3 acres), and two have low ILVs (5.9 acres). There are three industrial parcels (51.5 acres), one of which has a low ILV (13.4 acres).

The Bound Brooks: 1,558.0 acres. There are 291 commercial parcels (100.7 acres); 68 have low ILVs (22.8 acres). There are two industrial parcels (7.5 acres), one of which has a low ILV (0.9 acres).

I-287 Industrial Complex: 2,929.8 acres. There are 110 commercial parcels (654.2 acres); ten have low ILVs (152.5 acres). There are 125 industrial parcels (853.8 acres); 43 have low ILVs (116.9 acres).

-  Highways
-  NJ Transit Passenger Rail
-  Somerset County Boundary
-  Municipal Boundaries
-  PGIAs
-  Low ILV Commercial Parcels
-  Low ILV Industrial Parcels



Sources: Somerset County Geographic Information Systems; New Jersey Department of Transportation Geographic Information Systems; NJ office of Information Technology (NJGIT), Office of Geographic Information Systems (OGIS)

Low ILV Parcels: Southern Central PGIAs

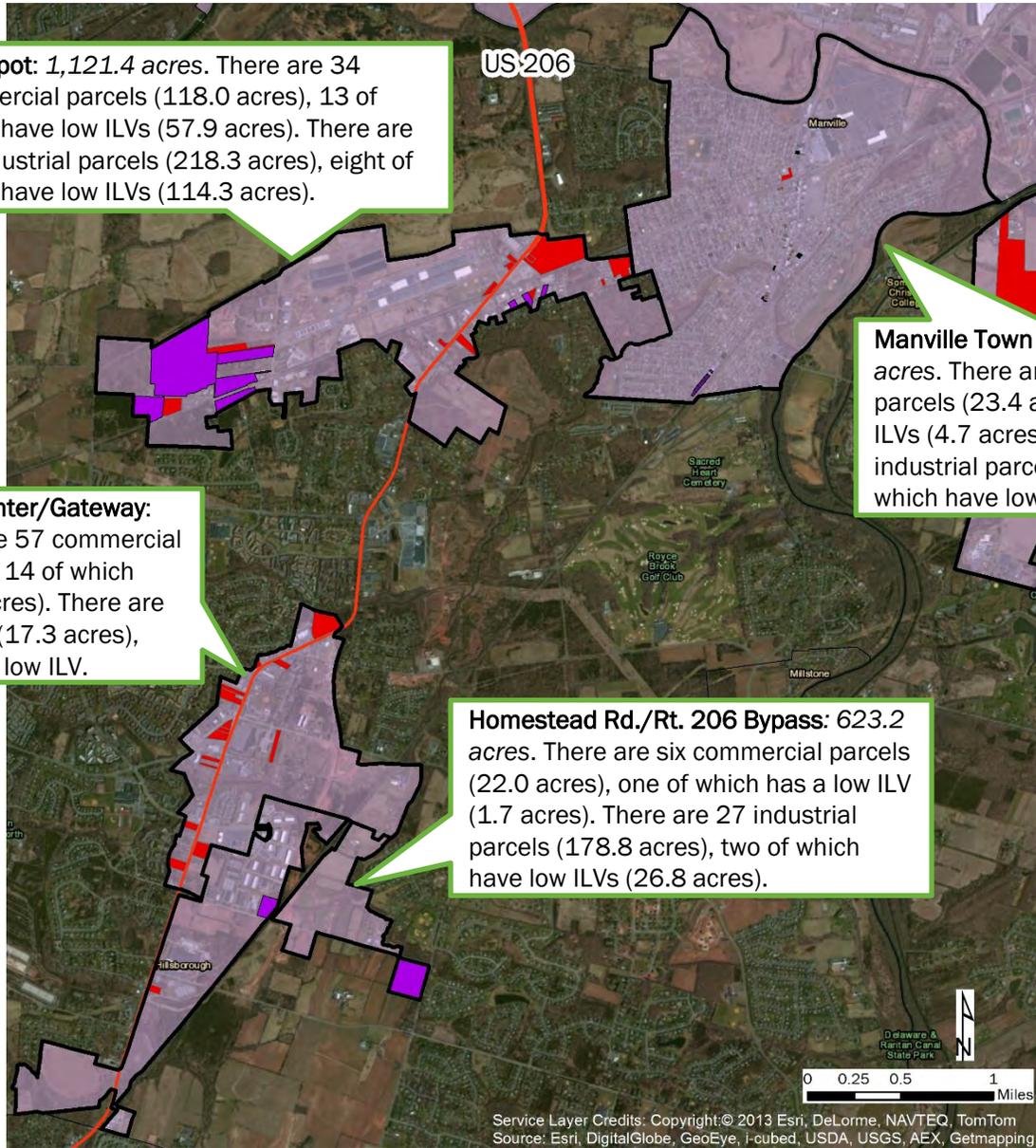
VA Depot: 1,121.4 acres. There are 34 commercial parcels (118.0 acres), 13 of which have low ILVs (57.9 acres). There are 27 industrial parcels (218.3 acres), eight of which have low ILVs (114.3 acres).

Manville Town Center: 1,567.6 acres. There are 367 commercial parcels (23.4 acres); 70 have low ILVs (4.7 acres). There are 76 industrial parcels (7.4 acres), 32 of which have low ILVs (2.6 acres).

Hillsborough Town Center/Gateway: 598.4 acres. There are 57 commercial parcels (195.6 acres), 14 of which have low ILVs (38.4 acres). There are two industrial parcels (17.3 acres), neither of which has a low ILV.

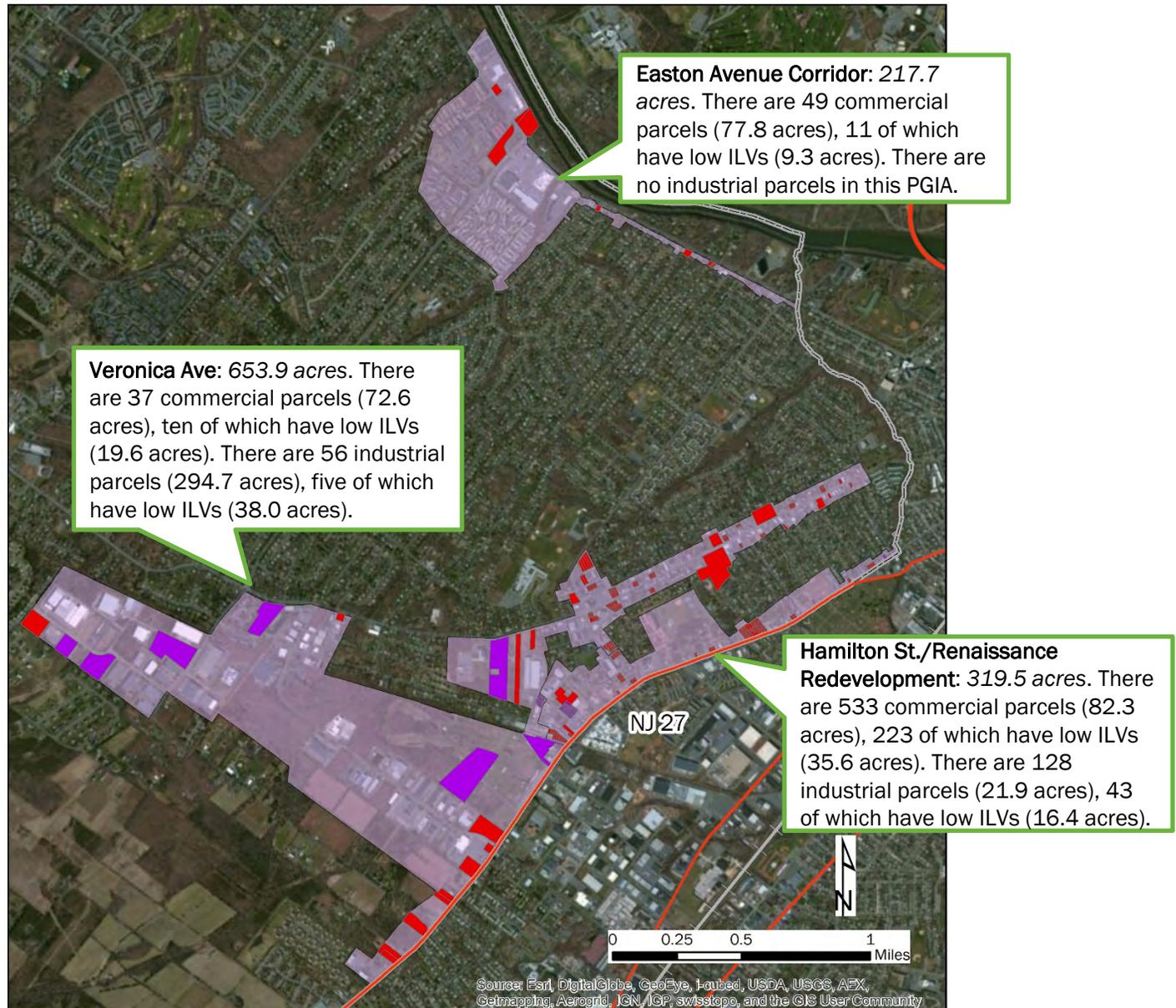
Homestead Rd./Rt. 206 Bypass: 623.2 acres. There are six commercial parcels (22.0 acres), one of which has a low ILV (1.7 acres). There are 27 industrial parcels (178.8 acres), two of which have low ILVs (26.8 acres).

-  Highways
-  NJ Transit Passenger Rail
-  Somerset County Boundary
-  Municipal Boundaries
-  PGIAs
-  Low ILV Commercial Parcels
-  Low ILV Industrial Parcels



Sources: Somerset County Geographic Information Systems; New Jersey Department of Transportation Geographic Information Systems; NJ office of Information Technology (NJGIT), Office of Geographic Information Systems (OGIS)

Low ILV Parcels: Southeastern PGIAs



Sources: Somerset County Geographic Information Systems; New Jersey Department of Transportation Geographic Information Systems; NJ office of Information Technology (NJGIT), Office of Geographic Information Systems (OGIS)

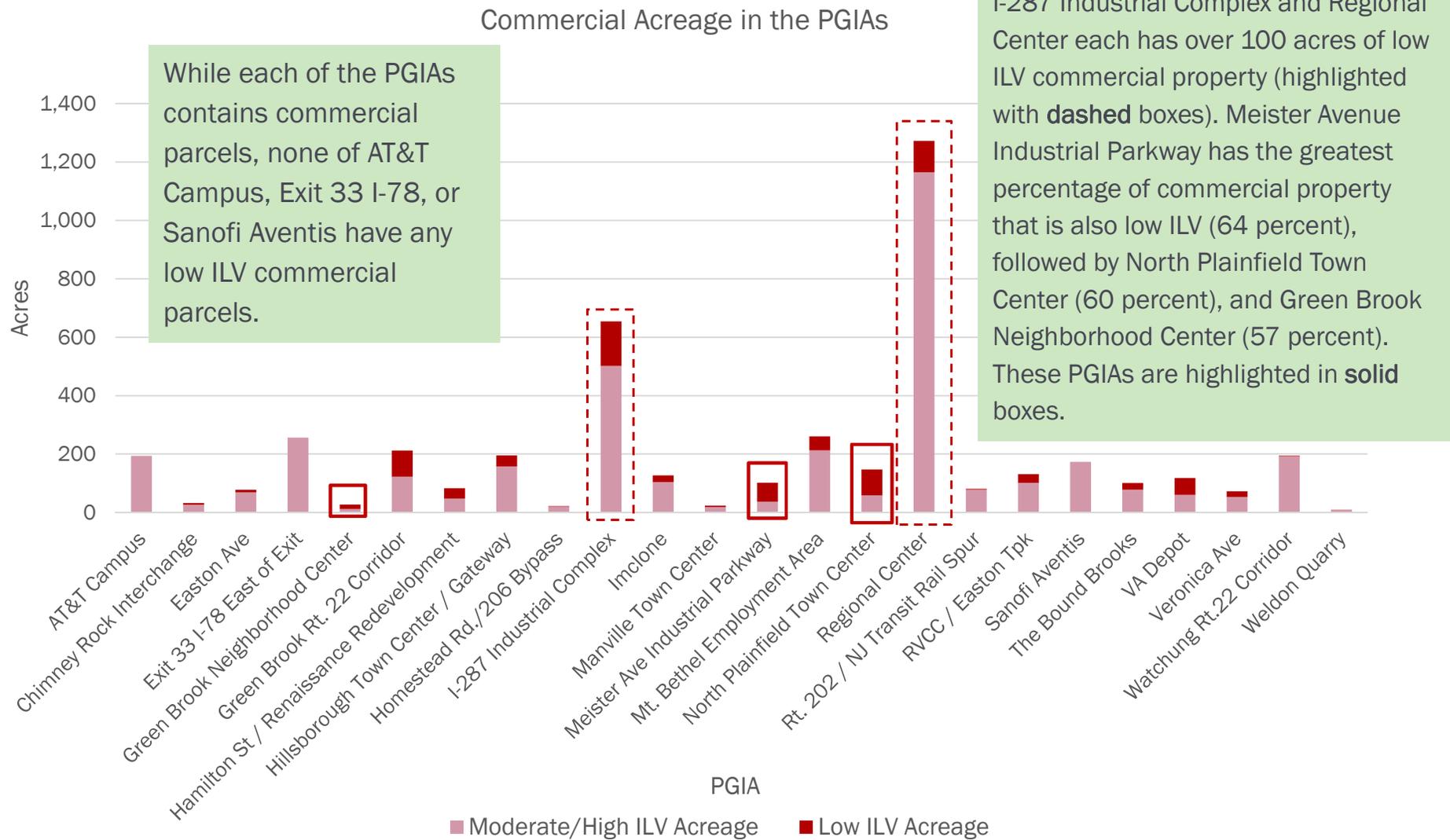
Land Valuation Analysis – Vacancies

Address	Municipality	Use/Zoning	Land Value (\$)	Improvement Value (\$)	Building/Lot Size	ILV Ratio
1850 Easton Ave	Somerset	Land (retail pad)	3,700,000	1,420,000	9 acres	0.38
20 Cherry Street	South Bound Brook	Retail (other)	294,000	156,000	1,600 SF	0.53
23 US 206	Raritan	Retail (free standing)	367,500	194,100	2,340 SF	0.53
300 Apgar Dr	Somerset	Flex Space	1,030,000	50,000	56,000 SF	0.05
321 W Union Ave	Bound Brook	Office Building	336,000	214,400	3,000 SF	0.64
3331 US 22	Branchburg	Land (industrial)	1,076,900	90,300	13 acres	0.08
351 Campus Drive	Somerset	Industrial (warehouse)	2,091,000	809,000	70,000 SF	0.39
41 W High St	Somerville	Office Building	250,300	135,300	350 SF	0.54
420 Talmage Ave	Bound Brook	Industrial (warehouse)	142,000	66,400	1,150 SF	0.47
60 Clyde Rd	Somerset	Industrial (warehouse)	2,742,000	758,000	100,800 SF	0.28
716 US 206	Hillsborough	Office Building	360,000	201,800	10,000 SF	0.56
945 US 22	North Plainfield	Retail (free standing)	1,511,400	363,600	27,380 SF	0.24
1050 US 202	Branchburg	Retail (free standing)	650,000	80,000	2,500 SF	0.12
1117 Kennedy Blvd	Manville	Industrial (office showroom)	108,000	64,200	1,800 SF	0.59
141 W End Ave	Somerville	Office Building	211,200	120,100	2,200 SF	0.57
172 Route 22 W	Green Brook	Land (commercial/other)	572,400	41,600	3.30 acres	0.07
19 Meadow St	Somerville	Industrial (warehouse)	288,000	136,000	3,555 SF	0.47
225 S Main St	Manville	Land (commercial/other)	170,000	100	0.12 acres	0.0006
3260 US 22	Branchburg	Retail (other)	850,000	50,000	8,000 SF	0.06
454 W Union Ave	Bound Brook	Retail (free standing)	264,000	53,900	2,800 SF	0.20
70 Grove St	Somerville	Office Building	166,400	90,000	2,800 SF	0.54
907 US 202	Raritan	Office Building	256,900	89,500	1,500 SF	0.35

Low ILV parcel vacancies within the PGIAs were analyzed using LoopNet, an on-line commercial real estate data service. The table at left provides information on low ILV properties that are also for sale or lease according to LoopNet data as of April 2014. These properties provide noteworthy redevelopment opportunities, as they are both for sale or lease *and* exhibit particularly low improvement-to-land value ratios.

Source: Loopnet.com, 2014

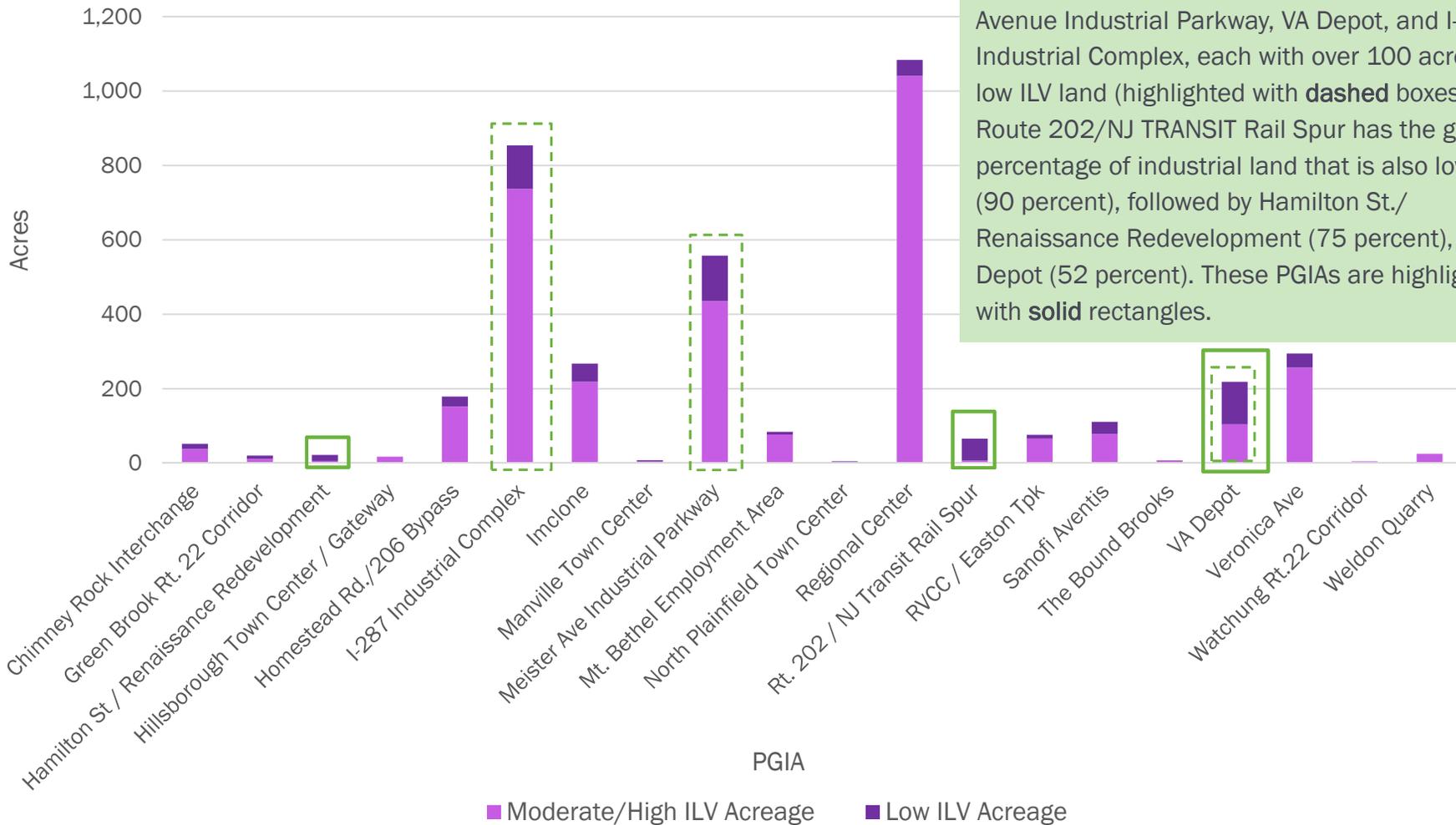
Land Valuation Analysis – Commercial Comparison



Source: Somerset County Geographic Information Systems

Land Valuation Analysis – Industrial Comparison

Industrial Acreage in the PGIAs

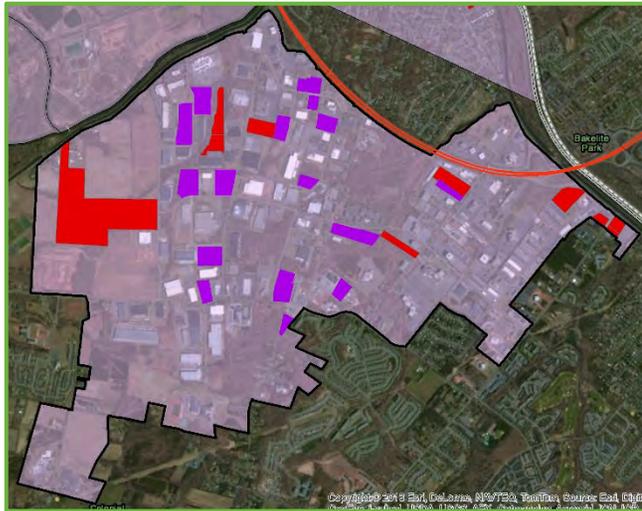


Of the PGIAs containing industrial land, three do not have low ILV industrial parcels (Hillsborough Town Center/Gateway, Watchung Rt. 22 Corridor, and Weldon Quarry). The PGIAs with the greatest amount of low ILV industrial land are Meister Avenue Industrial Parkway, VA Depot, and I-287 Industrial Complex, each with over 100 acres of low ILV land (highlighted with **dashed** boxes). Route 202/NJ TRANSIT Rail Spur has the greatest percentage of industrial land that is also low ILV (90 percent), followed by Hamilton St./Renaissance Redevelopment (75 percent), and VA Depot (52 percent). These PGIAs are highlighted with **solid** rectangles.

Source: Somerset County Geographic Information Systems

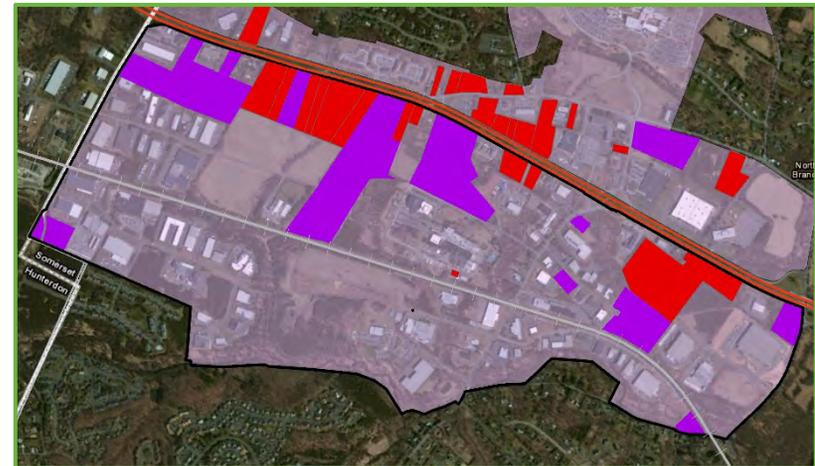
Takeaway: Land Valuation Analysis

Underutilized sites provide prospective opportunities for accommodating redevelopment and infill, bringing new and expanded commercial and industrial opportunities to the PGAs. The following PGAs feature high amounts of *both* low ILV commercial and industrial parcels based on acreage, percentage, or both. (Note: the figures below are of different scales.)



I-287 Industrial Complex

- over 150 acres of low ILV commercial land
- over 100 acres of low ILV industrial land



Meister Avenue Industrial Parkway

- high percentage of low ILV commercial land
- over 100 acres of low ILV industrial land

Sources: Somerset County Geographic Information Systems; New Jersey Department of Transportation Geographic Information Systems; NJ office of Information Technology (NJGIT), Office of Geographic Information Systems (OGIS)

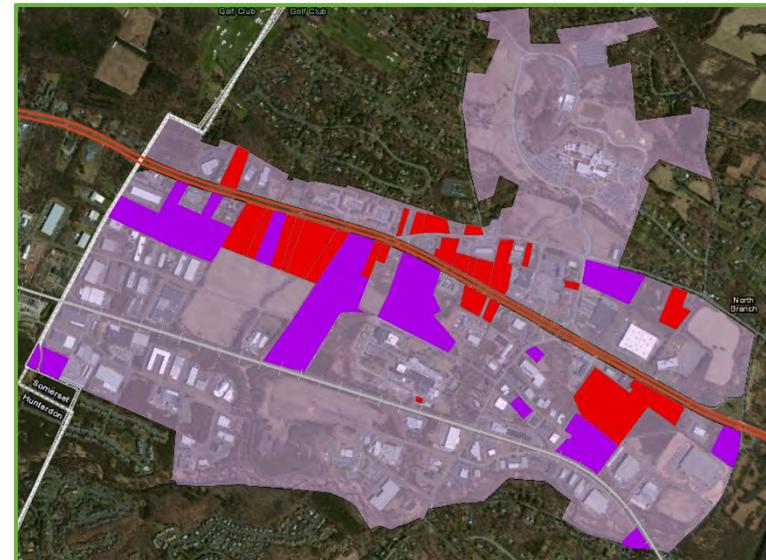
Takeaway: Low ILV Clusters

Large private industry employers (e.g., manufacturers, back-office call centers, distribution warehouse operators) are likely to target areas with concentrations of large contiguous vacant and/or underutilized land. Access is also important, so clusters of low ILV parcels close to major roads and rail stations are of particular interest. Some may be suitable for reuse/redevelopment, which includes higher density residential and commercial mixed-use development.



North Plainfield Town Center, Green Brook Route 22 Corridor, and Green Brook Neighborhood Center

- There are a number of contiguous low ILV commercial and industrial parcels in these PGAs.
- These parcels are easily accessible, falling directly along or close to US Highway 22.



Meister Ave. Industrial Parkway and RVCC/Easton Turnpike

- These PGAs feature large clusters of both low ILV industrial and commercial parcels.
- These parcels are located along and directly off of US Highway 22.

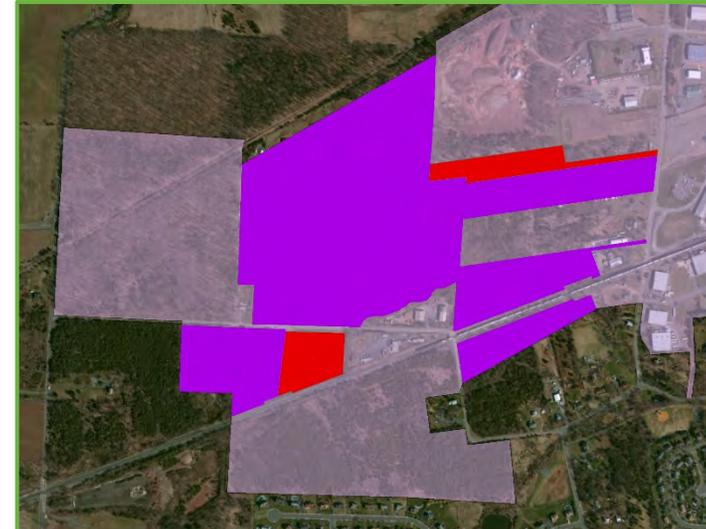
Sources: Somerset County Geographic Information Systems; New Jersey Department of Transportation Geographic Information Systems; NJ office of Information Technology (NJGIT), Office of Geographic Information Systems (OGIS)

Takeaway: Low ILV Clusters (cont.)



Imclone

- The Imclone PGIA features a number of contiguous low ILV commercial parcels along US Highway 202.



VA Depot

- There is a large cluster of low ILV industrial parcels (in addition to two adjacent commercial parcels) in the western end of the VA Depot PGIA.
- These parcels are located along the Norfolk Southern freight rail line, which offers the opportunity to attract a user requiring access to a short-rail freight line.

Sources: Somerset County Geographic Information Systems; New Jersey Department of Transportation Geographic Information Systems; NJ office of Information Technology (NJGIT), Office of Geographic Information Systems (OGIS)

Takeaway: Low ILV Clusters (cont.)

While there is, in total, a large amount of low ILV commercial property in the Regional Center, many of these parcels are scattered and thus represent more challenging redevelopment options. Clustering does occur, however, in the Somerville section of the Regional Center, as shown in the lower map area.

Regional Center

- There are clusters of small low ILV commercial parcels in Somerville along West End Avenue/West Main Street, as well as along Veterans Memorial Drive East, West High Street, North Bridge Street, and Grove Street.
- These parcels are easily accessible to highways 202 and 206, and are close to the NJ TRANSIT passenger rail stop in Somerville, and may be prime for residential or mixed-use redevelopment.



Sources: Somerset County Geographic Information Systems; New Jersey Department of Transportation Geographic Information Systems; NJ office of Information Technology (NJGIT), Office of Geographic Information Systems (OGIS)

Takeaway: Implications

The improvement-to-land value analysis is but one technique to screen properties for potential redevelopment opportunities. Based on the generally healthy land values associated with these parcels, higher and better uses could be supported. As such, there is missed opportunity when these higher and better uses are not in place.

A low ILV ratio does not necessarily mean that a property is in need of intervention or that the property is blighted; instead, the ILV is a measure of lost opportunity. Major factors contributing to low ILV ratios are economic and physical obsolescence. While a low ILV ratio does not always indicate a property in distress, there is value in addressing the underlying issues associated with low ILV ratios before problems associated with obsolescence do start to occur or become entrenched. Redevelopment of low ILV properties is a proactive step that can enhance a locality's vibrancy, image, and tax base, which can be supported through modified or updated land use policies.

Socio-Economic Trends Analysis

Glossary of Terms

Household Population Household population, as compared to total population, excludes persons living in dormitories, penal facilities, hospitals, and other institutional settings.

Family A family is a group of two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people are considered as members of one family. The number of families is equal to the number of family households; however, the count of family members differs from the count of family household members because family household members include any non-relatives living in the household.

Non-Family A non-family household consists of a householder living alone (a one-person household) or where the householder shares the home exclusively with people to whom he/she is not related.

Household A household consists of all the people who occupy a housing unit. A house, an apartment, or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters. The count of households excludes group quarters and institutions.

Empty Nester Household A household in which one or more parents live after the children have left home, typically represented by ages 55-74.

Metropolitan Statistical Area (MSA) Metropolitan Statistical Areas (metro areas) are geographic entities defined by the Office of Management and Budget. A metro area contains a core urban area of 50,000 or more population. Each metro or micro area consists of one or more counties and includes the counties containing the core urban area, as well as any adjacent counties that have a high degree of social and economic integration (as measured by commuting to work) with the urban core.

Flat Growth Flat growth is defined as an annualized rate of change between -0.75 and 0.75 percent.

Source: US Census Bureau

Glossary of Terms (cont.)

Center* As defined in The New Jersey State Development and Redevelopment Plan, an efficient and compact form of development having one or more mixed-use cores, residential neighborhoods and green spaces. Center designations are based on the area, population, density, and employment of the center being considered and features of the surrounding areas. Centers can range in scale from very large, an Urban Center, to the smallest, a Hamlet. Centers range in scale in the following order: Urban, Regional, Town, Village, and Hamlet.

Node** Concentrations of employment and economic activity that are not organized in compact, mixed-use forms.

PA 1** Planning Areas are large masses of land (more than one square mile in extent) that share a common set of conditions...such as population density, infrastructure systems, level of development or natural systems. PA 1, or Metropolitan Planning Areas, provide for much of the state's future redevelopment; revitalize cities and towns; promote growth in compact forms; stabilize older suburbs; redesign areas of sprawl; and protect the character of existing stable communities.

Sources: *State Strategic Plan: New Jersey's State Development and Redevelopment Plan, final plan proposed for adoption (2012);
**The New Jersey State Development and Redevelopment Plan (2001)

Methodology

Socio-economic trends for 2010, 2013 (forecasted), and 2018 (forecasted) were analyzed for Somerset County, Somerset County's Priority Growth Investment Areas, and the surrounding region. The geographic areas studied include:

- Somerset County
- Middlesex-Somerset-Hunterdon Metropolitan Statistical Area (MSA)
- State of New Jersey
- Priority Growth Investment Areas (PGIAs) in Somerset County

The analysis and recommendations that follow are based on a combination of quantitative and qualitative techniques. Quantitative analysis is underpinned by a combination of public and proprietary data sources, including U.S. Census-based data and Esri's Community Analyst software — a socio-economic data analysis tool. For the larger geographic areas, estimated and forecasted socio-economic trends examined include population growth and density, formation of family and non-family households, age cohort characteristics, racial composition, household income, unemployment, poverty, residential tenure, and consumer expenditures.

Summaries of 2013 forecasted data are also provided for each of the smaller geographic areas (the PGIAs).

As Esri Community Analyst software is used heavily in this analysis, a more detailed description of the methodology employed follows.

Methodology: Esri Community Analyst

According to Esri, the Community Analyst software has “incorporated Census 2010 counts and geograph[ies] and evaluated and revised models” for 2013/2018 demographic updates. Further, “the demographic updates are...point estimates, representing July 1 of the current and forecast years....Forecasts are prepared initially for counties and block groups (BGs). From the county database, forecasts are aggregated to Core Based Statistical Areas (CBSAs), states, or higher levels. From the block group database, forecasts can be retrieved for census tracts; places; county subdivisions; ZIP codes; congressional districts (the 113th Congress); designated market areas (DMAs); or any user-defined site, circle, or polygon.”

While Community Analyst is a powerful tool for analyzing spatial data, a word of caution regarding use of projections is included in the methodology. In particular, Esri notes:

“Projections are necessarily derived from current events and past trends. The past and the present are known; the future must be extrapolated from this knowledge base. Even though projections represent the unknown, they are not uninformed. Guidelines for the development of projections also inform the use of those projections:

- The recent past provides a reasonable clue to the course of future events, especially if that information is tempered with a historical perspective.
- A stable rate of growth is easier to anticipate than rapid growth or decline.
- The damaging effects of natural disasters cannot be anticipated. Esri makes every effort to assess the impact of sudden, catastrophic events like strong storms, flooding, or wildfires.
- The risk inherent in forecasting is inversely related to the size of an area: the smaller the area, the greater the risk.
- The risk increases with the length of the projection interval. Any deviation of the projected trends from actual events is amplified over time. [continued on following page]

Source: Methodology Statement: 2013/2018 Esri US Demographic Updates

Methodology: Esri Community Analyst (cont.)

Esri revises its forecasts annually to draw on the latest data. However, this data can be enhanced with personal knowledge of an area to provide the qualitative, anecdotal detail that is not captured in a national database.”

While projections and forecasts for the specific PGIA areas were able to be analyzed, it is crucial to remember that the data are just that: projections and forecasts, and as such, should be used and interpreted cautiously. As noted above, data pertaining to smaller geographies are riskier to project and forecast; as a number of the PGIA's are small, this point is of particular importance.

It should be reiterated that given the relatively small size and irregularity of the PGIA geographies, the degree of statistical error with respect to extrapolating socio-economic metrics is likely quite high. Further, as the accuracy of socio-economic metrics within the PGIA's is less than ideal, we believe that less emphasis should be placed on socio-economic metrics within the PGIA boundaries.

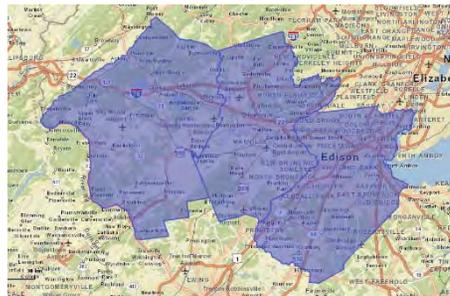
Socio-Economic Trends Analysis Study Areas – 2013 Summary

Somerset
County



Population: 328,795
 Total Households: 119,513
 Median Age: 41
 Median Household Income: \$99,928
 Percent of Household Incomes >\$75,000: 61%
 Percent Owner-Occupied Housing: 72%

Middlesex-
Somerset-
Hunterdon MSA



Population: 1,279,921
 Total Households: 451,643
 Median Age: 39
 Median Household Income: \$84,587
 Percent of Household Incomes >\$75,000: 56%
 Percent Owner-Occupied Housing: 66%

New Jersey



Population: 8,840,746
 Total Households: 3,227,503
 Median Age: 40
 Median Household Income: \$68,482
 Percent of Household Incomes >\$75,000: 47%
 Percent Owner-Occupied Housing: 57%

Source: US Census Bureau; Esri

Key Findings: Socio-Economic Analysis

Flat population and household growth

All geographies examined are forecasted to experience flat population and household growth through 2018, with Somerset County likely to undergo the greatest growth at a modest 0.59% a year.



Relative rise in non-family household formation

Consistent with national and regional trends, non-family households are growing faster than family households in all three geographies. Particularly, the rise of solo living and the decline of families are expected to continue for the foreseeable future.



Growth in age cohorts most likely to increase housing demand

The age groups forecasted to undergo the greatest growth in Somerset County over the coming years include Younger Empty Nesters (55-64) and Older Empty Nesters (65-74), both of which influence housing demand, particularly for smaller units.



Notably high median household income

Somerset County is characterized by an extraordinarily high median household income, at just under \$100,000 in 2013. According to the 2012 American Community Survey, Somerset County was the second highest income county in New Jersey and the eighth highest income county in the United States.



Key Findings: Socio-Economic Analysis

High rates of home ownership

Approximately three out of four occupied units within Somerset County are owner-occupied, exceeding the ownership rates of the Middlesex-Somerset-Hunterdon MSA (66%) and New Jersey (57%).



Changing racial dynamics

Over the next five years, the white population of Somerset County is expected to continue to decline while the percentage share of all other race categories is expected to increase by an average of 14.5 percent. Additionally, the Latino population is forecasted to increase by over 17 percent.



Rise of solo living and 4-5 person households

Reflective of lower fertility rates, higher divorce rates, and the growth in Asian and Latino households with a higher propensity to live in larger, multi-bedroom homes, Somerset County has experienced respective increases in single-person households as well as 4-5 person households over the past two decades.

Higher than average consumer spending

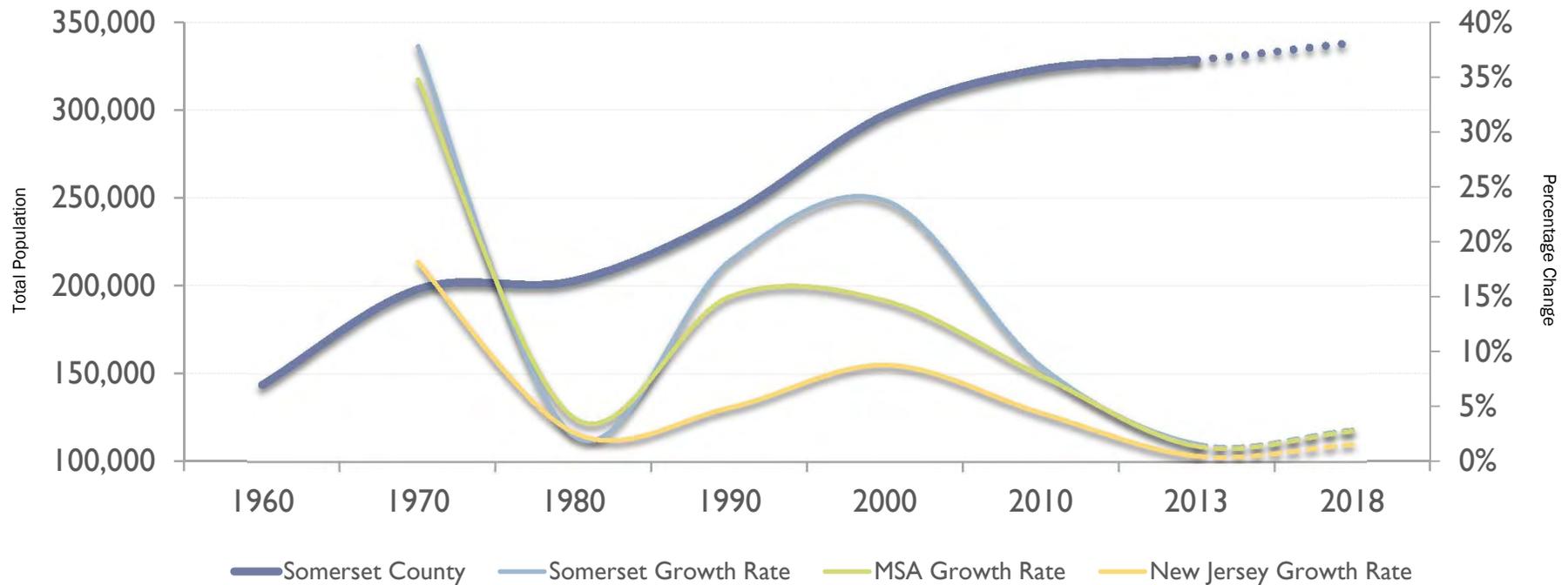
Households within Somerset County exhibit spending patterns that greatly exceed the national average in most categories, a trend that may bode well for certain types of retail development and redevelopment.



Long-Term Population Growth

Between 1960 and 2000, Somerset County more than doubled its population, growing at an average of over twenty percent each decade, despite a region-wide dip between 1970 and 1980. However, the rate of growth has steadily decreased since 2000 and Somerset County's population growth has largely stabilized. Similar to New Jersey and the Middlesex-Somerset-Hunterdon MSA, population growth is expected to remain relatively flat, but positive, in the near future.

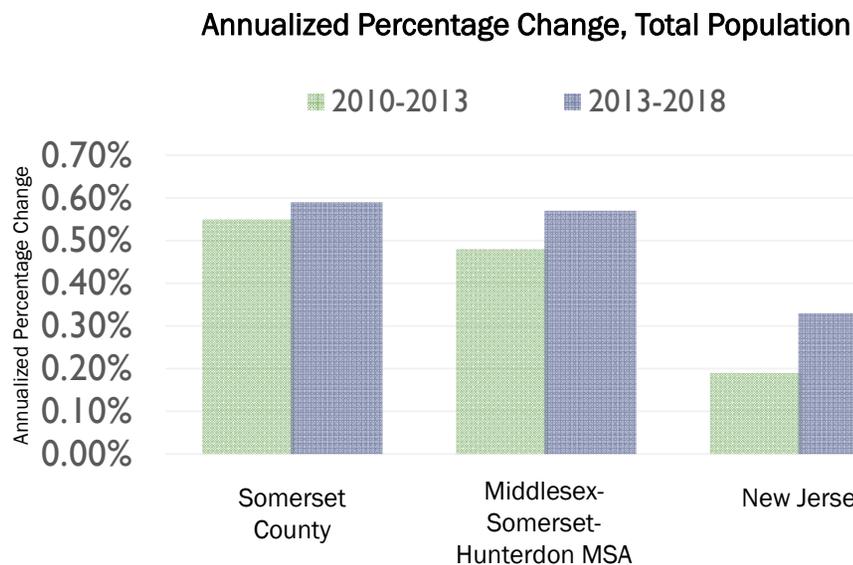
Population Growth Trends, 1960-2018



Source: US Census Bureau; Esri

Near-Term Population Growth

The figure below illustrates that population growth within all three geographies studied was effectively flat over the 2010 to 2013 time period, with Somerset County experiencing the greatest relative growth at just over half a percentage point per year. Through 2018, all three study areas are expected to undergo slight increases in the annualized rate of population, with Somerset County maintaining the highest rate, at just under 0.6 percent annually. In absolute terms, Somerset County is expected to grow by approximately ten thousand people over the next five years.



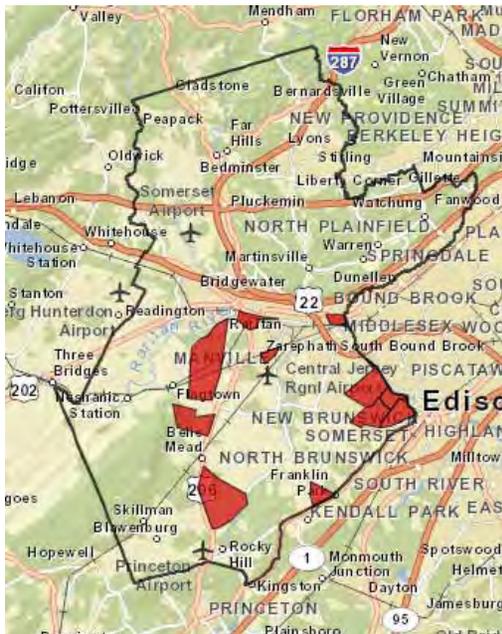
Population by Geography

	2010	2013	2018	Net Change (2013-2018)
Somerset County	323,444	328,795	338,482	9,687
MSA	1,262,000	1,280,000	1,316,000	36,000
New Jersey	8,792,000	8,841,000	8,985,000	144,000

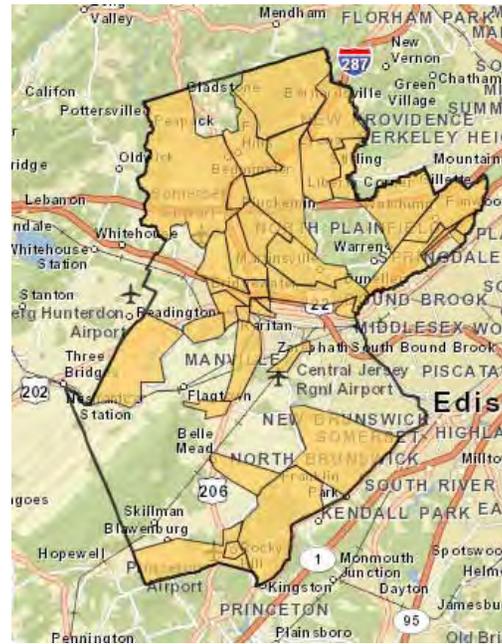
Source: US Census Bureau; Esri

Intra-County Population Growth

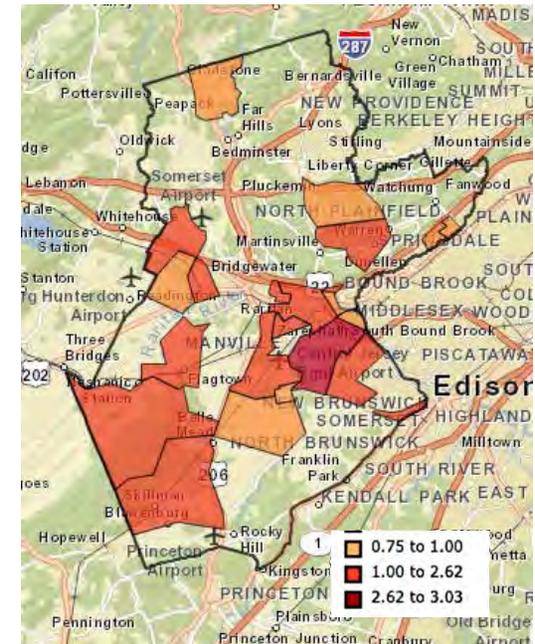
Negative Growth



Flat Growth (0-0.75% Annually)



Positive Growth (>0.75% Annually)



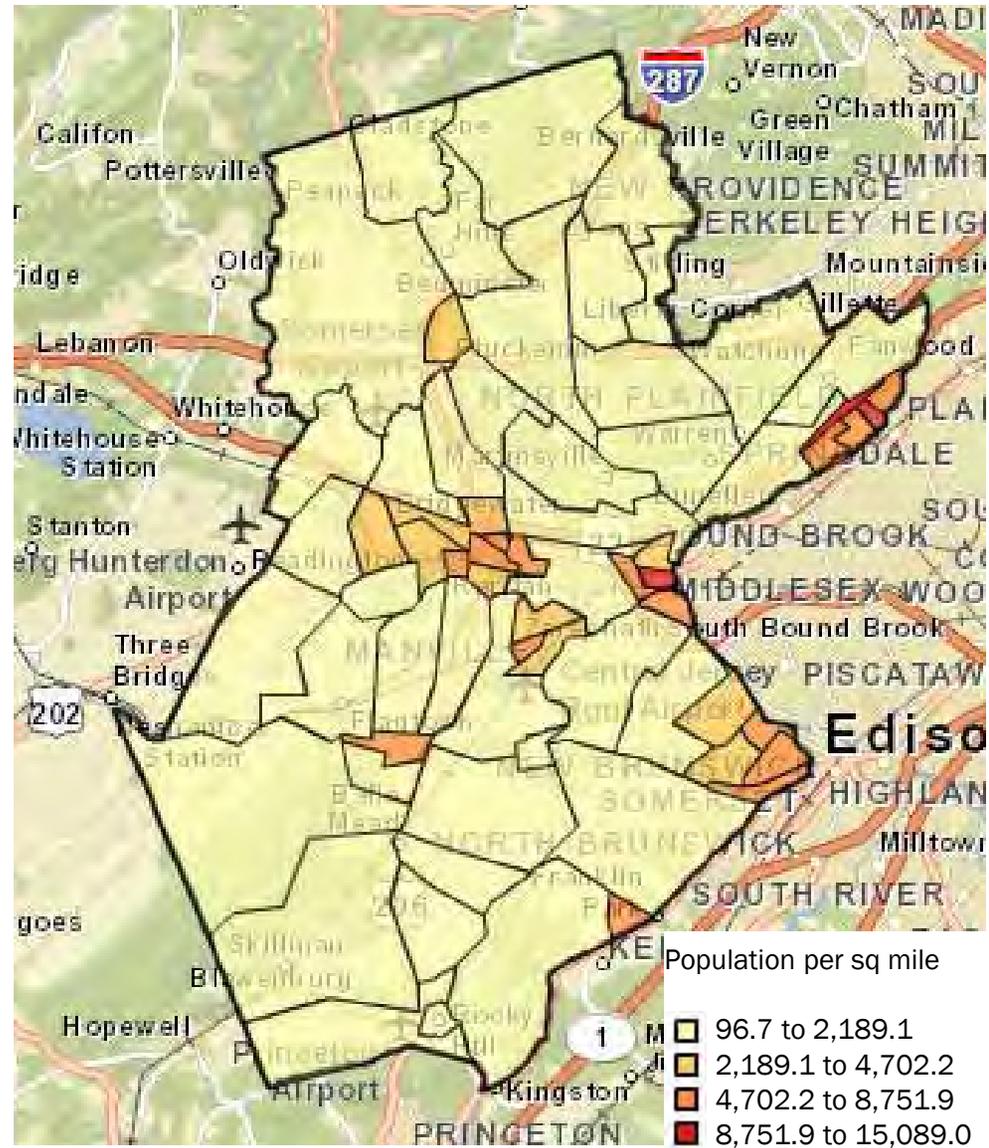
At the sub-county level, population growth in many of Somerset County's census tracts is expected to remain relatively flat through 2018, consistent with the overall population growth of the county. The location with the greatest forecasted population decrease, by a considerable margin, is the southernmost tract of Bound Brook (for clarity, this does not refer to the borough of South Bound Brook) at over 1.4 percent loss each year. At the other end of the spectrum, the northernmost tract of Franklin Township is expected to grow by over three percent annually, outpacing much of the rest of the county by a considerable margin. Note that Esri shows population trends based on historical census data, and does NOT take into account adopted redevelopment areas and projects in the pipeline.

Source: Esri

Population Density

As illustrated in the map at right, there is wide distribution of population density by census tract, within Somerset County, ranging from 96.7 people per square mile in semi-rural Bedminster Township to over 15,000 people per square mile in the highly urbanized east central area of North Plainfield.

Population density is generally, and unsurprisingly, concentrated in the more urbanized areas of the county, including Bound Brook, South Bound Brook, Manville, Somerville, Raritan Borough, eastern Franklin Township, and North Plainfield (as previously mentioned). Absent significant zoning changes in the more suburban and rural areas of the county, these conditions will likely remain into the foreseeable future.

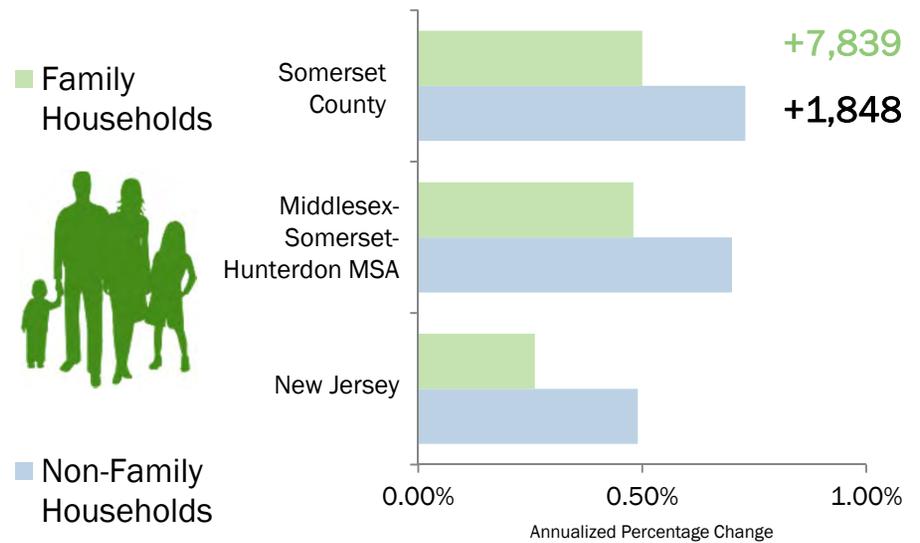


Sources: US Census Bureau; Esri

Household Formation

The figures to the right and below illustrate changes in household formation for all three study areas, including family and non-family households. Consistent with flat population growth, annualized changes in households are relatively flat. However, as can be seen in the charts, the percentage increase in non-family household formation has been considerably greater than that for family households.

Annualized Percentage Change, 2013-2018



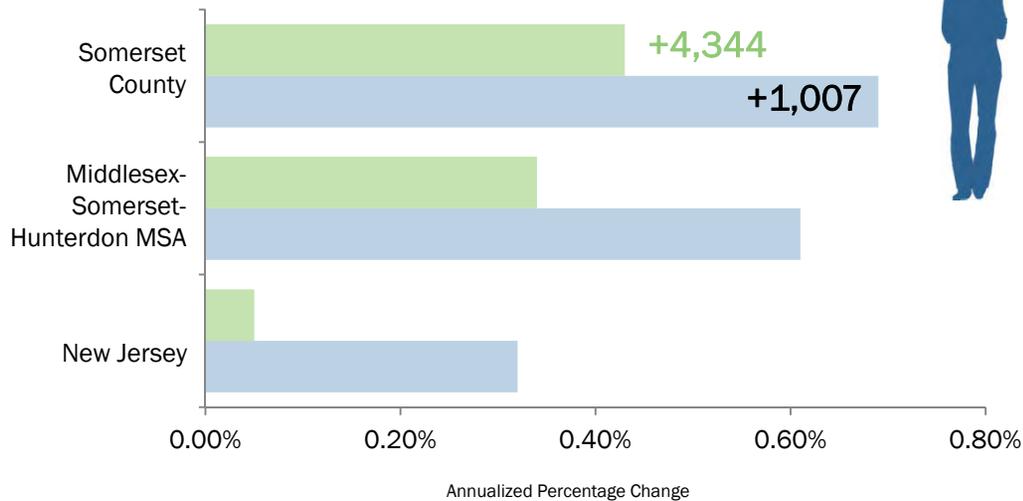
Family Households



Non-Family Households



Annualized Percentage Change, 2010-2013

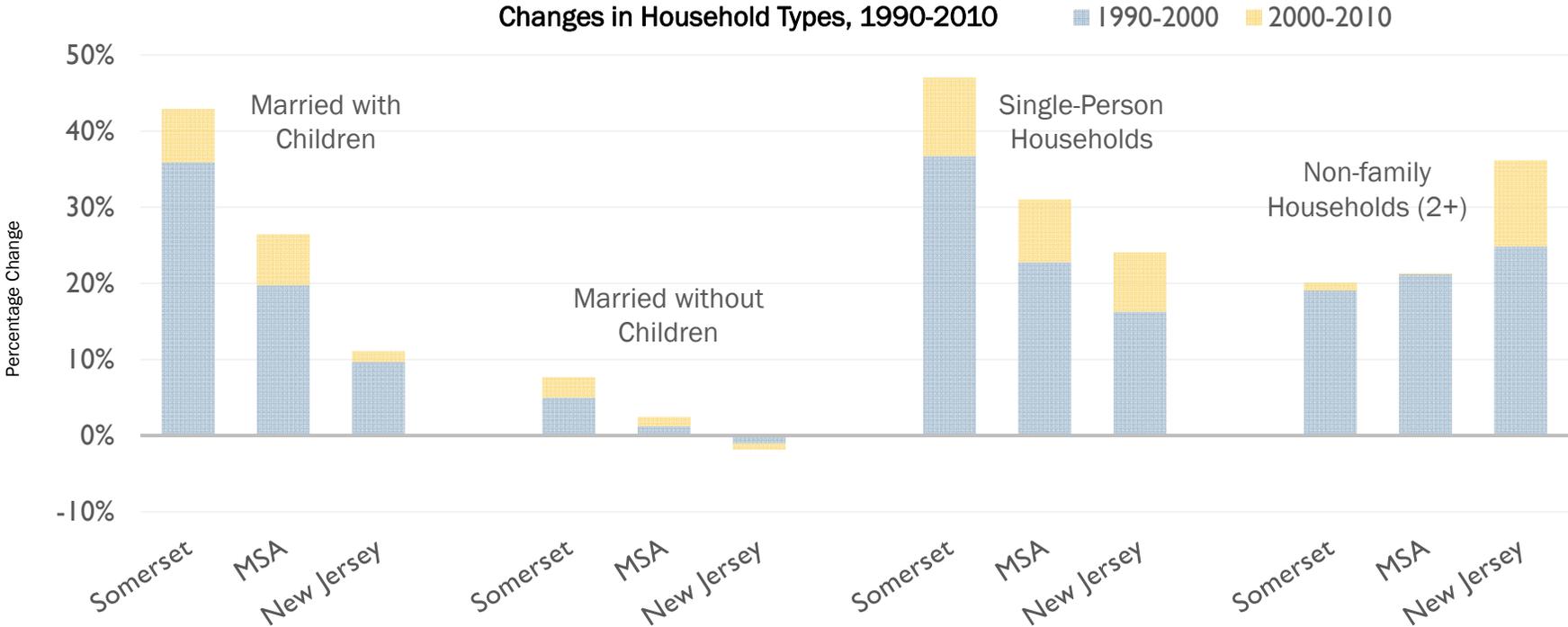


The relatively strong increase in non-family households is consistent with national demographic trends: Relatively fewer couples are choosing to marry and start families and those who do marry and start families are waiting longer to do so. Further, single-person household formation is driving the upward increase in non-family households.

Sources: US Census Bureau; Esri

Household Trends by Type

Consistent with higher non-family household formation relative to family households, the growth in married households, while notably higher in Somerset County relative to New Jersey and the MSA, has been outpaced by single-person households and non-family households of two or more people between 1990 to 2010. Further, Somerset County also experienced a greater percentage of growth in single-person households as compared to similar households within the state and MSA during the same period. Non-family households, by nature, tend to be small in size and, consequently, influence the development of smaller housing units over time – a housing demand market trend which Somerset County will likely experience.

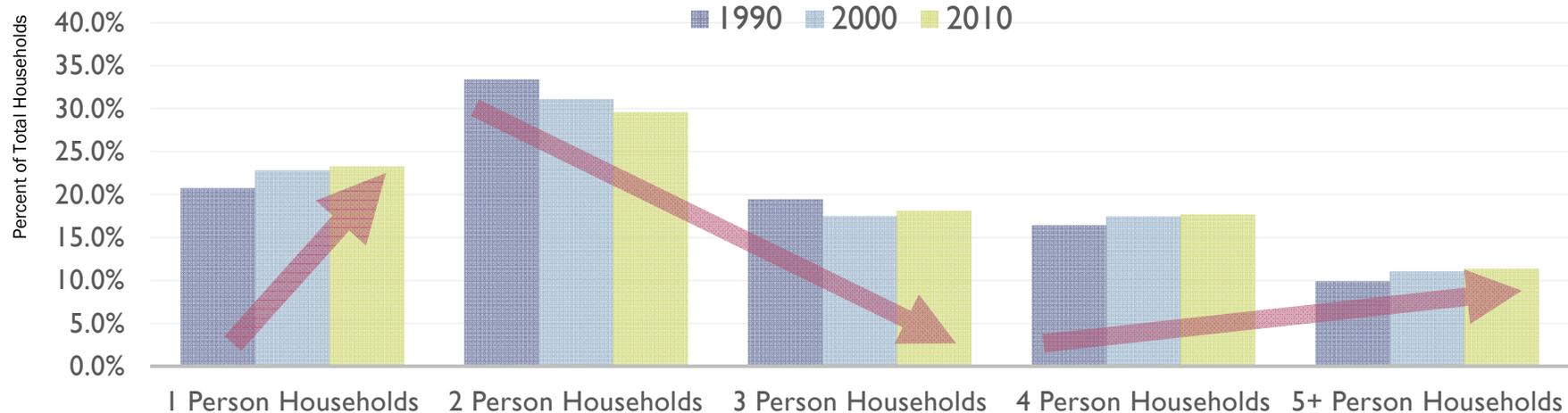


Source: US Census Bureau; Esri

Household Size

As a percentage of total households, the share of single-person households in Somerset County has steadily risen from 1990 to 2010, along with four- and five-person households – though these households comprise a smaller share of total households, generally. Over the same period, the share of two- and three-person households declined. These observed trends are reflective of state and national household size trends, where the decline of persons seeking to marry (or delay in marriage) is increasing the demand for smaller housing units. The rise in four- and five-person households, which accelerated somewhat during the Great Recession, reflects a return to multi-generational living and will, likely, encourage changes in local zoning codes which do not currently accommodate such living arrangements.

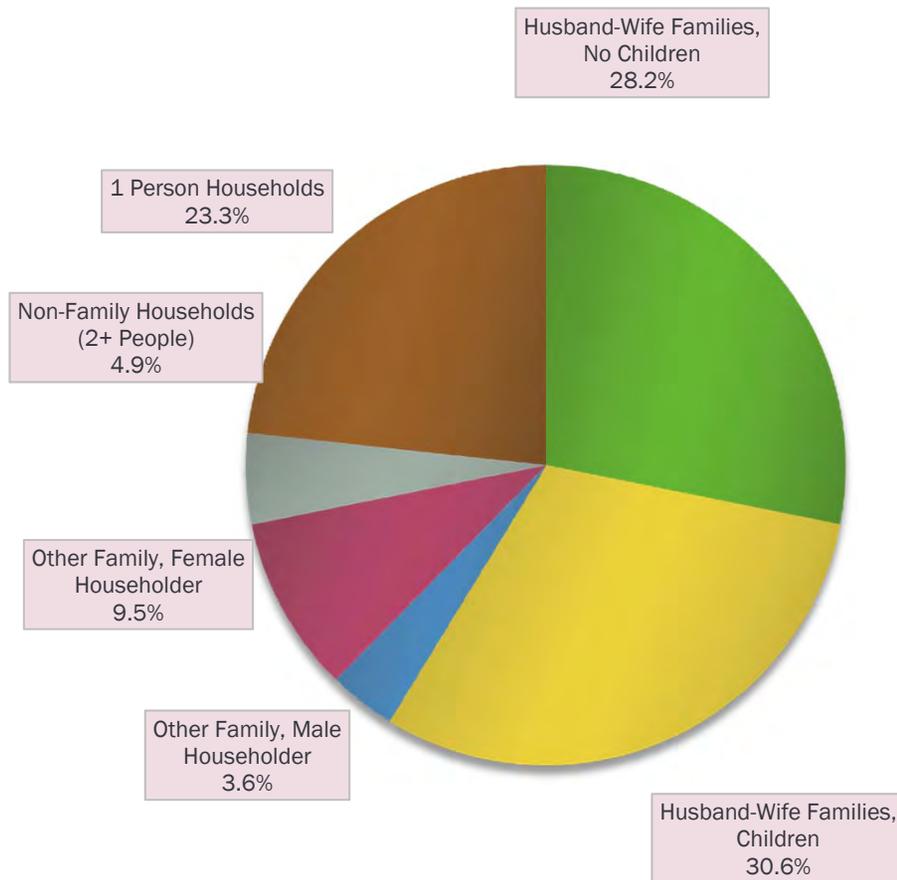
Growth in Households by Household Size, Somerset County 1990-2010



Source: US Census Bureau; Esri

Household Composition – 2010 Overview

Households by Type (2010), Somerset County



Comparative Statistics: Various Household Types

Household Type	Somerset	MSA	New Jersey
Households with Children	37.9%	37.2%	35.0%
Single Parent Households	7.1%	7.9%	10.3%
Single Parent HHs as a % of HHs with Children	18.7%	21.2%	29.4%
Multigenerational Households	4.2%	5.0%	5.0%
Unmarried Partner Households	4.7%	5.0%	5.9%
Male-Female Households	4.0%	4.3%	5.2%
Same-sex Households	0.7%	0.7%	0.8%

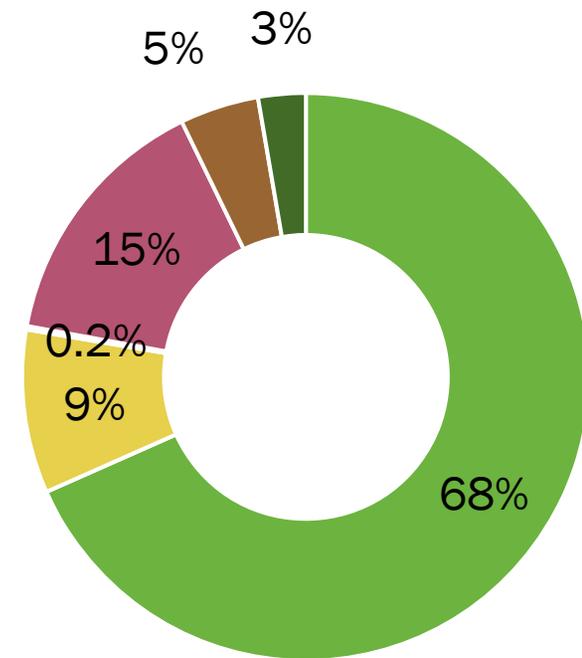
Relative to comparison geographies, Somerset County exhibits the highest percentage of households with children, and the lowest percentage of single-parent households and multigenerational households, in 2010. Consistent with the growing trend of one- and two-person households, the majority of households in Somerset County (just over 62 percent) do not have children.

Source: US Census Bureau; Esri

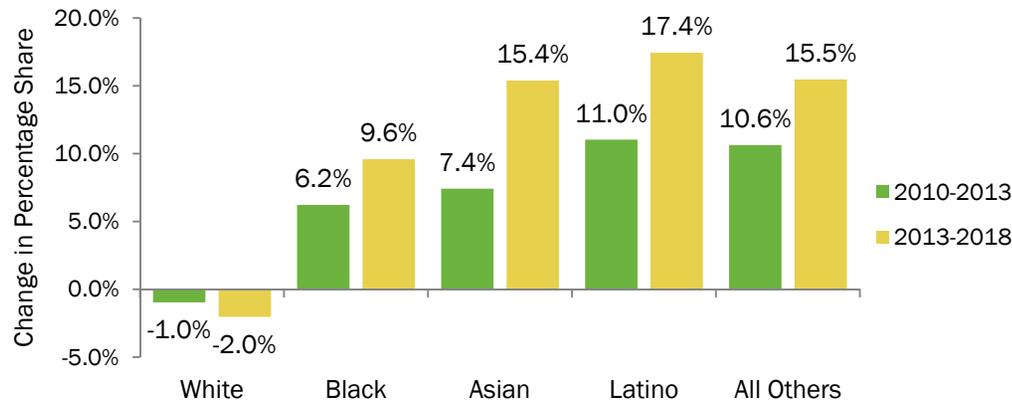
Race and Ethnicity

The racial composition of Somerset County, highlighted at right, is majority white (68 percent), with Asians and blacks making up the second and third largest racial groups at fifteen and nine percent, respectively. While the white population is forecasted to continue declining at an increasing rate, all other racial categories are expected to increase their respective rates of growth over the next five years. Additionally, the Latino population (14.2 percent of the population in 2013) is also expected to grow at an increasing rate. As non-white households, particularly Latino households, demonstrate a higher propensity for multi-generational living, these identified trends will likely influence demand for housing types accommodative of such living arrangements – three- and four-bedroom units.

Population by Race (2013), Somerset County



Population Change by Race and Ethnicity, Somerset County



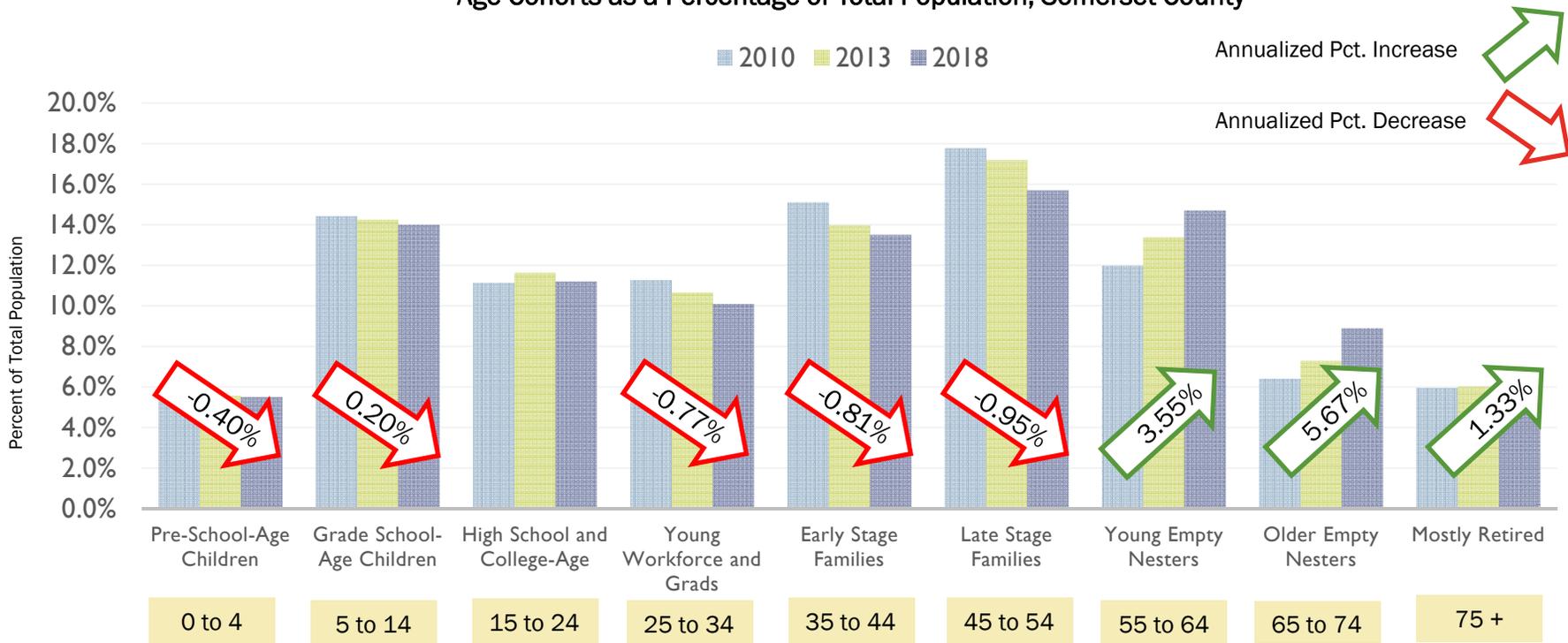
- White
- Black
- American Indian
- Asian
- Other
- Two or More Races

Source: US Census Bureau; Esri

Age Distribution

As illustrated in the below graphic, the share of Somerset County residents age 25 to 54, while comprising the majority of all persons in the county, is in steady decline. This trend will affect Somerset County's labor force: more Somerset County citizens are nearing retirement without equal numbers of people in the beginning to middle stages of their careers joining the workforce. Labor force shortfalls will represent a significant challenge in terms of growing the county's economy in the future.

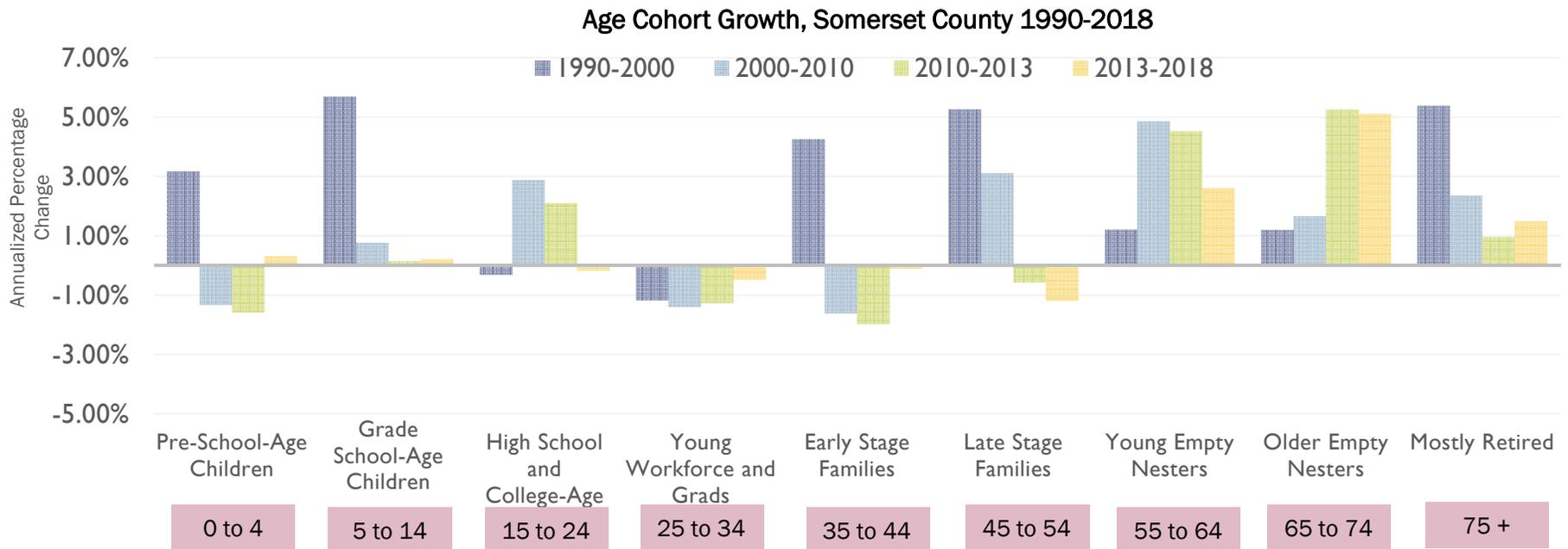
Age Cohorts as a Percentage of Total Population, Somerset County



Source: US Census Bureau; Esri

Age Cohort Growth Patterns

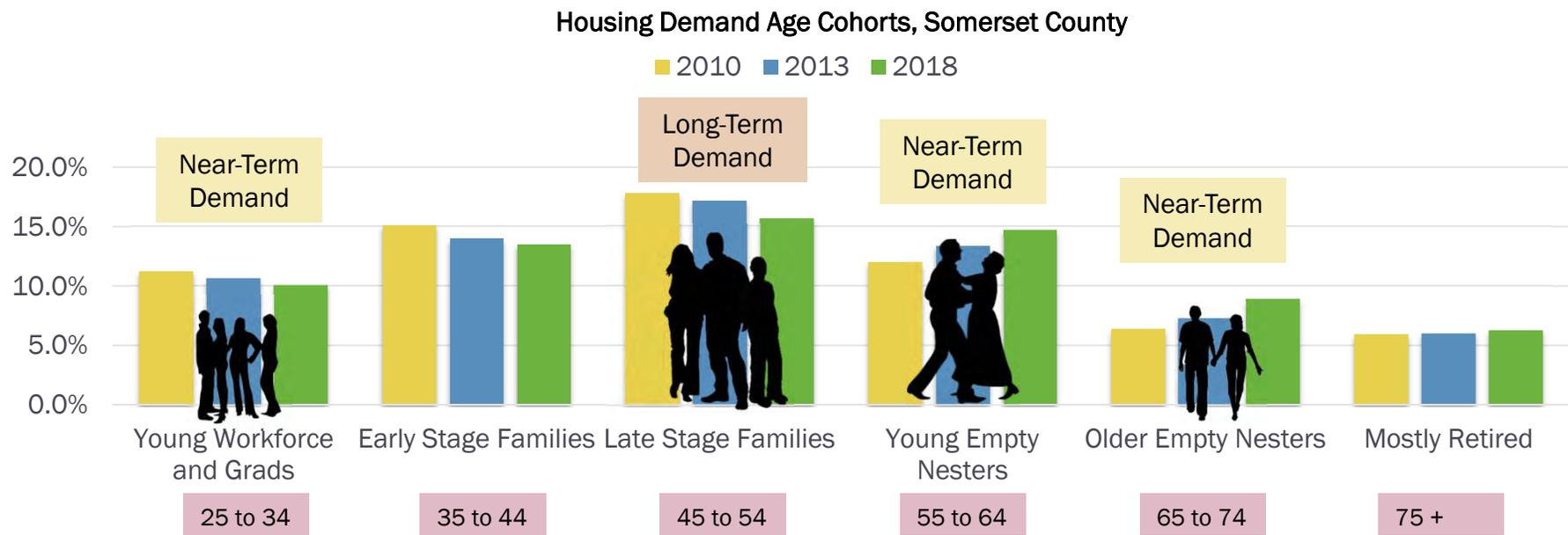
At annualized rates, the 25 to 34 (young workforce and grads) cohort has been consistently declining since 1990, while early stage families have been declining since 2000. By contrast, all age cohorts over 55 have been growing since 1990, a trend expected to continue through 2018, albeit at a lower annualized rate than previous time periods (except for the 75+ cohort). Forecasted to lead all other age cohorts over the next five years is the older empty nesters (65 to 74) age group, at approximately five percent per year. As mentioned previously, an aging population has ramifications for the labor supply, as well as fiscal ramifications tied to an increased demand for certain local government services (such as those related to healthcare, emergency services and transportation) and declining income tax revenues as people retire.



Source: US Census Bureau; Esri

Age and Housing Demand

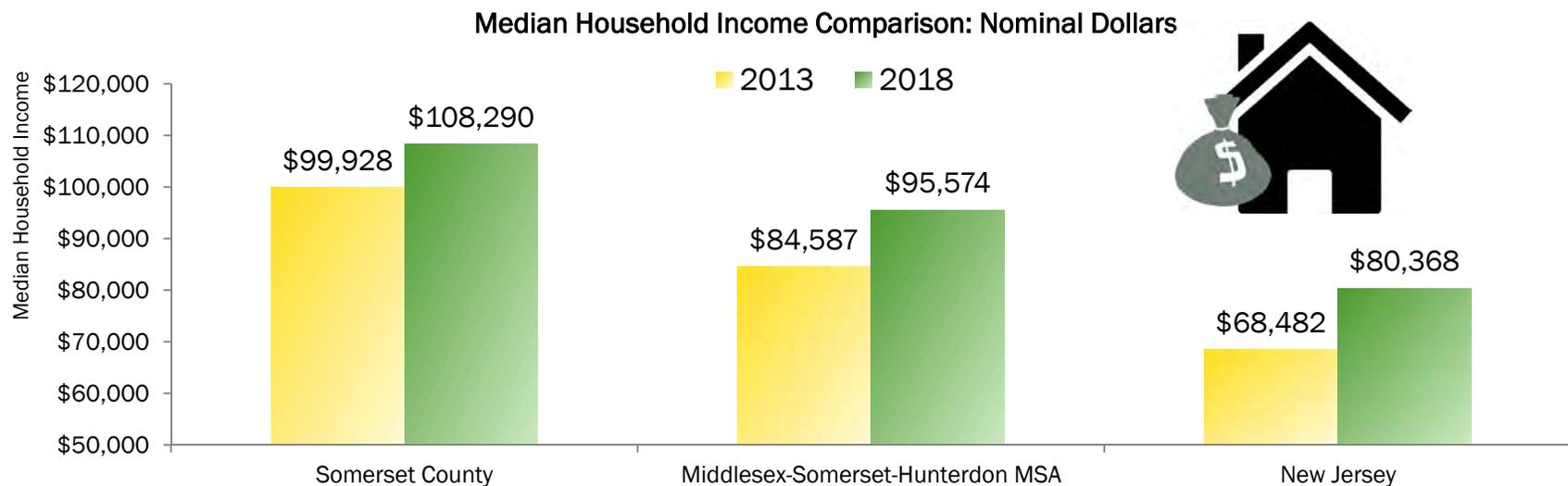
In the near-term (the next seven years) and long-term (beyond the next seven years), housing demand in Somerset County will likely come from within the demographic groups highlighted below. The 55 to 74 age cohort (the empty nesters) will exert considerable influence on the type of housing developed, specifically smaller housing units, as they downsize from traditional single-family units. As previously noted, this group is increasing as a share of the total county population. To a lesser extent, young professionals (age 25-34) should also influence the county's housing market, as this age group will, typically, seek small, affordable, rental units with convenient commutes to jobs or school. However, this age group is forecasted to decline, slightly, as a percent of the total county population through 2018.



Source: US Census Bureau; Esri

Median Household Income

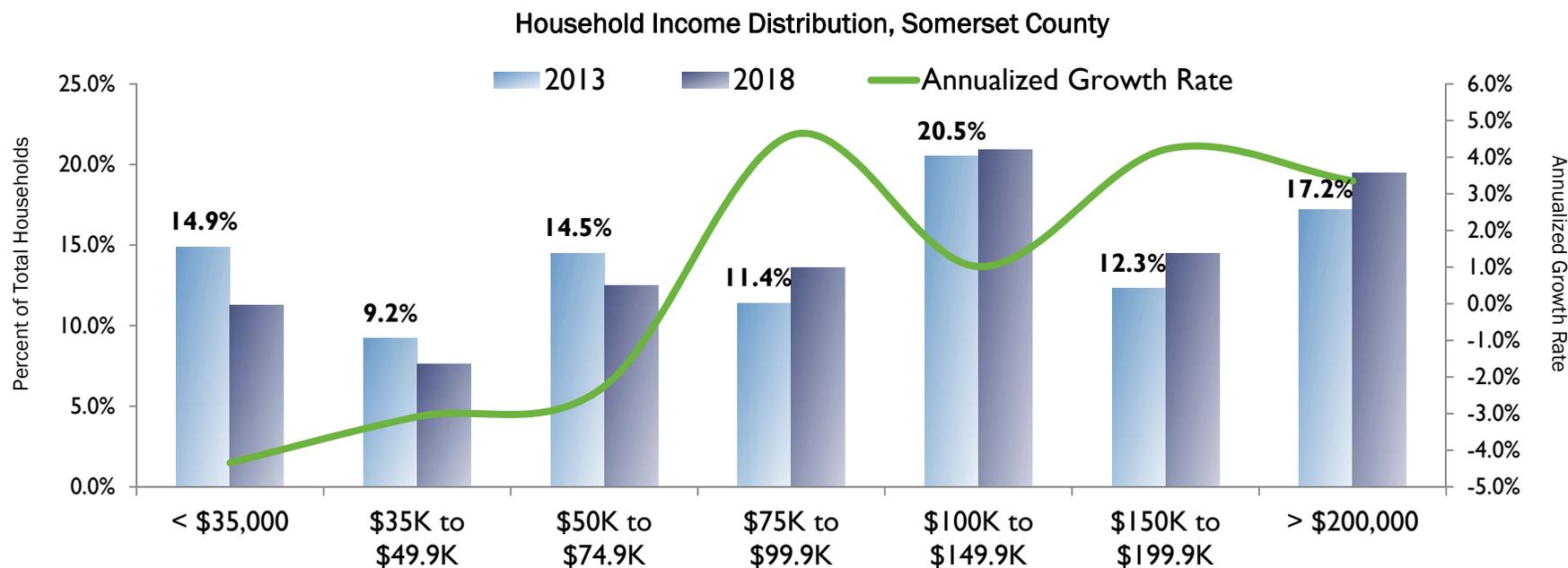
As one of the most affluent counties in the United States, Somerset County has a higher estimated median household income of just under \$100,000 in 2013, exceeding that of the Middlesex-Somerset-Hunterdon MSA (\$84,587) and, to a greater extent, New Jersey (\$68,482). Through 2018, Somerset County is forecasted to realize a modest increase in its median household income of just over \$8,000, lower than the forecasted increases of approximately \$11,000 and \$12,000 for the MSA and New Jersey, respectively. Relatively high median household income in a region is a double-edged sword: On one hand, it serves to attract purveyors of premium goods and services and drives property values higher; the flip side of this relative affluence is the economic challenge to local employers who must, typically, pay increased wages to retain or attract workers in a region with a high cost of living. Additionally, the high cost of living effectively excludes certain demographic groups from living in Somerset County, and leaves residents with less disposable income.



Sources: US Census Bureau; Esri

Income Distribution

As exhibited below, over six out of ten Somerset County households earned an estimated \$75,000 or more in 2013. Nearly three out of ten total households claimed incomes of \$150,000 or more in 2013. Through 2018, all income brackets earning more than \$75,000 are forecasted to grow, with the strongest growth occurring in the \$75,000 to \$99,999 category at an annualized growth rate of over 4.5 percent. Conversely, households which claimed incomes of less than \$75,000 in 2013 represented less than four out of ten total households, and this share of household incomes is projected to decline to nearly three in ten households.



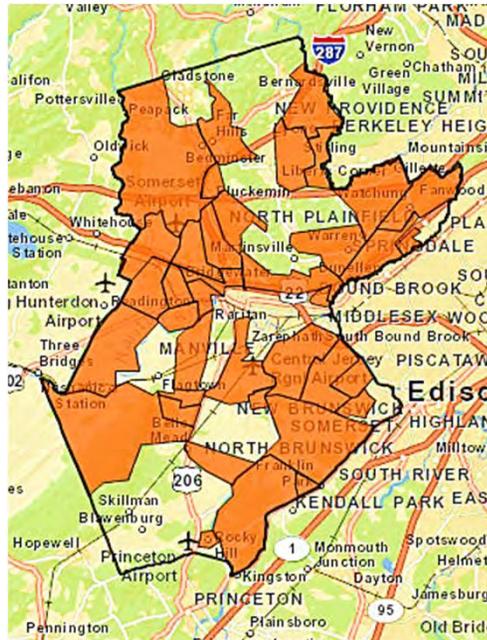
Sources: US Census Bureau; Esri

Median Household Income

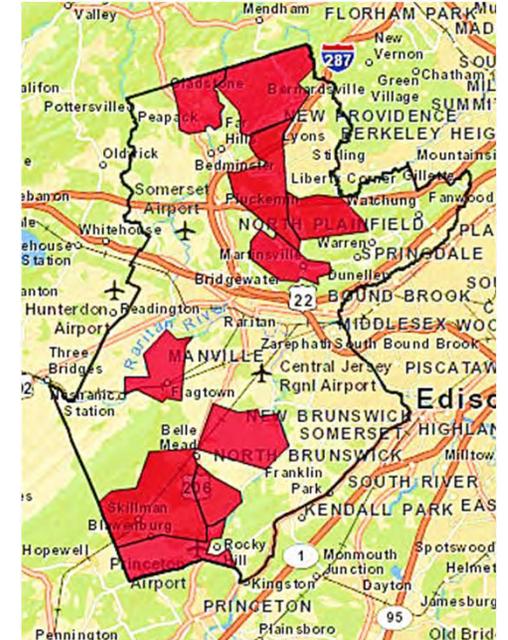
Less than \$75K



Between \$75K and \$150K



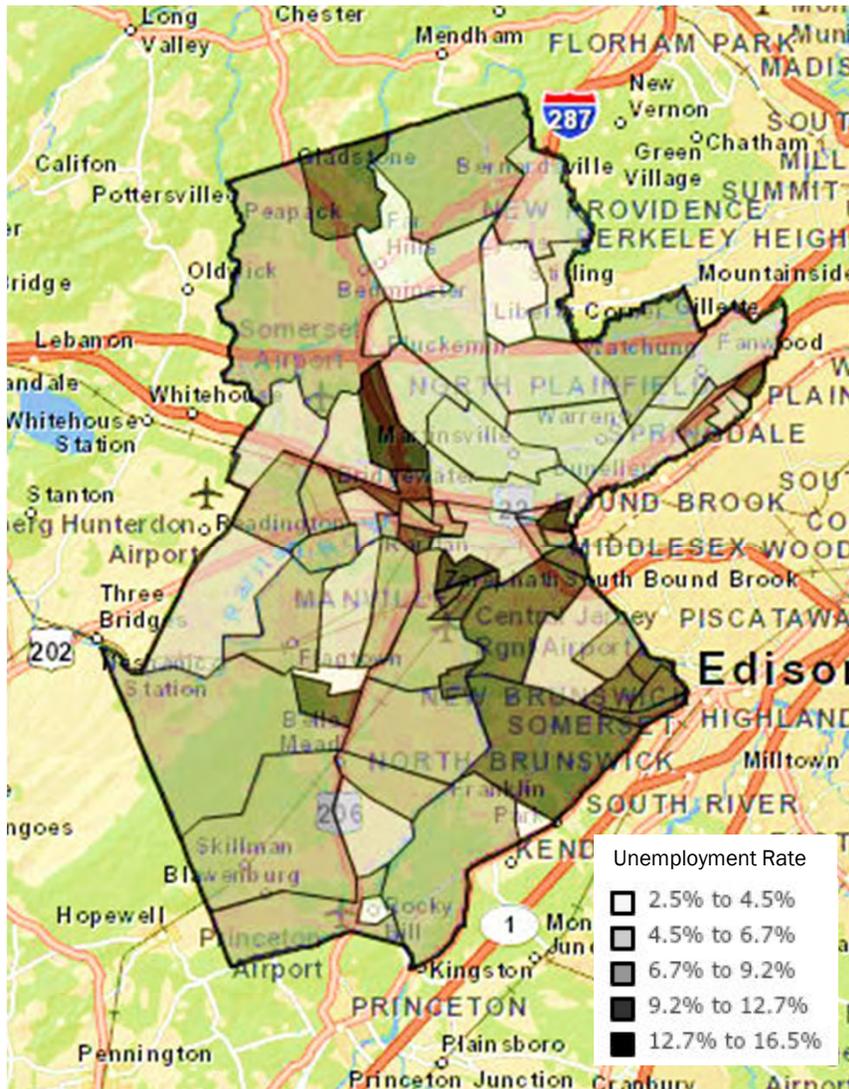
Greater than \$150K



In terms of the geographic distribution of median household income, the denser, more urbanized areas of the county (including Manville, Somerville, Raritan Borough, and North Plainfield) exhibit relatively lower household income than less densely populated areas at the northern and southern ends of the county (including Montgomery Township, Bernardsville, Peapack and Gladstone). This observation is reflective of older, generally less expensive housing stock being located within the county's more urbanized areas. As a greater number of suburban residents reach retirement, many may look to downsize and consider the urban areas of the county as their next prospective move – based on greater access to services and transit.

Source: Esri

Unemployment



In 2013, the county's annual unemployment rate was an estimated 7.4 percent, lower than both the MSA (8.4 percent) and New Jersey (10.1 percent). The highest rate of unemployment within the county in 2013 was located in the northern section of Manville at 16.5 percent. Other areas of the county featuring relatively high unemployment include northern Bound Brook (13.3 percent), Peapack and Gladstone (10.3 percent), and South Bound Brook (10.5 percent).

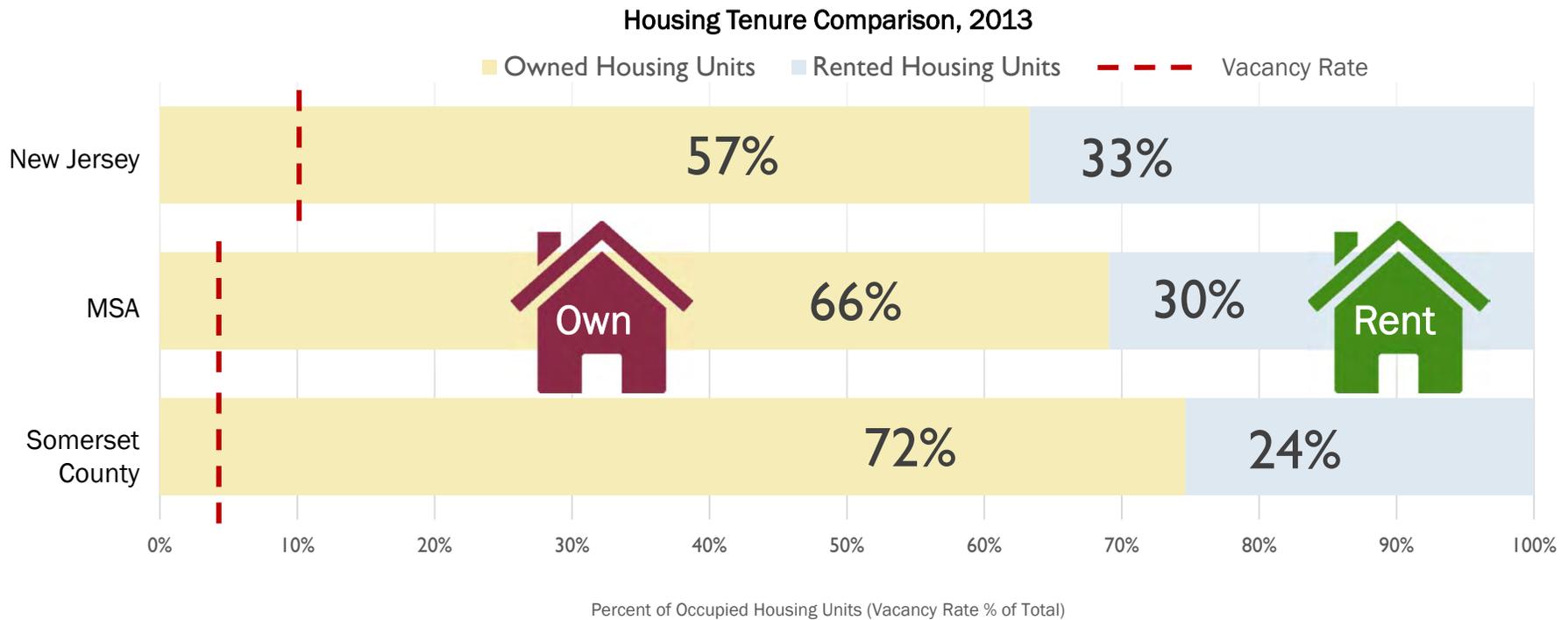
Similar to where there are greater concentrations of lower-income households, unemployment is mostly concentrated in the more urbanized areas of the county.

As these urbanized areas receive greater revitalization attention, employment opportunities should increase, resulting in a lowering of the unemployment rate.

Source: US Census Bureau; Esri; American Community Survey

Housing Tenure Trends

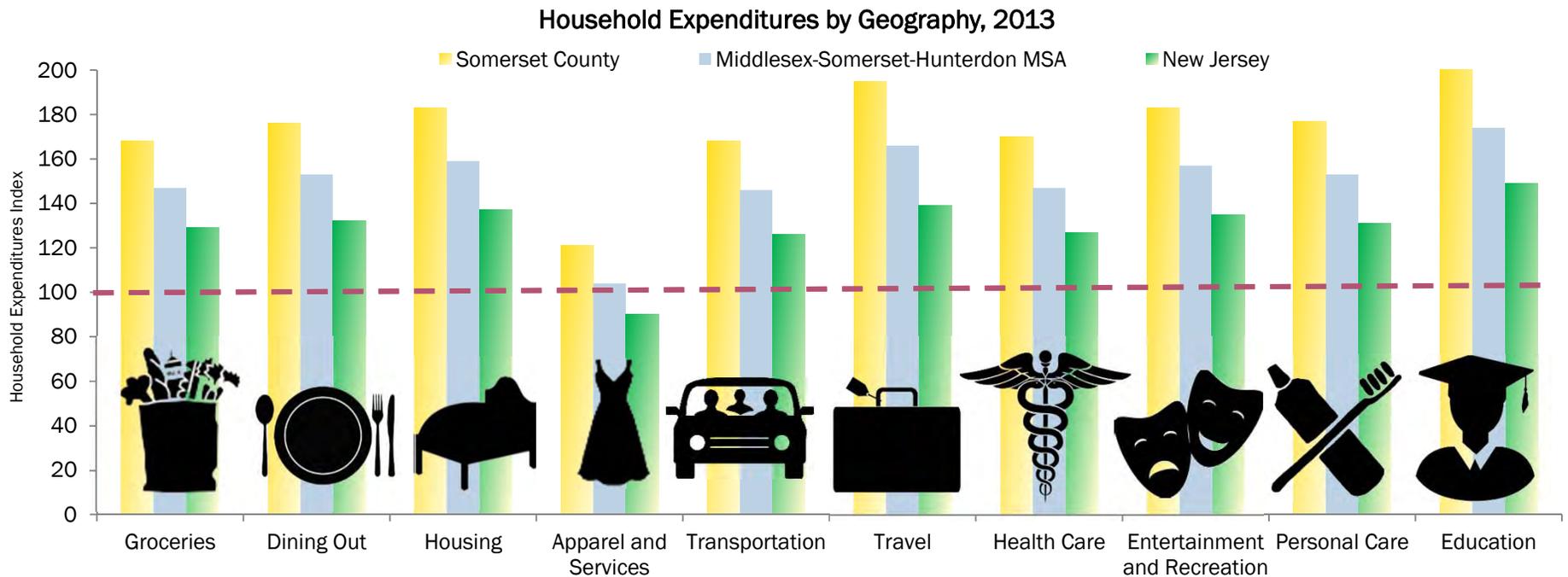
The figure below comparatively illustrates the trends in housing tenure for the three study geographies, indicating that Somerset County exhibits a relatively high rate of home ownership, at approximately 72 percent of all occupied housing units. Somerset County and the Middlesex-Somerset-Hunterdon MSA also demonstrate relatively low vacancy rates relative to the state's housing vacancy, hovering around four percent - indicative of a relatively tight housing market. The trends highlighted below are likely to remain constant through 2018 and suggest upward pricing pressure on both rental and for-sale housing stock, in the absence of new construction.



Source: US Census Bureau; Esri

Household Expenditures

The figure below illustrates the spending potential of households in each of the three analysis geographies on a select set of discretionary spending categories. An index value of 100 represents the national average. In Somerset County, spending levels are well above national averages in every category examined. Indeed, households in Somerset County spend approximately double the national average on travel and education, 83 percent more on housing and entertainment and recreation, 76 percent more on dining out, and around 70 percent more on health care.



Source: US Census Bureau; Esri

Priority Growth Investment Area Socio-Economic Summaries

Background: Priority Growth Investment Areas

According to the New Jersey Office for Planning Advocacy's *Draft State Strategic Plan, Advance Notice of Rules: Priority Investment Area Criteria*, a PGIA is "an area where more significant development and redevelopment is preferred and where public and private investment to support such development and redevelopment will be prioritized." PGIAs, as opposed to Priority Preservation Investment Areas, Alternative Growth Investment Areas, and Limited Growth Investment Areas, are areas where future growth should be encouraged and facilitated.

The individual PGIAs in Somerset County range in size from less than one-tenth of a square mile to over 12 square miles, and fit a range of descriptions, from mixed-use town centers to corporate campuses. A map of the PGIAs can be found in Appendix A. The 24 PGIAs are categorized by typologies taken from the *Somerset County Planning Board Draft Final County Investment Framework PGIA and LPA Screening Criteria Results*. The various typologies include employment node, technology node, office node, industrial park, higher education facility, town center, redevelopment area, planning area 1 (PA1, as defined in the State Plan Policy Map), commercial corridor, industrial/commerce area, major industrial/commerce complex, regional center, transit village, and closed military facility.

Although the character of the individual PGIAs varies widely, the same socio-economic statistics are reported for each PGIA in order to maintain consistency and facilitate comparison. Note that not all statistics may be relevant to each PGIA; for example, the number of households in each PGIA is given although some PGIAs have zero households and housing units.

An explanation of Esri Community Analyst methodology as well as cautions can be found on pages 62-63.

PGIA Name	Municipality	Area (acres)	PGIA Typology
AT&T Campus	Bedminster Township	194	Employment/technology node
The Bound Brooks	Bound Brook/South Bound Brook	1,558	PA1, Joint Town Center, Bound Brook Transit Village
Chimney Rock Interchange Area	Bridgewater Township	205	Employment node
Easton Avenue Corridor	Franklin Township	218	PA1
Exit 33 of I-78	Warren Township	280	Employment node
Green Brook Neighborhood Center	Green Brook	57	PA1
Green Brook Rt. 22 Corridor	Green Brook	324	PA1
Hamilton St./Renaissance Redevelopment	Franklin Township	320	PA1 and redevelopment area
Hillsborough Town Center/Gateway	Hillsborough Township	598	Town center (transit-ready)
Homestead Rd./206 Bypass	Hillsborough Township	623	Industrial/commerce area
I-287 Industrial Complex	Franklin Township	2,930	Major industrial/commerce complex
Imclone	Branchburg Township	624	Industrial park/employment node
Manville Town Center	Manville	1,568	PA1 and town center
Meister Avenue Industrial Parkway	Branchburg Township	916	Industrial park/employment node
Mt. Bethel Employment Area	Warren Township	522	Employment node, commercial corridor, redevelopment site
North Plainfield Town Center	North Plainfield	1,805	Town center
Somerset County Regional Center	Bridgewater Township, Raritan and Somerville	7,994	Regional center and transit village
Rt. 202/NJ TRANSIT Rail Spur	Bridgewater Township	343	PA1
RVCC/Easton Turnpike	Branchburg Township	471	Higher education facility
Sanofi Aventis	Bridgewater Township	316	Office node
VA Depot	Hillsborough Township	1,121	Closed military facility
Veronica Avenue	Franklin Township	654	PA1
Watchung Rt.22 Corridor	Watchung	259	PA1
Weldon Quarry	Watchung	206	Redevelopment area

Socio-Economic Summary: AT&T Campus, Bedminster Township



Typology: Employment/technology node

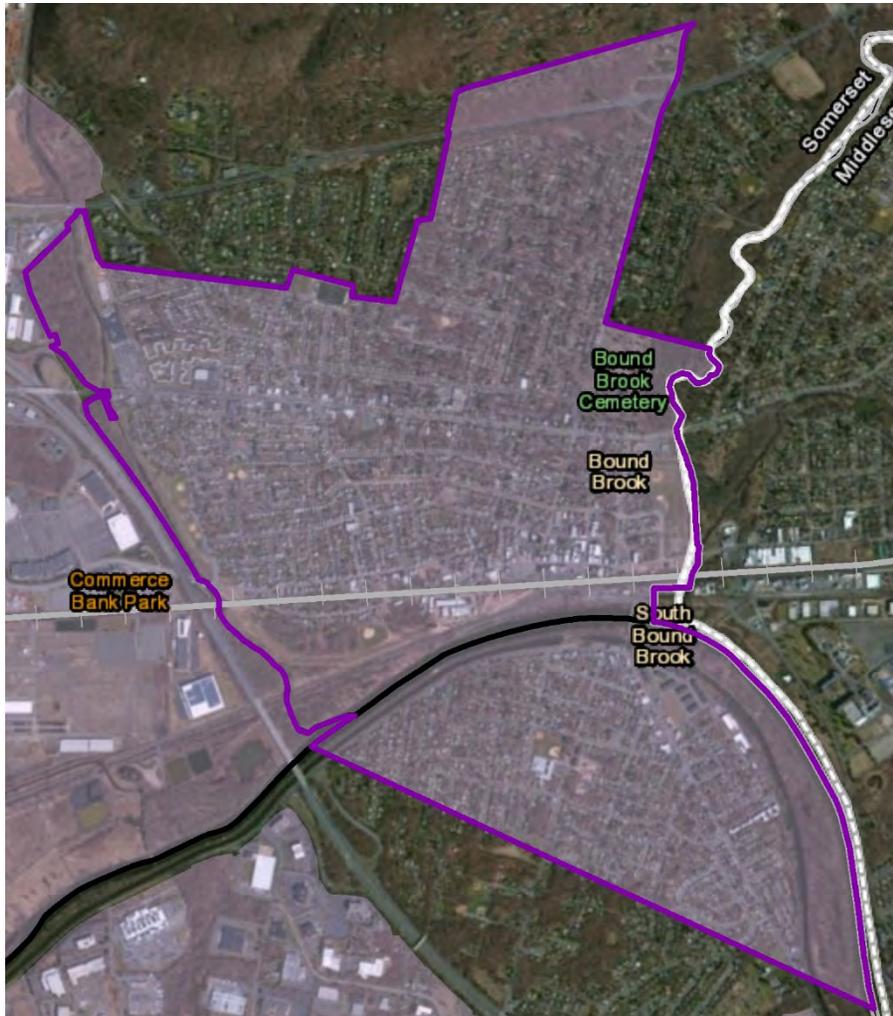
The AT&T Campus is comprised of one parcel zoned for Office Research. At 0.30 square miles, it is the second smallest PGIA by land area. This PGIA is located in Bedminster, and is bordered by Interstate 287 and Highway 202/206.

The AT&T Campus is a corporate campus property; as such, there are no residents living in the PGIA. Certain socio-economic statistics detailed below do not pertain to this PGIA.

Population: 0
Area (sq mi): 0.30
Population Density (people/sq mi): n/a
Median Age: n/a
Total Households: 0
Median Household Income (2013 dollars): n/a
Percent of Household Incomes >\$75,000: n/a
Percent Owner-Occupied Housing: n/a
Forecasted Household Growth Rate (2013-2018): n/a
Housing Vacancy Rate: n/a

Source: US Census Bureau; Esri

Socio-Economic Summary: The Bound Brooks, Bound Brook and South Bound Brook



Typology: PA1, Joint Town Center, and Bound Brook Transit Village

The Bound Brooks PGIA is comprised of the municipalities of Bound Brook and South Bound Brook. The Bound Brooks contain the third largest population out of all of the PGIA's. The Bound Brooks feature a much higher population density than Somerset County as a whole, as well as a lower median household income and lower percentage of owner-occupied housing.

Population: 14,921
Area (sq mi): 2.43
Population Density (people/sq mi): 6,129
Median Age: 36.1
Total Households: 5,299
Median Household Income (2013 dollars): \$61,459
Percent of Household Incomes >\$75,000: 41.4%
Percent Owner-Occupied Housing: 47.5%
Forecasted Household Growth Rate (2013-2018): 0.23%
Housing Vacancy Rate: 6.1%

Source: US Census Bureau; Esri

Socio-Economic Summary: Chimney Rock Interchange, Bridgewater Township



Typology: Employment node

The Chimney Rock Interchange PGIA is comprised of vacant and public land as well as commercial and industrial parcels. The 0.321 acre area is tied with Weldon Quarry as the third smallest PGIA by land area.

Population: 0

Area (sq mi): 0.32

Population Density (people/sq mi): n/a

Median Age: n/a

Total Households: 0

Median Household Income (2013 dollars): n/a

Percent of Household Incomes >\$75,000: n/a

Percent Owner-Occupied Housing: n/a

Forecasted Household Growth Rate (2013-2018): n/a

Housing Vacancy Rate: n/a

Source: US Census Bureau; Esri

Socio-Economic Summary: Easton Avenue Corridor, Franklin Township



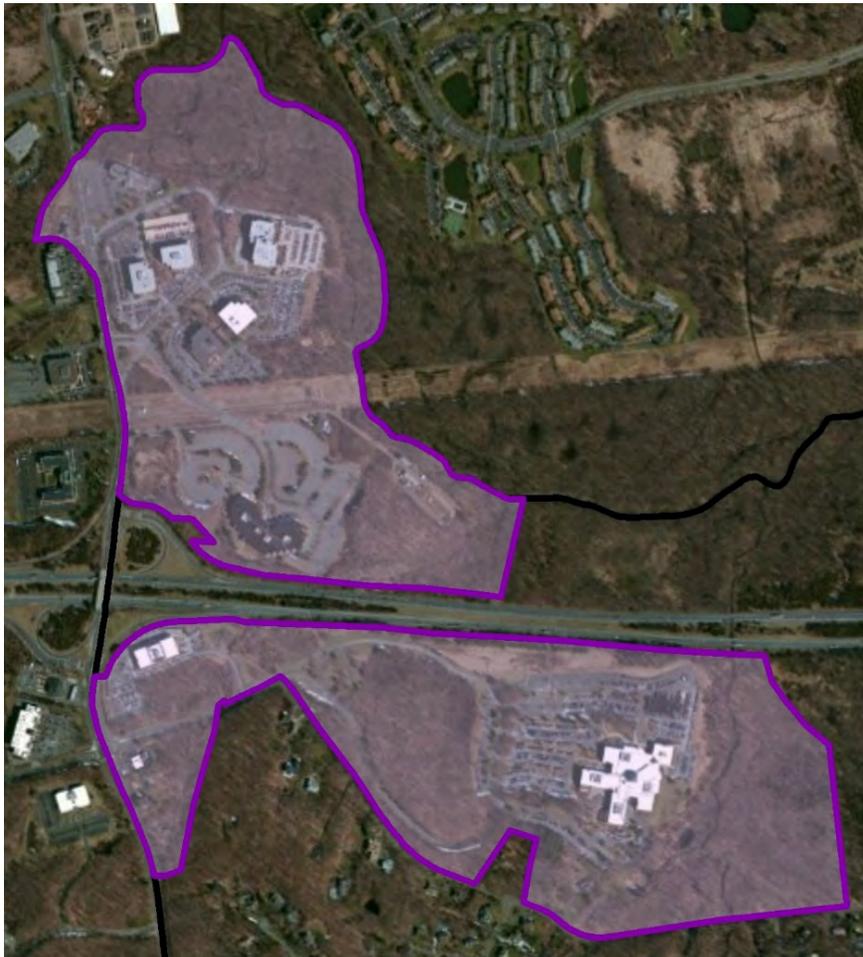
Typology: PA1

Easton Avenue Corridor has the second highest population density among the PGiAs and the third lowest percentage of owner-occupied housing. This PGiA lies close to the boundary of Somerset and Middlesex Counties, and is located close to Rutgers University in New Brunswick. This likely indicates a large student population in the area.

Population: 2,610
Area (sq mi): 0.34
Population Density (people/sq mi): 7,679
Median Age: 38.0
Total Households: 1,139
Median Household Income (2013 dollars): \$77,364
Percent of Household Incomes >\$75,000: 52.4%
Percent Owner-Occupied Housing: 47.7%
Forecasted Household Growth Rate (2013-2018): -0.77%
Housing Vacancy Rate: 6.7%

Source: US Census Bureau; Esri

Socio-Economic Summary: Exit 33 I-78, Warren Township



Typology: Employment node

The majority of the Exit 33 I-78 PGIA, a 0.44 square mile area, is zoned Office Research; parts of the PGIA are also zoned Environmental Critical Rural Residential and Business Residential, although Esri reports no residents within PGIA boundaries.

Population: 0

Area (sq mi): 0.44

Population Density (people/sq mi): n/a

Median Age: n/a

Total Households: 0

Median Household Income (2013 dollars): n/a

Percent of Household Incomes >\$75,000: n/a

Percent Owner-Occupied Housing: n/a

Forecasted Household Growth Rate (2013-2018): n/a

Housing Vacancy Rate: n/a

Source: US Census Bureau; Esri

Socio-Economic Summary: Green Brook Neighborhood Center, Green Brook



Typology: PA1

Green Brook Neighborhood Center is the smallest of the PGIAs in area (0.09 square miles), the third lowest in population, and has the third least number of households. Of Somerset County's municipalities, Green Brook has the fourth highest median household income.

Population: 35

Area (sq mi): 0.09

Population Density (people/sq mi): 394

Median Age: 46.7

Total Households: 12

Median Household Income (2013 dollars): \$79,776

Percent of Household Incomes >\$75,000: 50.0%

Percent Owner-Occupied Housing: 84.6%

Forecasted Household Growth Rate (2013-2018): 0.23%

Housing Vacancy Rate: 7.7%

Source: US Census Bureau; Esri

Socio-Economic Summary: Green Brook Route 22 Corridor, Green Brook



Typology: PA1

Of the PGIAs, Green Brook Route 22 Corridor has the fourth highest median household income (as does the municipality of Green Brook when compared to the other municipalities in Somerset County). This PGIA is mainly a highway commercial corridor, and as such does not feature a heavy concentration of households and residents.

Population:	263
Area (sq mi):	0.50
Population Density (people/sq mi):	524
Median Age:	40.9
Total Households:	105
Median Household Income (2013 dollars):	\$123,900
Percent of Household Incomes >\$75,000:	71.4%
Percent Owner-Occupied Housing:	84.5%
Forecasted Household Growth Rate (2013-2018):	0.52%
Housing Vacancy Rate:	4.5%

Source: US Census Bureau; Esri

Socio-Economic Summary: Hamilton Street/Renaissance Redevelopment, Franklin Township



Typology: PA1 and redevelopment area

The Hamilton Street/Renaissance Redevelopment PGIA has the second lowest median household income and lowest percentage of owner-occupied housing. This PGIA is part of the Renaissance 2000 redevelopment area, which was designated in 1995 and includes parts of Franklin Township and the City of New Brunswick.

Population:	1,827
Area (sq mi):	0.50
Population Density (people/sq mi):	3,660
Median Age:	31.2
Total Households:	520
Median Household Income (2013 dollars):	\$52,125
Percent of Household Incomes >\$75,000:	34.8%
Percent Owner-Occupied Housing:	41.7%
Forecasted Household Growth Rate (2013-2018):	1.42%
Housing Vacancy Rate:	9.6%

Source: US Census Bureau; Esri; Redevelopment in Somerset County: Current Status and Lessons Learned

Socio-Economic Summary: Hillsborough Town Center/Gateway, Hillsborough Township



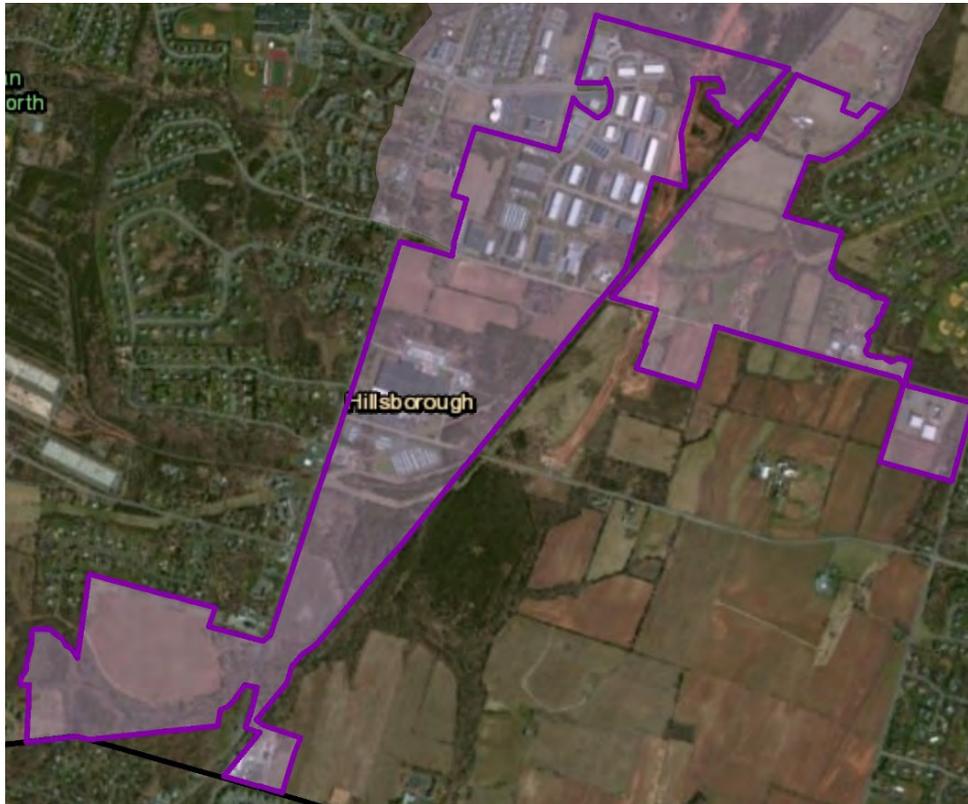
Typology: Town Center (transit-ready)

The Hillsborough Town Center/Gateway PGIA has values close to the medians for all socio-economic metrics studied. Its median household income is lower than that of Somerset County, but higher than that of the MSA and New Jersey. Of the PGIAs, Hillsborough's population density is closest to that of Somerset County as a whole.

Population:	1,093
Area (sq mi):	0.94
Population Density (people/sq mi):	1,169
Median Age:	43.4
Total Households:	557
Median Household Income (2013 dollars):	\$88,568
Percent of Household Incomes >\$75,000:	57.2%
Percent Owner-Occupied Housing:	79.1%
Forecasted Household Growth Rate (2013-2018):	0.69%
Housing Vacancy Rate:	6.2%

Source: US Census Bureau; Esri

Socio-Economic Summary: Homestead Road/Route 206 Bypass, Hillsborough Township



Typology: Industrial/commerce area

The Homestead Road/Route 206 Bypass PGIA has the highest percentage of owner-occupied housing and the second lowest rate of housing vacancies. It also has a relatively small population and low population density, understandable given the industrial and commercial nature of the area.

Population: 143

Area (sq mi): 0.97

Population Density (people/sq mi): 147

Median Age: 45.4

Total Households: 42

Median Household Income (2013 dollars): \$119,687

Percent of Household Incomes >\$75,000: 78.6%

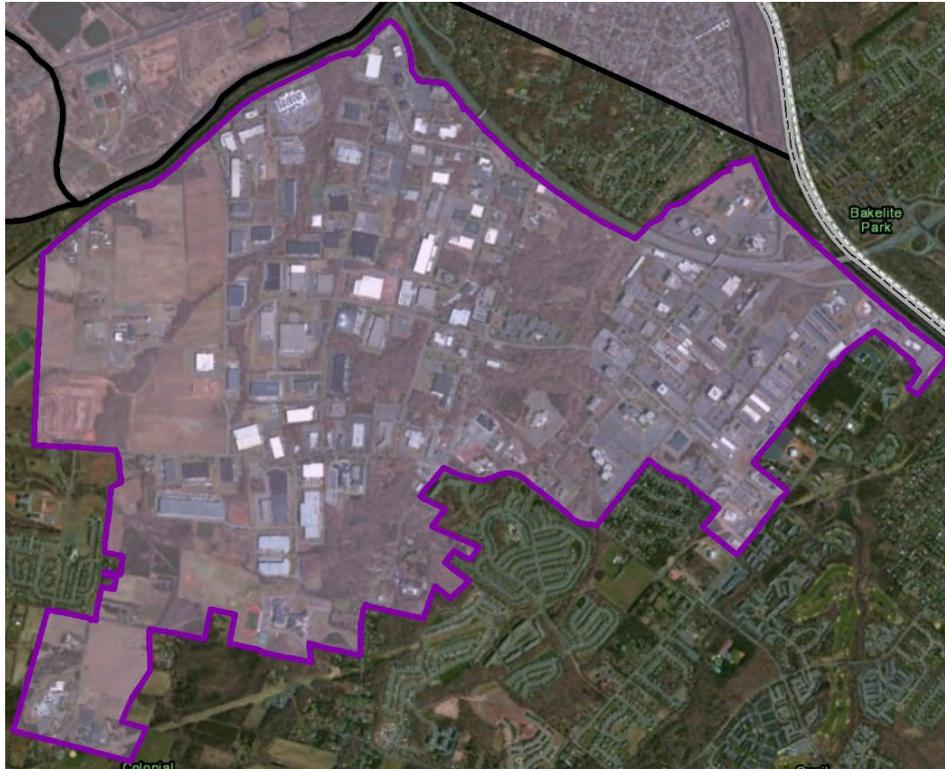
Percent Owner-Occupied Housing: 90.7%

Forecasted Household Growth Rate (2013-2018): 0.30%

Housing Vacancy Rate: 2.3%

Source: US Census Bureau; Esri

Socio-Economic Summary: I-287 Industrial Complex, Franklin Township



Typology: Major industrial/commerce complex

Of the PGIA's, I-287 Industrial Complex is the second largest in land area, has the second highest forecasted household growth rate, and is tied with the Mt. Bethel Employment Area PGIA for third highest housing vacancy rate. Although the PGIA is industrial and commercial in nature, there are small residential areas.

Population: 1,230

Area (sq mi): 4.58

Population Density (people/sq mi): 269

Median Age: 58.8

Total Households: 438

Median Household Income (2013 dollars): \$101,764

Percent of Household Incomes >\$75,000: 62.5%

Percent Owner-Occupied Housing: 67.5%

Forecasted Household Growth Rate (2013-2018): 2.87%

Housing Vacancy Rate: 14.3%

Source: US Census Bureau; Esri

Socio-Economic Summary: Imclone, Branchburg Township



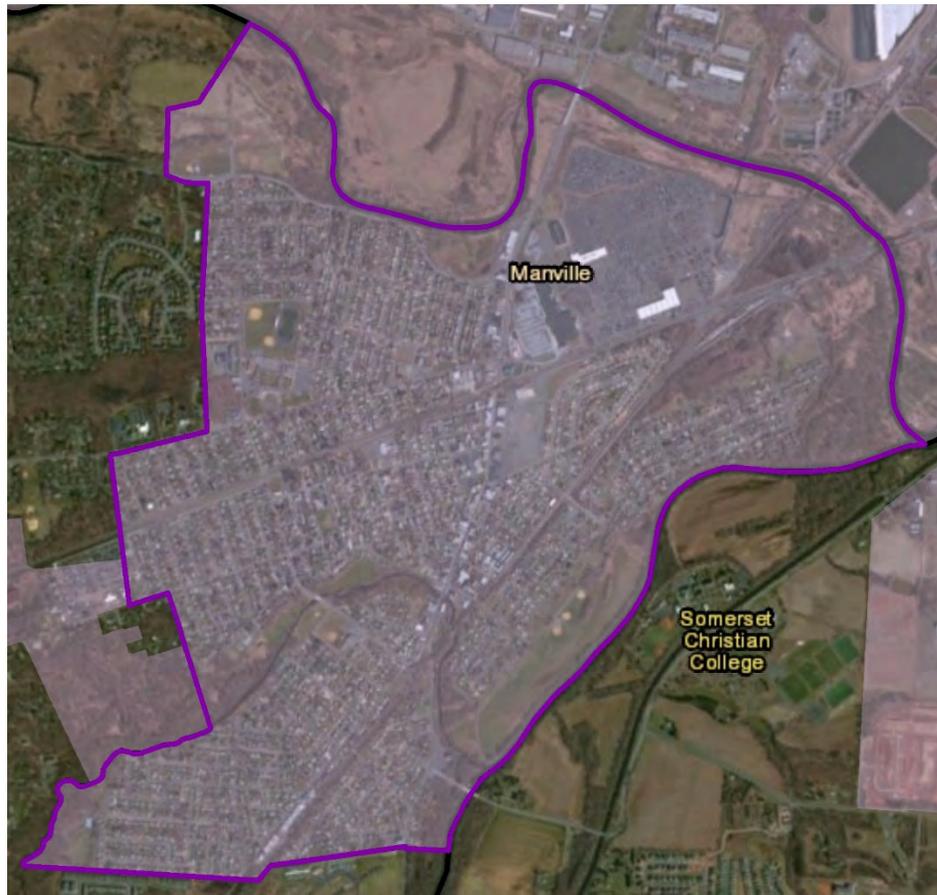
Typology: Industrial park/employment node

Of the PGAs, Imclone has the highest forecasted household growth rate, at just over 3 percent.

Population:	902
Area (sq mi):	0.98
Population Density (people/sq mi):	925
Median Age:	41.4
Total Households:	344
Median Household Income (2013 dollars):	\$86,992
Percent of Household Incomes >\$75,000:	54.6%
Percent Owner-Occupied Housing:	73.4%
Forecasted Household Growth Rate (2013-2018):	3.06%
Housing Vacancy Rate:	4.7%

Source: US Census Bureau; Esri

Socio-Economic Summary: Manville Town Center, Manville



Typology: PA1, Town Center

The Manville Town Center PGIA has the lowest median household income and the lowest percentage of households making over \$75,000 a year of all 24 PGIA's. Of Somerset County's municipalities, Manville has the lowest median household income as of 2012.

Population: 10,436

Area (sq mi): 2.45

Population Density (people/sq mi): 4,261

Median Age: 39.9

Total Households: 4,045

Median Household Income (2013 dollars): \$49,885

Percent of Household Incomes >\$75,000: 32.6%

Percent Owner-Occupied Housing: 60.8%

Forecasted Household Growth Rate (2013-2018): 0.38%

Housing Vacancy Rate: 6.0%

Source: US Census Bureau; Esri

Socio-Economic Summary: Meister Ave. Industrial Parkway, Branchburg Township



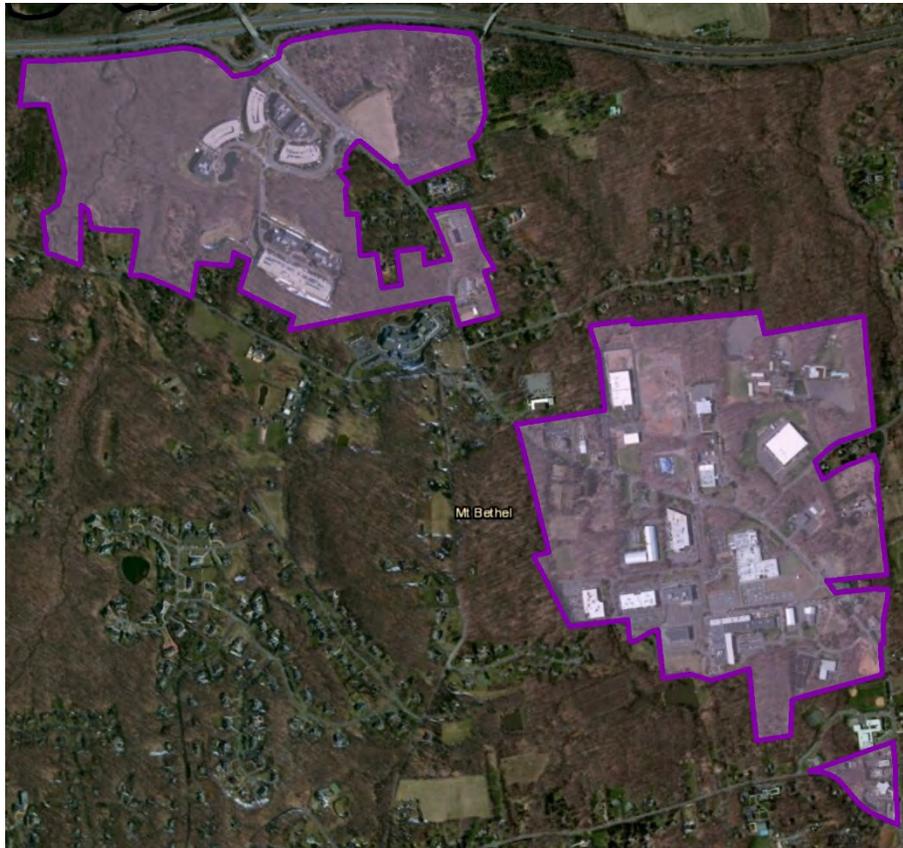
Typology: Industrial park/employment node

The Meister Avenue Industrial Parkway PGIA is focused on industry and employment. It features a rail line as well as close proximity to Raritan Valley Community College.

Population: 737
Area (sq mi): 1.43
Population Density (people/sq mi): 515
Median Age: 43.1
Total Households: 344
Median Household Income (2013 dollars): \$107,663
Percent of Household Incomes >\$75,000: 68.6%
Percent Owner-Occupied Housing: 87.0%
Forecasted Household Growth Rate (2013-2018): 1.77%
Housing Vacancy Rate: 4.7%

Source: US Census Bureau; Esri

Socio-Economic Summary: Mt. Bethel Employment Area, Warren Township



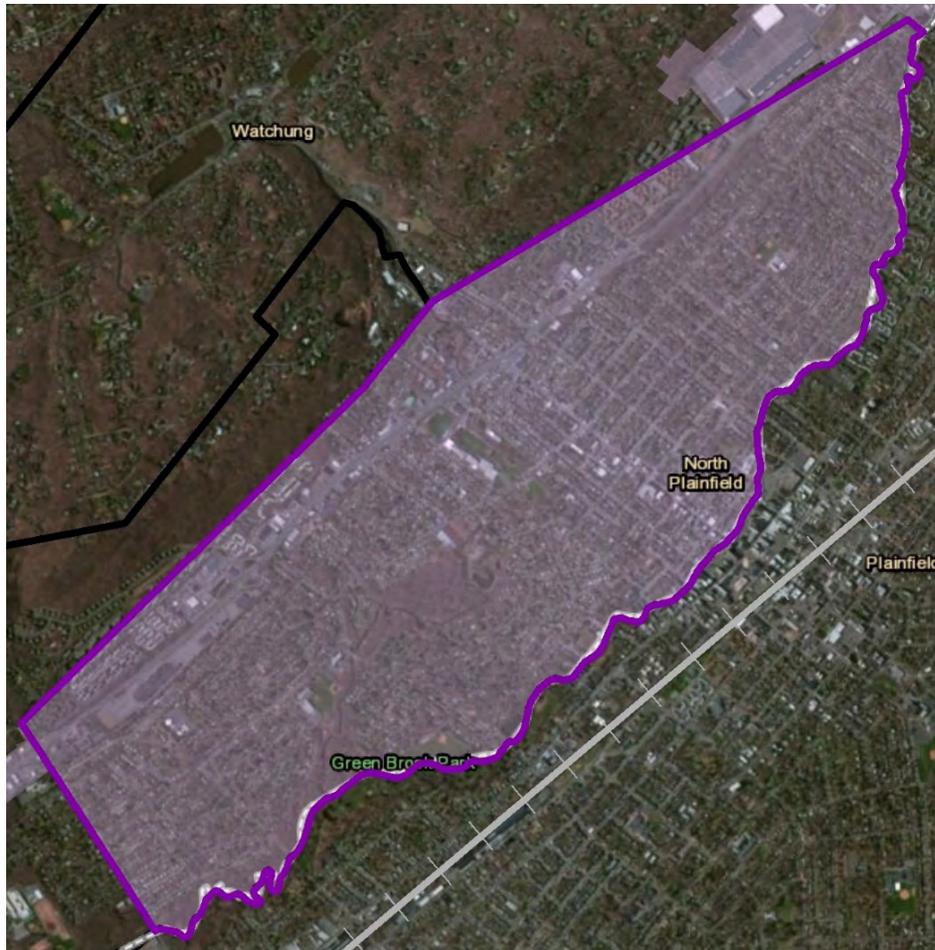
Typology: Employment Node/Commercial Corridor/Redevelopment Site

As an employment node, Mt. Bethel Employment Area has minimal residential use. This PGIA is in Warren Township, the municipality in Somerset County with the highest median household income.

Population:	20
Area (sq mi):	0.82
Population Density (people/sq mi):	24.54
Median Age:	40.0
Total Households:	6
Median Household Income (2013 dollars):	\$120,000
Percent of Household Incomes >\$75,000:	50.0%
Percent Owner-Occupied Housing:	71.4%
Forecasted Household Growth Rate (2013-2018):	0.33%
Housing Vacancy Rate:	14.3%

Source: US Census Bureau; Esri

Socio-Economic Summary: North Plainfield Town Center, North Plainfield



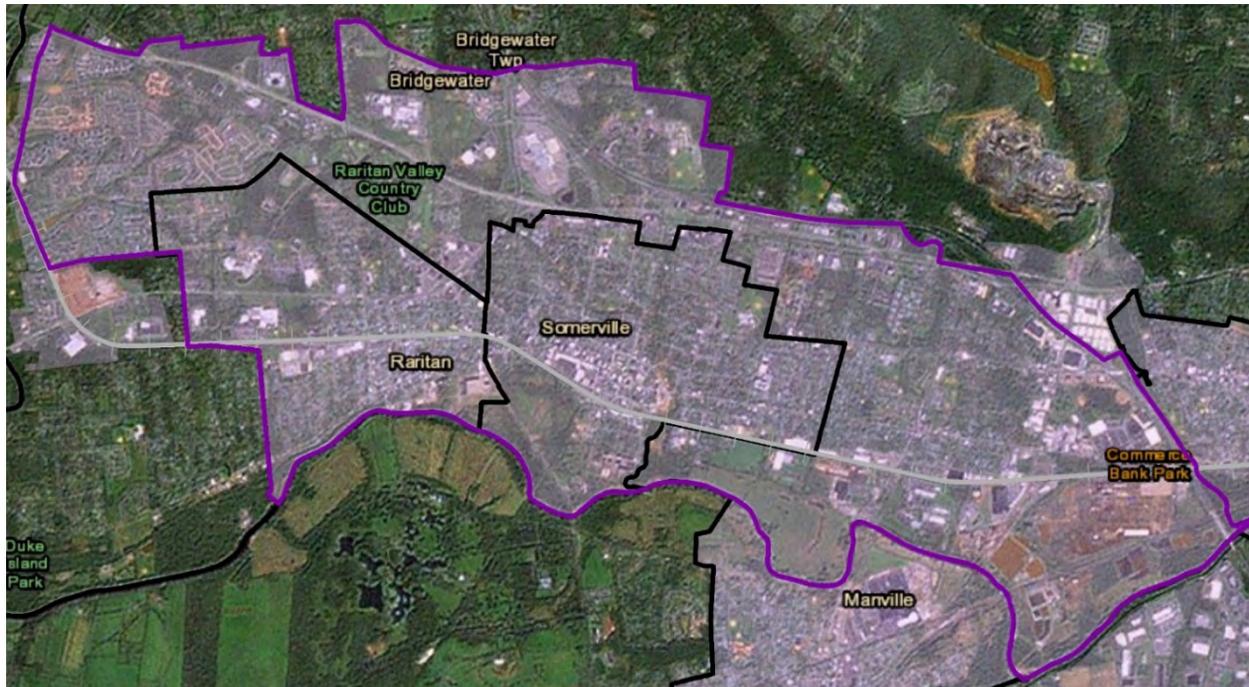
Typology: Town Center

The North Plainfield Town Center PGIA encompasses the entire municipality of North Plainfield. North Plainfield has the third lowest median household income of Somerset County's municipalities. It is the third largest PGIA by area, and features a high population density.

Population:	22,278
Area (sq mi):	2.82
Population Density (people/sq mi):	7,897
Median Age:	35.7
Total Households:	7,538
Median Household Income (2013 dollars):	\$58,191
Percent of Household Incomes >\$75,000:	37.7%
Percent Owner-Occupied Housing:	51.6%
Forecasted Household Growth Rate (2013-2018):	0.52%
Housing Vacancy Rate:	4.3%

Source: US Census Bureau; Esri

Socio-Economic Summary: Somerset County Regional Center, Bridgewater Township, Raritan, and Somerville



Population:	36,113
Area (sq mi):	12.49
Population Density (people/sq mi):	2,891
Median Age:	38.8
Total Households:	13,652
Median Household Income (2013 dollars):	\$72,798
Percent of Household Incomes >\$75,000:	48.9%
Percent Owner-Occupied Housing:	56.0%
Forecasted Household Growth Rate (2013-2018):	0.64%
Housing Vacancy Rate:	4.8%

Typology: Regional Center and transit village

The largest PGIA by land area, Somerset County Regional Center has the largest population and number of households. It is comprised of the entirety of Raritan and Somerville Boroughs as well as part of Bridgewater Township.

Source: US Census Bureau; Esri

Socio-Economic Summary: Route 202/NJ TRANSIT Rail Spur, Bridgewater Township



Typology: PA1

The Route 202/NJ TRANSIT Rail Spur PGIA borders the western side of the Regional Center PGIA. Of the PGIAs, Route 202/NJ TRANSIT Rail Spur has the third highest median household income, the second highest percentage of houses making over \$75,000 per year, and the second highest rate of owner-occupied housing.

Population: 663
Area (sq mi): 0.54
Population Density (people/sq mi): 1,239
Median Age: 38.5
Total Households: 236
Median Household Income (2013 dollars): \$124,863
Percent of Household Incomes >\$75,000: 75.0%
Percent Owner-Occupied Housing: 90.3%
Forecasted Household Growth Rate (2013-2018): 1.27%
Housing Vacancy Rate: 4.8%

Source: US Census Bureau; Esri

Socio-Economic Summary: RVCC/Easton Turnpike, Branchburg Township



Population:	143
Area (sq mi):	0.74
Population Density (people/sq mi):	194
Median Age:	46.0
Total Households:	84
Median Household Income (2013 dollars):	\$150,000
Percent of Household Incomes >\$75,000:	65.5%
Percent Owner-Occupied Housing:	68.7%
Forecasted Household Growth Rate (2013-2018):	1.45%
Housing Vacancy Rate:	15.2%

Typology: Higher education facility

Of the PGIAs, RVCC/Easton Turnpike has the second highest median household income and the second highest housing vacancy rate. Raritan Valley Community College is the focus of this PGIA.

Source: US Census Bureau; Esri

Socio-Economic Summary: Sanofi Aventis, Bridgewater Township



Typology: Office node

The Sanofi Aventis PGIA was home to the pharmaceutical company's R&D operation until its recent departure from this Bridgewater location. The Sanofi Aventis PGIA will likely undergo changes as the new use for the office facility is established.

Population: 64
Area (sq mi): 0.49
Population Density (people/sq mi): 130
Median Age: 46.3
Total Households: 22
Median Household Income (2013 dollars): \$115,015
Percent of Household Incomes >\$75,000: 72.7%
Percent Owner-Occupied Housing: 87.5%
Forecasted Household Growth Rate (2013-2018): -0.57%
Housing Vacancy Rate: 8.3%

Source: US Census Bureau; Esri

Socio-Economic Summary: VA Depot, Hillsborough Township



Typology: Closed military facility

The VA Depot PGIA has the fourth highest projected household growth rate. It is a potential redevelopment site, and has access to the Norfolk Southern Lehigh Valley line, which could encourage freight or shipping uses.

Population:	466
Area (sq mi):	1.75
Population Density (people/sq mi):	266
Median Age:	44.5
Total Households:	147
Median Household Income (2013 dollars):	\$100,618
Percent of Household Incomes >\$75,000:	60.5%
Percent Owner-Occupied Housing:	78.5%
Forecasted Household Growth Rate (2013-2018):	1.74%
Housing Vacancy Rate:	7.0%

Source: US Census Bureau; Esri

Socio-Economic Summary: Veronica Avenue, Franklin Township



Typology: PA1

Of the PGIAs, Veronica Avenue has the lowest housing vacancy rate (indicated by Esri as 0.0%). The population and population density, however, are low for Somerset County.

Population:	152
Area (sq mi):	1.02
Population Density (people/sq mi):	149
Median Age:	36.4
Total Households:	54
Median Household Income (2013 dollars):	\$93,632
Percent of Household Incomes >\$75,000:	64.9%
Percent Owner-Occupied Housing:	58.5%
Forecasted Household Growth Rate (2013-2018):	0.60%
Housing Vacancy Rate:	0.0%

Source: US Census Bureau; Esri

Socio-Economic Summary: Watchung Route 22 Corridor, Watchung



Typology: PA1

The Watchung Route 22 Corridor PGIA is mainly composed of highway commercial land, but still has a sizeable population and high population density.

Population: 810
Area (sq mi): 0.40
Population Density (people/sq mi): 2,003
Median Age: 45.1
Total Households: 300
Median Household Income (2013 dollars): \$109,078
Percent of Household Incomes >\$75,000: 56.7%
Percent Owner-Occupied Housing: 67.1%
Forecasted Household Growth Rate (2013-2018): 0.50%
Housing Vacancy Rate: 5.1%

Source: US Census Bureau; Esri

Socio-Economic Summary: Weldon Quarry, Watchung



Typology: Redevelopment area

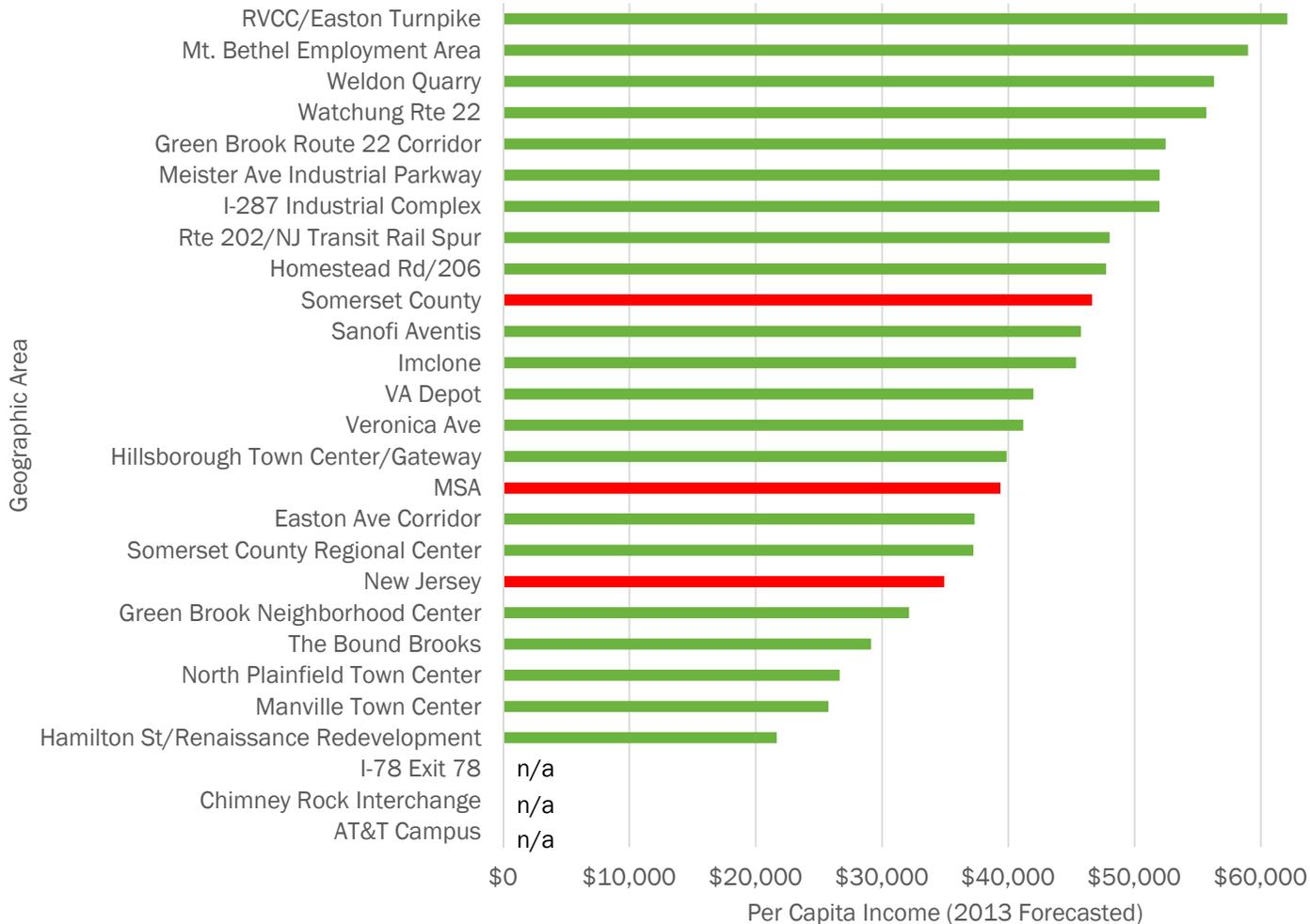
As the PGIA is a former quarry, the socio-economic characteristics of the area should not be over-emphasized. This PGIA is tied with Chimney Rock Interchange for the third smallest land area.

Population: 12
Area (sq mi): 0.32
Population Density (people/sq mi): 37
Median Age: 42.5
Total Households: 3
Median Household Income (2013 dollars): \$200,001
Percent of Household Incomes >\$75,000: 33.3%
Percent Owner-Occupied Housing: 50.0%
Forecasted Household Growth Rate (2013-2018): 0.50%
Housing Vacancy Rate: 25.0%

Source: US Census Bureau; Esri

Per Capita Income Rankings

Forecasted 2013 Per Capita Income (2013 dollars):



Per capita income varies among the PGIA's, from over \$60,000 in RVCC/ Easton Turnpike to just under \$22,000 in Hamilton Street/Renaissance Redevelopment.

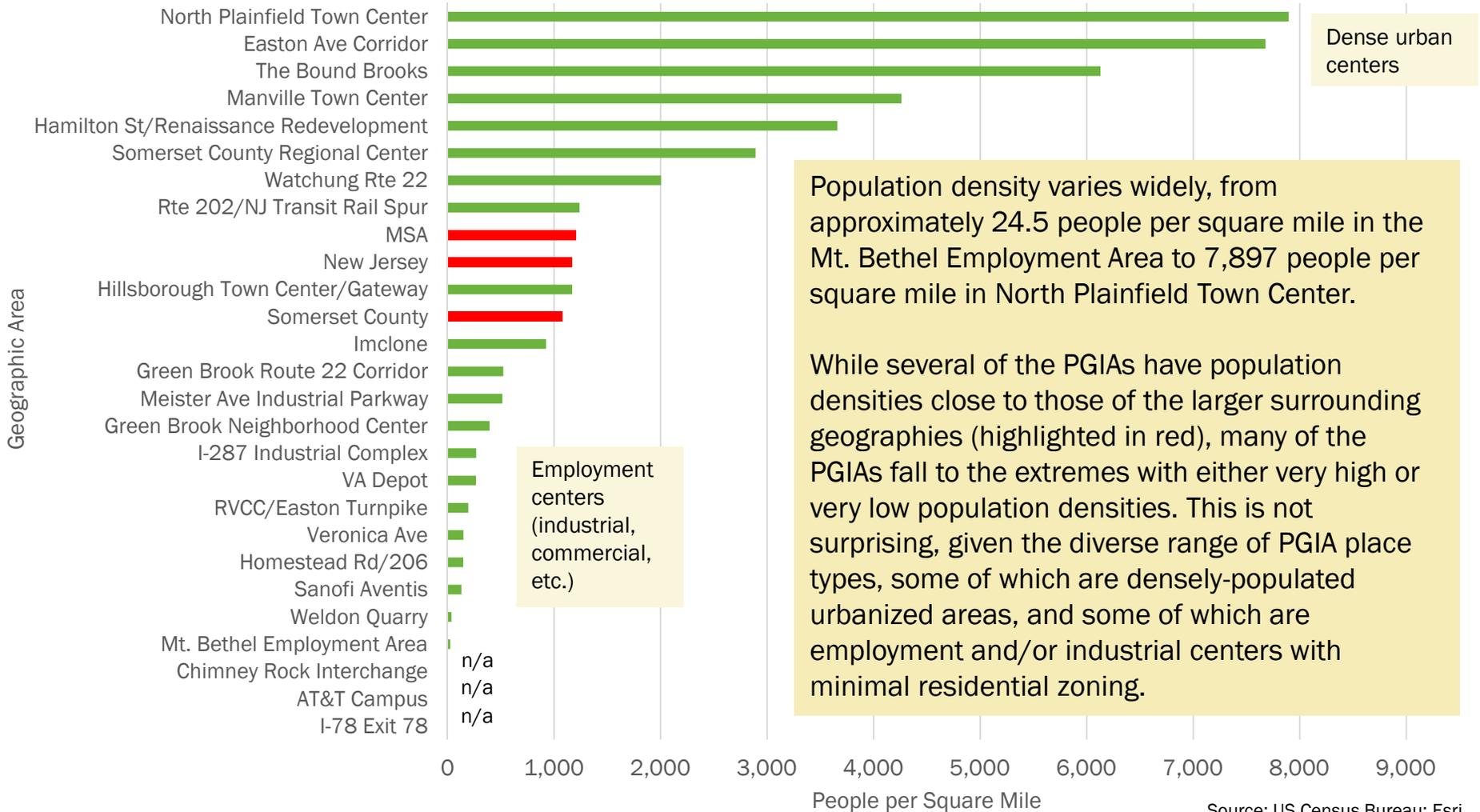
Larger comparison geographies (Somerset County, the MSA, and the State of New Jersey) are highlighted in red. Nine of the PGIA's have higher median household incomes than Somerset County as a whole, while 16 PGIA's have higher median household incomes than the State of New Jersey.

Note: On this and following page, variations in PGIA place types make direct comparison of certain socio-economic comparisons difficult since some PGIA's have few or no households

Source: US Census Bureau; Esri

Population Density Rankings

2013 Population Density (people/sq mi):



Source: US Census Bureau; Esri

Takeaway: Socio-Economic Trends

The preceding analysis of socio-economic trends for Somerset County, the Middlesex-Somerset-Hunterdon MSA, New Jersey, and the PGIAs provides insight into the population, housing, and demographic characteristics of the area. While growth in population and household formation has remained relatively flat, and is forecasted to remain so into the near future, there are a number of indicators which are favorable to prospective investment for development and redevelopment in Somerset County and its PGIAs:

- Relatively strong growth in non-family households (typically, these are small one- and two-person households which opt to rent, rather than own their homes) suggests a demand for rental units;
- Rising share of upper-income households, particularly among households earning more than \$75,000 per year, likely contributes to an increase in discretionary spending, which already greatly exceeds the national average and bodes well for mixed-use development and redevelopment;
- A fast growing segment of persons 55 years of age and older. As persons near retirement, greater consideration is given to downsizing one's residence while remaining close to family, friends and employment opportunities. This suggests a need for housing choice accommodative of the 55+ set.
- An economically and socially diverse selection of PGIAs. This variety will support diverse opportunities for redevelopment and growth – for both business investment and residential development.



Labor and Industry Trends Analysis

Glossary of Terms

Primary Job According to the U.S. Census, a primary job refers to the job an individual has which provides the greatest income. If an individual is employed by a single job, this would be considered a primary job. If an individual is employed at multiple jobs, including part-time employment, the job that provides the greatest income would be considered a primary job.

Induced Employment Induced employment occurs as a result of the income expenditures of other workers. In the context of this report, it is used in reference to Somerset County's high educational attainment which leads to higher employment rates, higher earnings, higher expenditures, and subsequently higher induced employment resulting from said expenditures.

Metropolitan Statistical Area (MSA) Metropolitan Statistical Areas (metro areas) are geographic entities defined by the Office of Management and Budget, containing a core urban area of 50,000 or more population. Each metro area consists of one or more counties and includes the counties containing the core urban area, as well as any adjacent counties that have a high degree of social and economic integration (as measured by commuting to work) with the urban core.

Flat and Moderate Growth Flat growth is defined as an annualized rate of change between -0.75 and 0.75 percent, and moderate growth as an annualized rate of change between (-)0.75 and (-)1.5 percent.

Traded Industries Industries that create and sell their goods and/or services to end users located outside of the market area (e.g., outside of Somerset County). The manufacturing industry is an example of a traded industry.

Local Serving Industries Industries which, principally, sell their goods and/or services to end users located within the market area (e.g., within Somerset County). The retail industry is an example of a local serving industry.

Source: US Census Bureau

Methodology

An examination of labor and industry trends were conducted in Somerset County and surrounding geographies. The following study areas were analyzed:

- Somerset County
- Middlesex-Somerset-Hunterdon Metropolitan Statistical Area
- New Jersey
- New York-Northern New Jersey-Long Island Metropolitan Statistical Area

Industry and labor data were gathered from the U.S. Census Bureau's *On The Map* data server, as well as from Quarterly Workforce Indicators (QWI) reports. Work area analysis was performed for the most recent available years. Industry and occupational projections from the New Jersey Department of Labor and Workforce Development were also utilized.

Labor characteristics analyzed include primary job employment, commutation and travel shed analysis, unemployment rates, educational attainment, average monthly earnings, and job creation, among others.

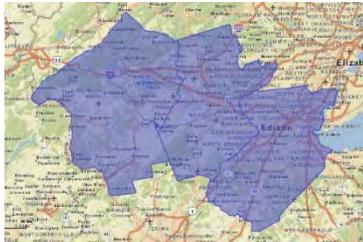
Labor and Industry Trends Analysis – 2011 Key Metrics

**Somerset
County**



Total Primary Jobs: 163,088
Top 4 Industries by Employment: Health Care and Social Assistance
 Professional Services
 Retail Trade
 Manufacturing

**Middlesex-
Somerset-
Hunterdon MSA**



Total Primary Jobs: 508,169
Top 4 Industries by Employment: Health Care and Social Assistance
 Retail Trade
 Professional Services
 Educational Services

New Jersey



Total Primary Jobs: 3,459,441
Top 4 Industries by Employment: Health Care and Social Assistance
 Retail Trade
 Educational Services
 Professional Services

**NY-Northern
NJ-Long Island,
NY-NJ-PA MSA**



Total Primary Jobs: 7,677,972
Top 4 Industries by Employment: Health Care and Social Assistance
 Educational Services
 Retail Trade
 Professional Services

Source: US Census Bureau; New Jersey Department of Labor

Key Findings: Labor and Industry Analysis

Post-recession employment growth

Somerset County experienced a net total primary job increase of 215 jobs between 2007 and 2011, in contrast to New Jersey and the Middlesex-Somerset-Hunterdon MSA, which shed more jobs than were created over the same period.



Relatively low unemployment, but still above pre-recession levels

In comparison to New Jersey and the New York-Northern New Jersey-Long Island MSA, Somerset County has consistently exhibited a lower unemployment rate over the past ten years. However, the Great Recession has left Somerset's unemployment rate well above pre-recession levels.



In need of replacements

Somerset County employment opportunities over the next decade will principally come from replacement openings (as opposed to new job creation) due to an aging workforce and cautious hiring practices. Replacement openings will be particularly significant within the food preparation, retail and administrative support occupations.



Growth in health care and social assistance industry

Already the largest industry by employment in Somerset County, the MSA and New Jersey, Health Care and Social Assistance is expected to further expand through 2020. Additionally, the healthcare industry is projected to grow fastest within the county and state, by decade's end. Other top industries by employment include professional, scientific, and technical services; retail trade; manufacturing; educational services; and finance and insurance.



Key Findings: Labor and Industry Analysis

High educational attainment levels

Over half of Somerset County's population age 25 and over possess a Bachelor's degree or higher, outperforming New Jersey and the MSA. Higher concentrations of well-educated workers serve to attract business investment which seeks to leverage that educated talent – either through selling services or employing their labor. However, out-migration of college graduates and high student loans (compounding an already high cost of living in the county) are problematic.



Limited public transit services

A relatively small number of Somerset County residents (fewer than five out of every 100 workers, as opposed to nearly 11 out of every 100 workers, statewide) commute via some form of public transit, likely as a result of the limited available transit options within the county.



Lower wage occupations growing fastest

Over the next ten years and beyond, Somerset County will see significant growth in industry sectors which, principally, rely upon lower wage occupations. This trend will likely create upward pressure on payrolls, in order to recruit and retain quality workers in a county featuring high housing costs and limited public transit.



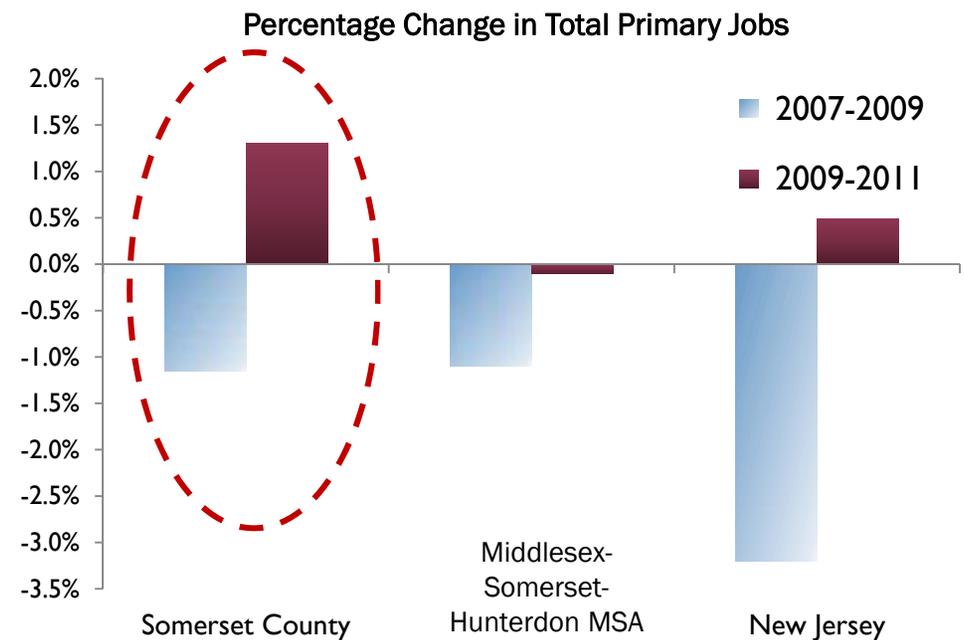
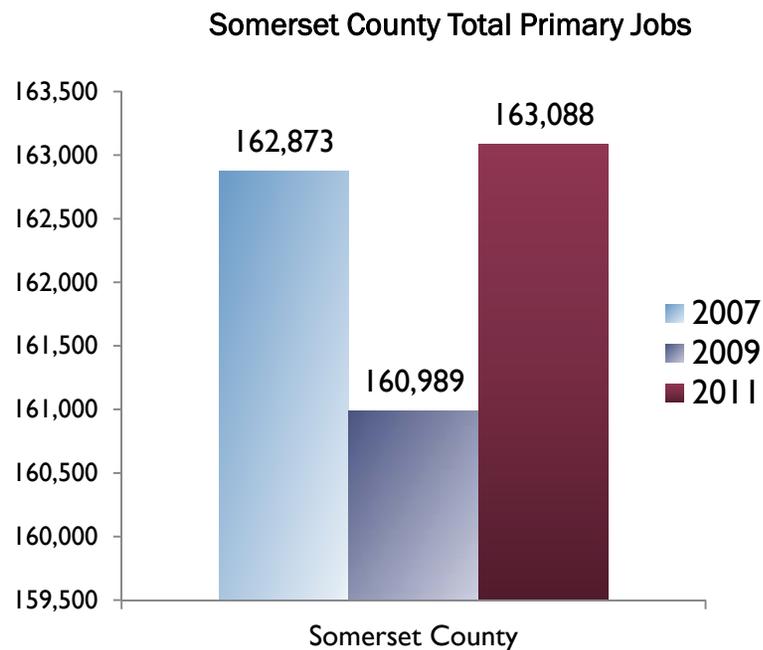
Clustering of employment opportunities in Bridgewater, Franklin, and Hillsborough Townships

A large percentage of Somerset County's employed residents reside within Bridgewater, Franklin, and Hillsborough Townships.



Employment Area Profile – 2007 to 2011

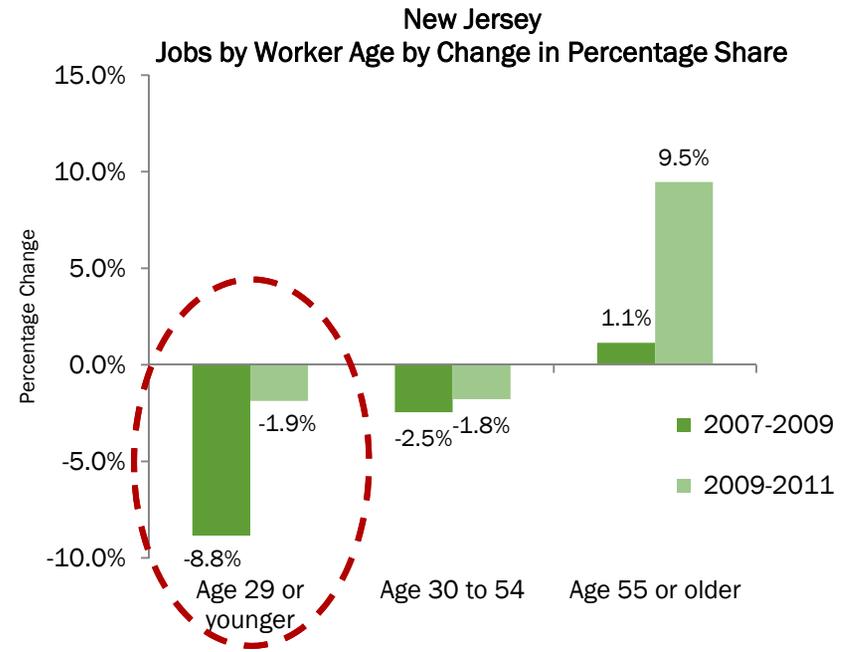
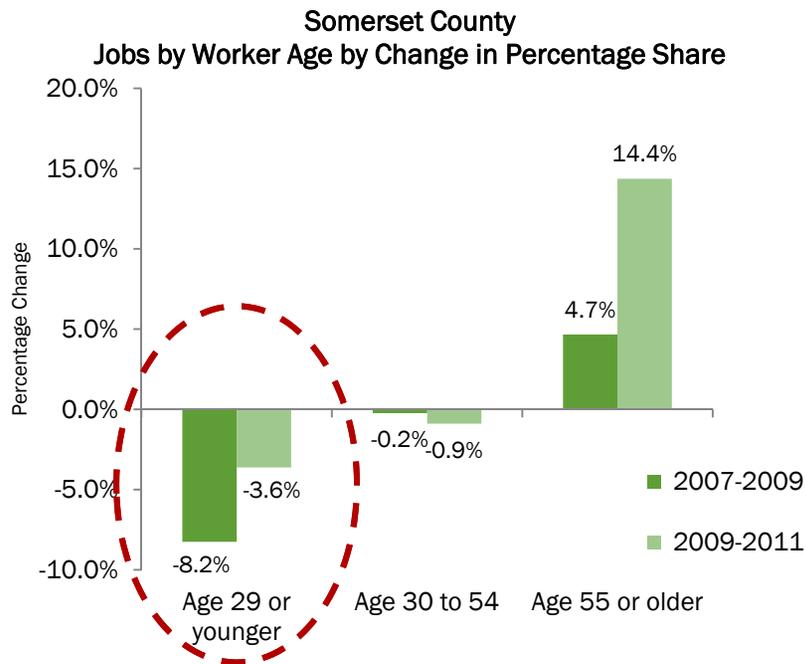
Despite the impact of the Great Recession on employment in Somerset County between 2007 and 2009, total primary jobs grew between 2009 and 2011 to exceed pre-recession levels. The decline in total primary jobs between 2007 and 2009 was roughly consistent with the Middlesex-Somerset-Hunterdon MSA at approximately 1.2 percent, well below New Jersey's decline of over three percent during the same time period. However, Somerset County outperformed both geographies in recovering from the financial crisis in terms of total primary jobs.



Source: US Census Bureau, OnTheMap

Employment Area Profile – Workers by Age Group

As depicted in the graphs below, young workers (age 29 or younger) in both Somerset County and New Jersey suffered the greatest job losses between 2007 to 2011, consistent with national trends resulting from the consequences of the economic downturn. Somerset County and, to a lesser extent, New Jersey, experienced positive employment growth among workers age 55 and older; this is in contrast to workers ages 30 to 54, who experienced modest declines largely due to the recession. The relatively strong rise in the share of workers 55 and older in Somerset County suggests many companies valued experience and productivity over youth. Other potential reasons for job losses include increased productivity due to improved technology and the movement of jobs off-shore from New Jersey. This movement of jobs off-shore is likely impacting Somerset County due to the structure of the county's employment base; the types of industries that have been doing this (i.e. major pharmaceuticals, chemical companies) historically have had a strong presence in Somerset County.



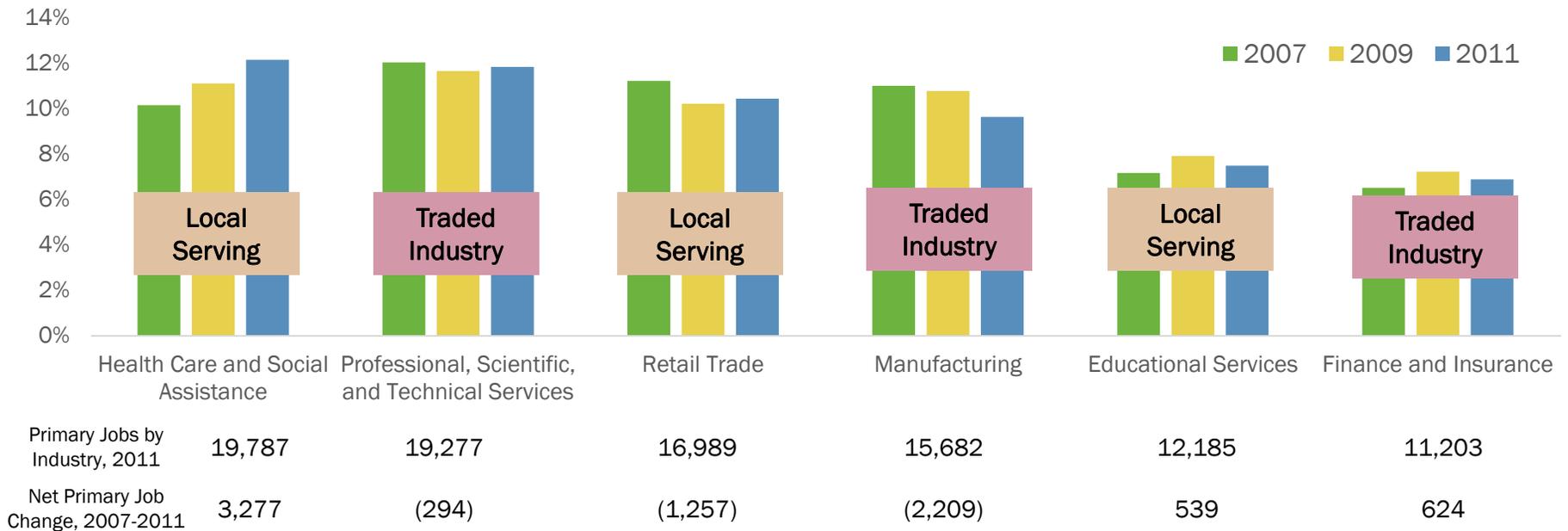
Source: US Census Bureau, OnTheMap

NAICS Industry Examples

Industry	Examples
Agriculture, Forestry, Fishing and Hunting	Farms, ranches, dairies, nurseries, orchards, or hatcheries
Mining	Coal, ores, petroleum, and natural gas
Utilities	Electric power, steam supply, water supply, and sewage removal
Construction	Building and civil engineering construction, related activities
Manufacturing	Plants, factories, or mills using power-driven machines
Wholesale Trade	Sell merchandise to other businesses, often from a warehouse
Retail Trade	Sell merchandise in small quantities to the general public
Transportation and Warehousing	Transportation equipment or transport related facilities
Information	Data processing, telecoms, broadcasting
Finance and Insurance	Banks, insurance carriers, funds, securities
Real Estate and Rental and Leasing	Rental and leasing services, REITs
Professional, Scientific, and Technical Services	Lawyers, accountants, architects, research, consultants
Management of Companies and Enterprises	Administer, oversee, and manage companies
Administrative and Support and Waste Management and Remediation Services	Office administration, human resources, waste disposal
Educational Services	Schools, colleges, universities, and training centers
Health Care and Social Assistance	Hospitals, medical offices, child care services, food banks
Arts, Entertainment, and Recreation	Museums, performing arts, spectator sports, recreational facilities
Accommodation and Food Services	Hotels, restaurants
Other Services (except Public Administration)	Laundry services, hair salons, auto repair, religious activities
Public Administration	Federal, state, and local government agencies

Top Six Industries by Employment: Somerset County

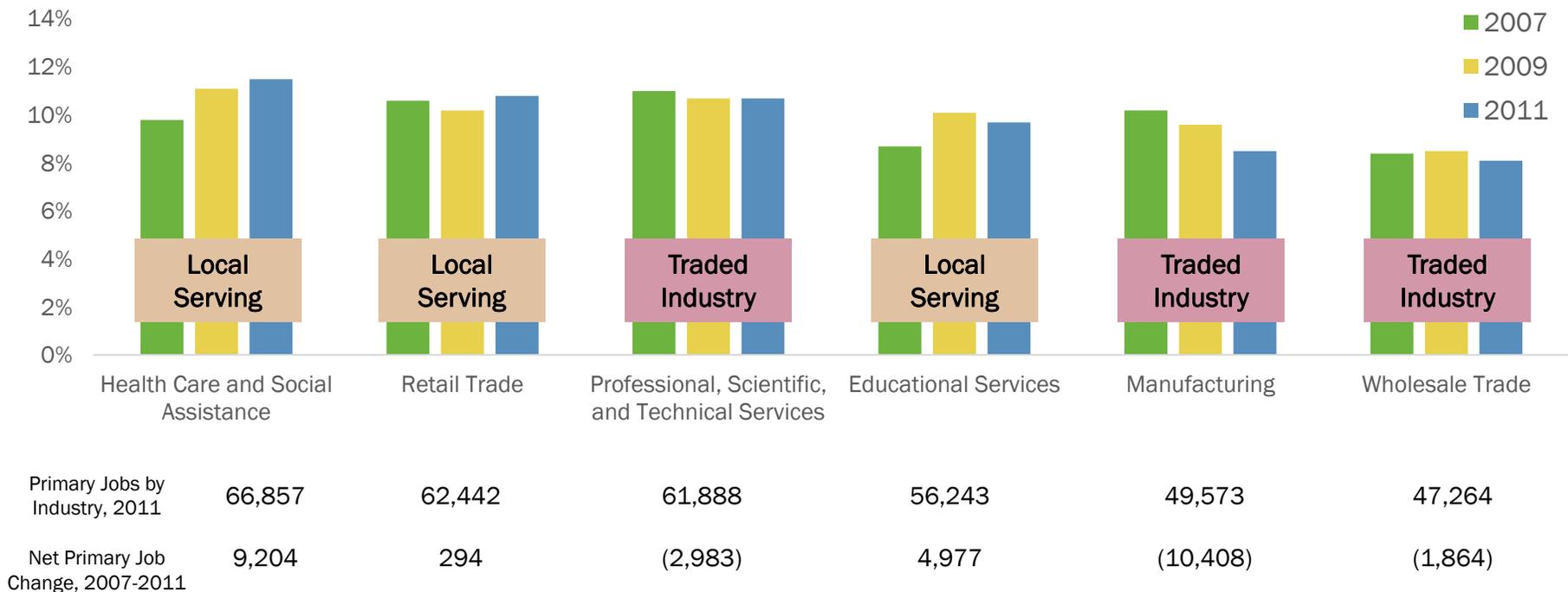
Between 2007 and 2011, Health Care and Social Assistance emerged as the dominant industry in Somerset County, with over three thousand net new primary jobs created. In 2011, the top six leading industries by employment were split among local serving and traded industries. Local serving industries are service oriented and principally serve a customer base within the county, bringing in a relatively small share of dollars from outside of the county. Manufacturing, Finance and Insurance, and Professional and Technical Services, however, tend to serve markets that go beyond the county's borders and are typically higher paying jobs. It is important that an economy have a diverse industry mix and not rely too heavily on any one industry, should that industry go into decline. The manufacturing sector shed the most jobs over the 2007 to 2011; a portion of these job losses can be attributed to technological advances.



Source: US Census Bureau; Esri

Top Six Industries by Employment: MSA

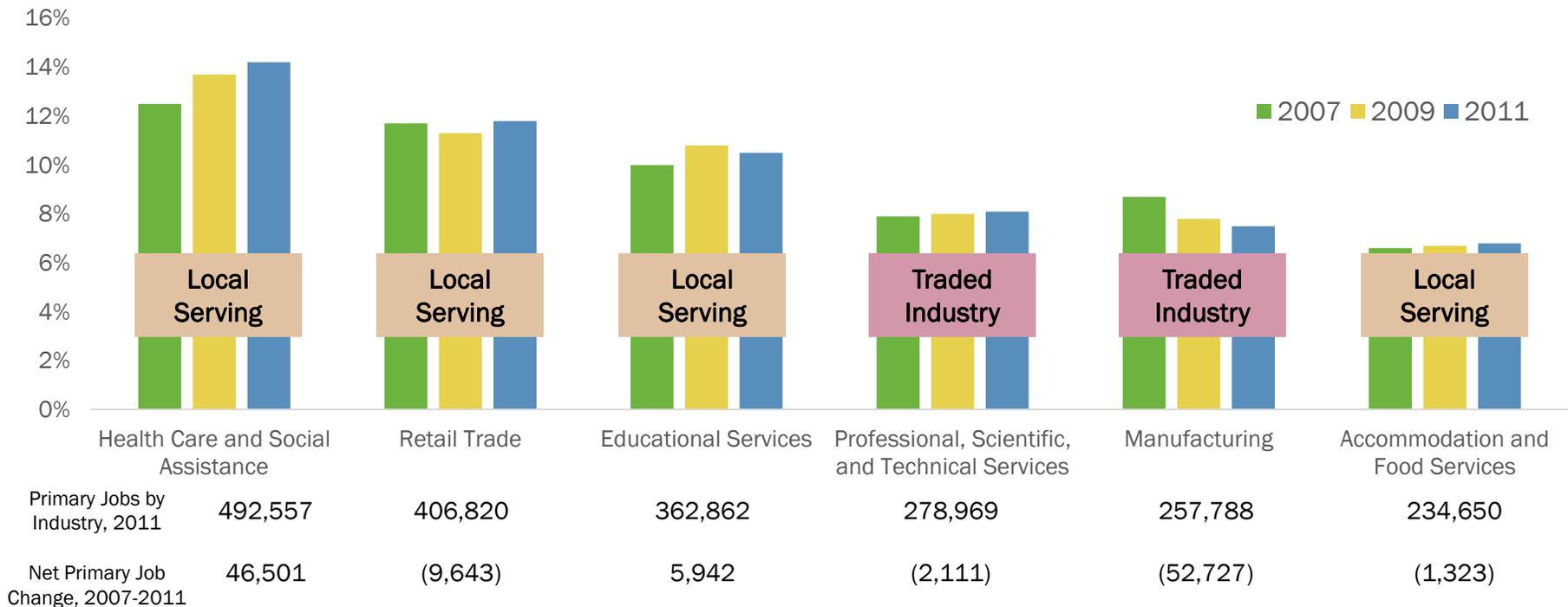
The Middlesex-Somerset-Hunterdon MSA experienced a steady employment increase in the Health Care and Social Assistance sector, rising from 9.8 to 11.5 percent of the MSA's total workforce – accounting for an increase of more than nine thousand jobs between 2007 and 2011. Additionally, Educational Services grew by nearly five thousand jobs and increased its share of total employment by a percentage point, over the same four year period. Conversely, the manufacturing sector shed over ten thousand jobs and saw its share of total employment decline from over ten percent, in 2007, to 8.5 percent by then end of 2011.



Source: US Census Bureau; Esri

Top Six Industries by Employment: New Jersey

New Jersey's top three industries by employment, in absolute and percentage terms, are Health Care and Social Assistance, Retail Trade, and Educational Services. Similar to Somerset County and the MSA, New Jersey has also experienced a steady decline Manufacturing employment. In contrast to Somerset County, New Jersey only features two traded industries among its top six industries, by employment – reflective of the fact that the state has yielded ground to other states, with regard to selling its goods and services outside of the state's borders.



Source: US Census Bureau; Esri

Top 10 Industries by Employment

Somerset County

Traded Industries

Local Serving

The data table to the right demonstrates that 47 percent of Somerset County's employment, in 2011, was concentrated within traded industries, as compared to 44 percent for the MSA and 32.5 percent for New Jersey. Further, Somerset County's traded industry employment has remained relatively steady since 2007 (dropping by only 1%, as compared to 3% and 2% for the MSA and NJ, respectively).

	2007		2009		2011	
Total Primary Jobs	162,873	100.0%	160,989	100.0%	163,088	100.0%
Health Care and Social Assistance	16,510	10.1%	17,851	11.1%	19,787	12.1%
Professional, Scientific, and Technical Services	19,571	12.0%	18,732	11.6%	19,277	11.8%
Retail Trade	18,246	11.2%	16,417	10.2%	16,989	10.4%
Manufacturing	17,891	11.0%	17,317	10.8%	15,682	9.6%
Educational Services	11,646	7.2%	12,711	7.9%	12,185	7.5%
Finance and Insurance	10,579	6.5%	11,599	7.2%	11,203	6.9%
Admin & Support, Waste Mgmt and Remediation	11,636	7.1%	10,136	6.3%	10,878	6.7%
Wholesale Trade	9,996	6.1%	10,318	6.4%	9,837	6.0%
Management of Companies and Enterprises	8,389	5.2%	8,983	5.6%	9,761	6.0%
Accommodation and Food Services	7,744	4.8%	7,686	4.8%	8,159	5.0%

Percentage Change	
2007-2009	2009-2011
-1.2%	1.3%
8.1%	10.8%
-4.3%	2.9%
-10.0%	3.5%
-3.2%	-9.4%
9.1%	-4.1%
9.6%	-3.4%
-12.9%	7.3%
3.2%	-4.7%
7.1%	8.7%
-0.7%	6.2%

Middlesex-Somerset-Hunterdon MSA

	2007		2009		2011	
Total Primary Jobs	587,212	100.0%	580,775	100.0%	580,169	100.0%
Health Care and Social Assistance	57,653	9.8%	64,690	11.1%	66,857	11.5%
Retail Trade	62,148	10.6%	59,395	10.2%	62,442	10.8%
Professional, Scientific, and Technical Services	64,871	11.0%	62,290	10.7%	61,888	10.7%
Educational Services	51,266	8.7%	58,782	10.1%	56,243	9.7%
Manufacturing	59,981	10.2%	55,805	9.6%	49,573	8.5%
Wholesale Trade	49,128	8.4%	49,532	8.5%	47,264	8.1%
Admin & Support, Waste Mgmt and Remediation	46,123	7.9%	38,883	6.7%	42,297	7.3%
Accommodation and Food Services	26,814	4.6%	26,461	4.6%	29,374	5.1%
Finance and Insurance	31,396	5.3%	30,570	5.3%	27,849	4.8%
Transportation and Warehousing	27,256	4.6%	25,782	4.4%	27,058	4.7%

Percentage Change	
2007-2009	2009-2011
-1.1%	-0.1%
12.2%	3.3%
-4.4%	5.1%
-4.0%	-0.6%
14.7%	-4.3%
-7.0%	-11.2%
0.8%	-4.6%
-15.7%	8.8%
-1.3%	11.0%
-2.6%	-8.9%
-5.4%	4.9%

New Jersey

	2007		2009		2011	
Total Primary Jobs	3,556,500	100.0%	3,442,610	100.0%	3,459,441	100.0%
Health Care and Social Assistance	446,056	12.5%	471,838	13.7%	492,557	14.2%
Retail Trade	416,463	11.7%	389,532	11.3%	406,820	11.8%
Educational Services	356,920	10.0%	371,686	10.8%	362,862	10.5%
Professional, Scientific, and Technical Services	281,080	7.9%	276,158	8.0%	278,969	8.1%
Manufacturing	310,515	8.7%	269,362	7.8%	257,788	7.5%
Accommodation and Food Services	235,973	6.6%	232,031	6.7%	234,650	6.8%
Wholesale Trade	229,489	6.5%	215,617	6.3%	211,230	6.1%
Admin & Support, Waste Mgmt and Remediation	203,120	5.7%	188,079	5.5%	199,265	5.8%
Public Administration	163,231	4.6%	166,334	4.8%	180,252	5.2%
Finance and Insurance	201,637	5.7%	189,980	5.5%	173,171	5.0%

Percentage Change	
2007-2009	2009-2011
-3.2%	0.5%
5.8%	4.4%
-6.5%	4.4%
4.1%	-2.4%
-1.8%	1.0%
-13.3%	-4.3%
-1.7%	1.1%
-6.0%	-2.0%
-7.4%	5.9%
1.9%	8.4%
-5.8%	-8.8%

Source: US Census Bureau, OnTheMap

Top Employers in Somerset County - 2011

2,500 – 4,999 Employees



sanofi aventis

Because health matters



MetLife®

1,000 – 2,499 Employees



AVAYA



ETHICON



Source: ChooseNJ, Esri

Industry Growth Projections: Somerset County

In Somerset County, the Health Care and Social Assistance industry is projected to provide the greatest number of new jobs between 2010 and 2020, at over 4,000, according to data provided by the New Jersey Department of Labor and Workforce Development. 15 out of 20 major industry sectors are projected to grow through the end of the decade, with Educational Services and Transportation and Warehousing remaining stable. Employment within the Information, Government and Manufacturing sectors is projected to decline.

Industry	2010 Estimated Employment	2020 Projected Employment	Numeric Change	Annual Growth Rate (%)	Percent Change	Outlook
Health Care and Social Assistance	19,500	23,600	4,100	1.9	21.1	Growing
Admin and Support, Waste Mgmt and Remediation	11,900	15,250	3,350	2.5	28.1	Growing
Professional, Scientific, and Technical Services	19,050	21,700	2,650	1.3	13.8	Growing
Retail Trade	19,450	21,900	2,400	1.2	12.3	Growing
Wholesale Trade	9,300	10,750	1,450	1.4	15.4	Growing
Construction	4,950	6,300	1,350	2.4	26.7	Growing
Other Services (Except Government)	7,000	8,300	1,250	1.7	18	Growing
Accommodation and Food Services	9,750	10,800	1,050	1	11	Growing
Finance and Insurance	11,950	12,900	1,000	0.8	8.4	Growing
Management of Companies and Enterprises	8,950	9,650	700	0.8	7.9	Growing
Arts, Entertainment, and Recreation	2,450	2,750	300	1.2	12.7	Growing
Real Estate and Rental and Leasing	1,600	1,750	150	0.9	9.4	Growing
Transportation and Warehousing	4,000	4,150	100	0.3	3.1	Stable
Educational Services	13,200	13,300	100	0.1	0.9	Stable
Mining	350	400	50	1.7	18.8	Growing
Utilities	250	300	50	1.8	19.7	Growing
Information	6,650	6,200	-450	-0.7	-6.5	Declining
Government	8,300	7,750	-550	-0.7	-6.6	Declining
Manufacturing	15,800	14,800	-1,000	-0.6	-6.3	Declining

Source: NJDLWD

Industry Growth Projections: New Jersey

New Jersey, like Somerset County, is projected to experience the greatest employment gains in Health Care and Social Assistance, while experiencing losses in the Information, Government, and Manufacturing industries. Of the 20 major industry sectors, 16 are projected to grow, while Educational Services is projected to remain stable.

Industry	2010 Estimated Employment	2020 Projected Employment	Numeric Change	Annual Growth Rate (%)	Percent Change	Outlook
Health Care and Social Assistance	523,400	599,700	76,300	1.4	14.6	Growing
Professional, Scientific, and Technical Services	271,800	319,000	47,200	1.6	17.4	Growing
Admin and Support, Waste Mgmt and Remediation	238,600	276,400	37,800	1.5	15.8	Growing
Construction	129,500	166,300	36,800	2.5	28.4	Growing
Retail Trade	437,400	470,000	32,600	0.7	7.5	Growing
Accommodation and Food Services	281,400	305,400	24,000	0.8	8.5	Growing
Other Services (Except Government)	160,600	180,100	19,500	1.2	12.1	Growing
Wholesale Trade	209,600	228,100	18,500	0.8	8.8	Growing
Transportation and Warehousing	148,800	166,800	18,000	1.1	12.1	Growing
Finance and Insurance	197,800	211,400	13,600	0.7	6.9	Growing
Real Estate and Rental and Leasing	53,700	59,800	6,100	1.1	11.4	Growing
Management of Companies and Enterprises	75,600	81,300	5,700	0.7	7.5	Growing
Arts, Entertainment, and Recreation	52,800	57,900	5,100	0.9	9.7	Growing
Educational Services	406,800	410,100	3,300	0.1	0.8	Stable
Utilities	14,200	16,000	1,800	1.2	12.7	Growing
Mining	1,400	1,800	400	2.5	28.6	Growing
Information	79,200	72,400	-6,800	-0.9	-8.6	Declining
Government	311,000	300,100	-10,900	-0.4	-3.5	Declining
Manufacturing	257,200	237,500	-19,700	-0.8	-7.7	Declining

Source: NJDLWD

Occupational Growth Projections: Somerset County

By major occupational group, Sales and Related Occupations, Business and Financial Operations, and Office and Administrative Support Occupations are projected to add the most jobs between 2010 and 2020.

Particularly noteworthy is that the vast majority of job openings are projected to come through annual worker replacement, rather than new job growth – reflecting the greying workforce across industries and cautious hiring practices. Given a relative decline in persons younger than 35, filling positions may be challenging.

Occupational Category	2010 Estimated Employment	2020 Projected Employment	Numeric Change	Percent Change	Total Annual Openings	Annual Growth Openings	Annual Replacement Openings	Median Hourly Wage
Sales and Related Occupations	20,600	23,200	2,600	12.7	900	260	640	\$13.33
Business and Financial Operations	15,650	17,950	2,300	14.9	550	230	320	\$33.76
Office and Administrative Support	31,350	33,650	2,300	7.4	960	260	700	\$16.72
Computer and Mathematical Occupations	12,450	14,200	1,750	13.9	400	170	220	\$40.82
Healthcare Practitioners and Technical	8,350	9,750	1,400	16.6	310	140	170	\$35.89
Personal Care and Service Occupations	8,150	9,550	1,400	17.3	320	140	180	\$11.44
Food Preparation and Serving Related	9,300	10,400	1,050	11.4	450	110	340	\$11.47
Transportation and Material Moving	10,500	11,550	1,050	10.1	380	110	270	\$25.44
Management Occupations	16,300	17,300	1,000	6.1	460	100	360	\$57.90
Healthcare Support Occupations	4,900	5,650	750	15.1	150	70	70	\$13.35
Building and Grounds Cleaning	5,050	5,800	750	14.6	170	80	90	\$11.97
Installation, Maintenance, and Repair	6,250	6,950	700	11	210	70	130	\$13.33
Construction and Extraction Occupations	4,050	4,650	600	14.8	150	60	90	\$33.76
Education, Training, and Library	12,000	12,550	550	4.4	350	70	290	\$25.95
Community and Social Services	2,600	3,100	450	17.6	100	50	60	\$24.96
Architecture and Engineering Occupations	3,550	3,700	150	4.6	100	20	80	\$37.79
Life, Physical, and Social Sciences	3,250	3,400	150	4	110	20	90	\$31.33
Legal Occupations	1,750	1,750	50	1.4	40	10	30	\$37.69

Growing
 Stable

Source: NJDLWD

Detailed Occupational Growth Projections: Somerset County

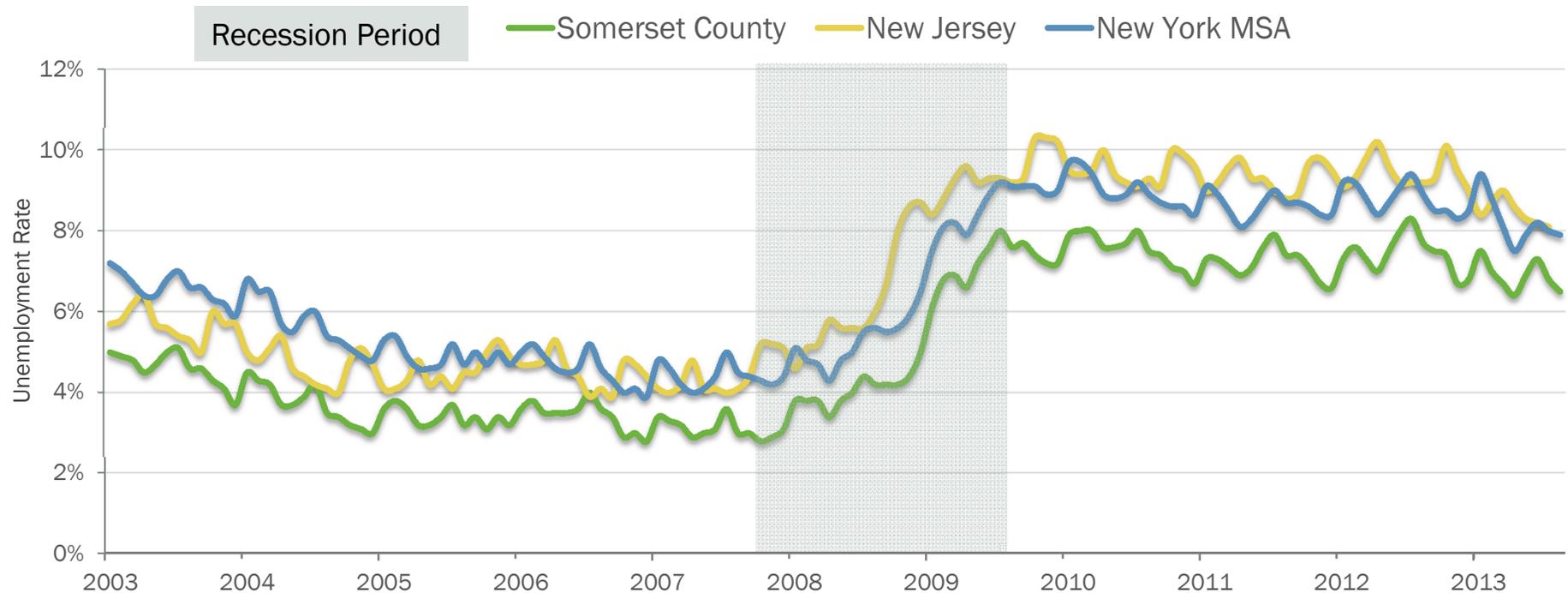
At the sub-occupational group level, Somerset County is forecasted to experience the greatest occupational growth in Retail Salespersons, Software Developers, and Hairdressers – only one of these occupations characterized as having higher wages. While many sub-occupations anticipated to grow in Somerset County often provide high wages, four out of the top six sub-occupations typically offer relatively low wages (highlighted below in pink).

Occupational Category	2010 Estimated Employment	2020 Projected Employment	Numeric Change	Percent Change	Total Annual Openings	Annual Growth Openings	Annual Replacement Openings	Median Hourly Wage
Retail Salespersons	4,900	5,800	950	19	240	90	140	\$10.86
Software Developers, Applications	3,200	3,800	600	19.3	90	60	30	\$42.45
Hairdressers and Cosmetologists	2,750	3,300	550	19.2	110	50	50	\$13.80
Landscaping and Groundskeeping Workers	1,600	2,050	450	28.9	70	50	30	\$11.56
Customer Service Representatives	3,250	3,700	450	14.5	140	50	90	\$17.00
Receptionists and Information Clerks	2,350	2,800	450	19.5	120	50	70	\$13.30
Computer Systems Analysts	2,700	3,100	400	14.2	90	40	50	\$42.32
Cashiers	4,700	5,150	400	8.9	260	40	210	\$9.34
Market Research Analysts and Marketing	1,250	1,600	350	29.7	70	40	30	\$35.58
Food Preparation and Serving Workers	2,300	2,650	350	15.2	100	40	70	\$8.94
Sales Reps, Wholesale and Manufacturing	1,950	2,250	350	17.1	80	30	50	\$47.31
Laborers and Material Movers	2,600	2,900	350	12.7	120	30	80	\$11.53
Management Analysts	2,350	2,650	300	13.6	70	30	40	\$41.24
Accountants and Auditors	2,050	2,350	300	13.8	70	30	40	\$33.59
Financial Analysts	1,400	1,700	300	19.4	60	30	30	\$41.48

Source: NJDWLD

Unemployment Trends

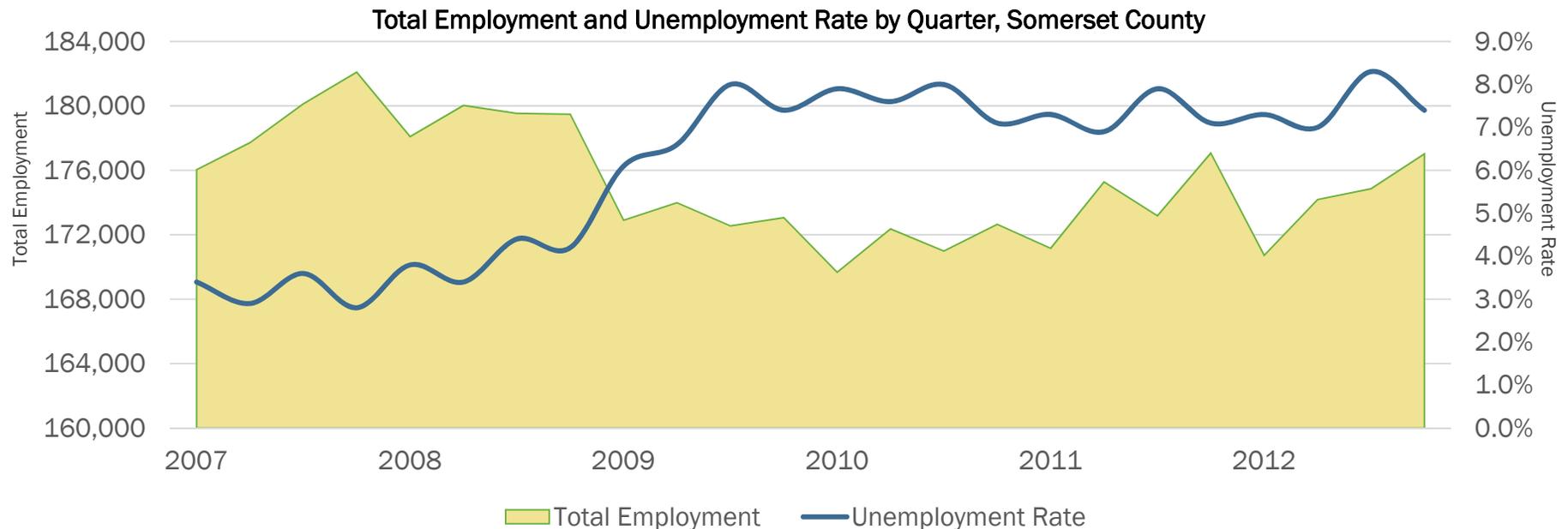
Over the past ten years, Somerset County has generally maintained a lower rate of unemployment relative to New Jersey and the New York-Northern New Jersey-Long Island MSA. While the economic downturn resulted in a staggering increase in unemployment, rising from a low of 2.8 percent in October 2007 to a high of 8.3 percent in July 2012, Somerset County has fared comparatively better than the state or New York metro area, only briefly rising above eight percent. Further, as of August 2013, Somerset County's unemployment rate was respectable 6.5 percent, compared to 8.4 and 7.9 percent for New Jersey and the New York MSA, respectively. The unemployment rate is a key indicator for measuring economic health, and high levels of unemployment negatively impact the tax base as well as individual wealth and spending.



Source: BLS

Total Employment: Somerset County

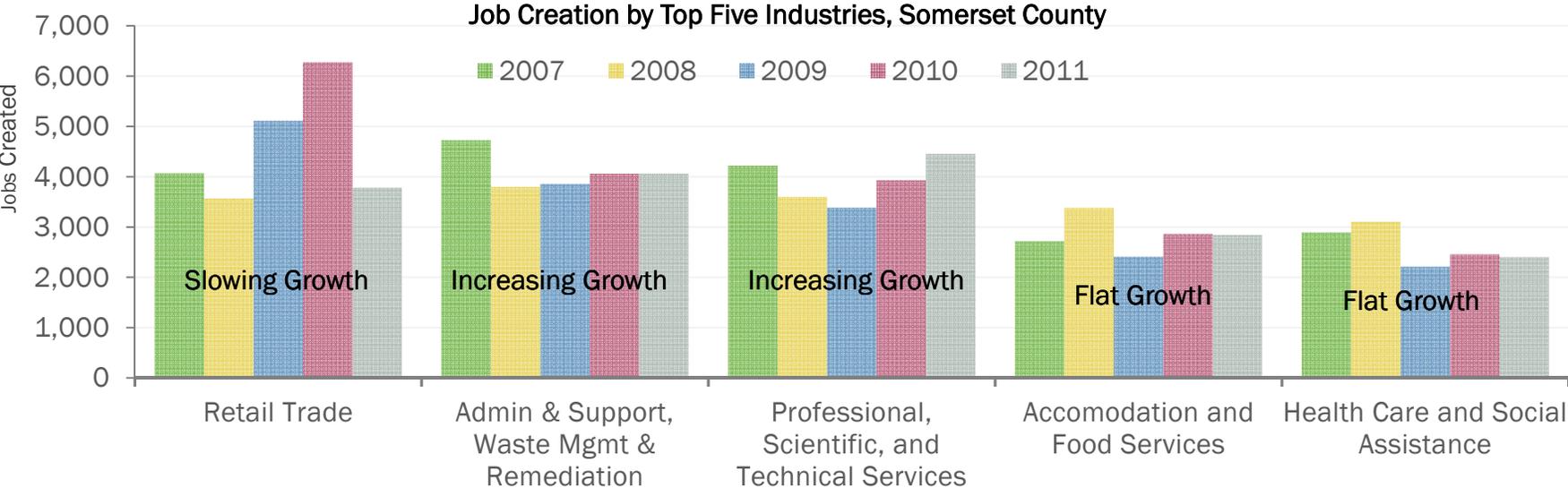
While primary jobs increased between 2007 and 2011, as previously highlighted, total employment (including non-primary jobs) has remained relatively flat (albeit, in an erratic fashion) from its peak of approximately 182,000 jobs in Q4 2007 to 169,700 jobs in the first quarter of 2010. As of the fourth quarter of 2012 (the most recent data available), total employment increased by over 4,000 jobs from the beginning of the year. Further, the unemployment rate fell from its peak of 8.3 percent in July to 7.4 percent in the fourth quarter 2012 (and has since dropped, as previously stated, to 6.5 percent in August 2013), a sign of labor market improvement. A number of factors influence employment, including national and global economic trends. It should be noted that the unemployment rate may also decline as people stop looking for work and leave the labor force, to the extent that this may happen.



Source: US Census Bureau, NJLWD

Employment Area Profile – Job Creation by Industry

The top five industries by average number of jobs created between 2007 and 2011 (highlighted below) were led by Retail Trade, a locally serving industry; however, Professional, Scientific, and Technical Services, a traded industry, led job creation in 2011 (the most recent year available). While job creation in Retail Trade significantly increased between 2008 and 2010, this industry’s employment declined by over 47 percent between 2010 and 2011. Based on the continued evolution taking place within the retail industry (e.g., a consolidation of brick and mortar locations, more retail activity taking place on-line, and changing consumer preferences regarding retail goods), retail employment will, likely, experience mixed growth activity. Further, growth in employment is not necessarily correlated with increased real estate demand due to different industries requiring different types of space as well as the general decrease in office square footage per employee.

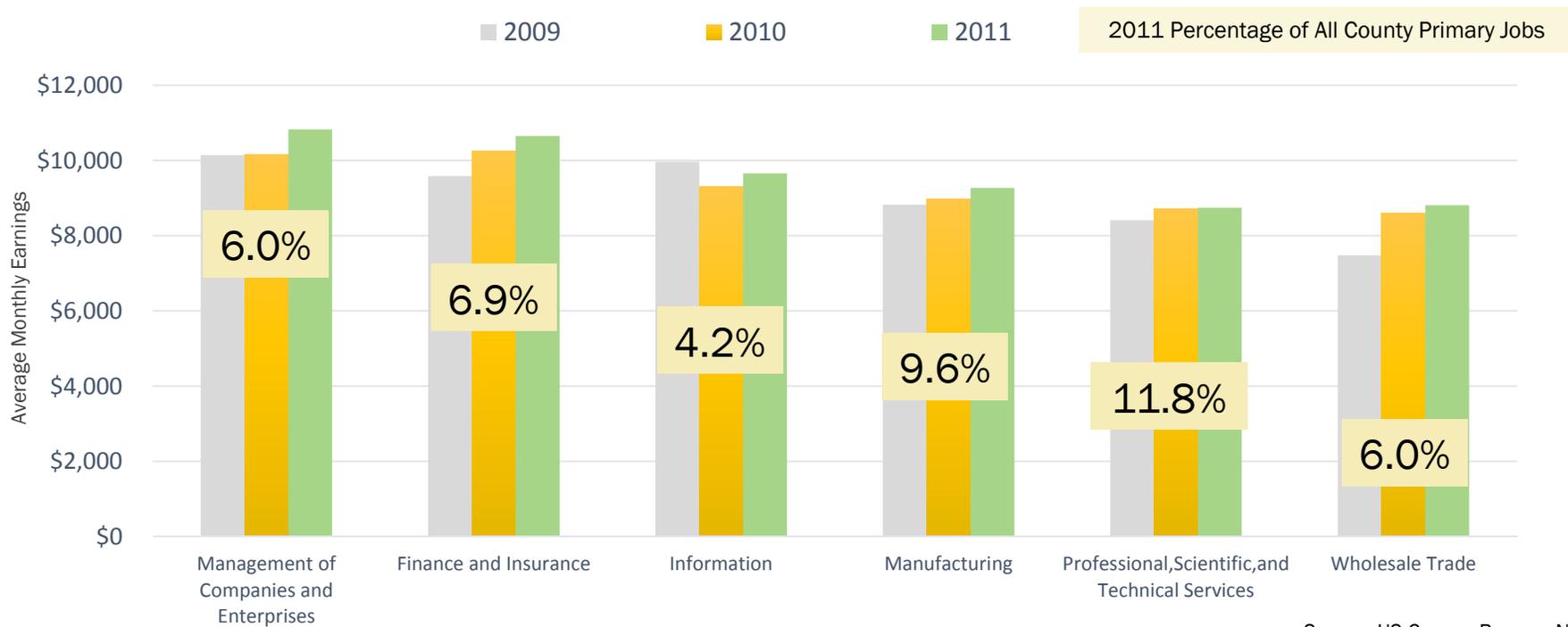


Source: QWI

Annual Average Monthly Earnings by Industry: Somerset County

Out of the top six industries by average monthly earnings, only Information saw a net decline between 2007 and 2011. Wholesale Trade led in average monthly earning gains, in absolute and percentage terms, during the same time period. The occupations within these high paying industry sectors, collectively, represent nearly half of all primary jobs in Somerset County – a relatively high share relative to the state and MSA.

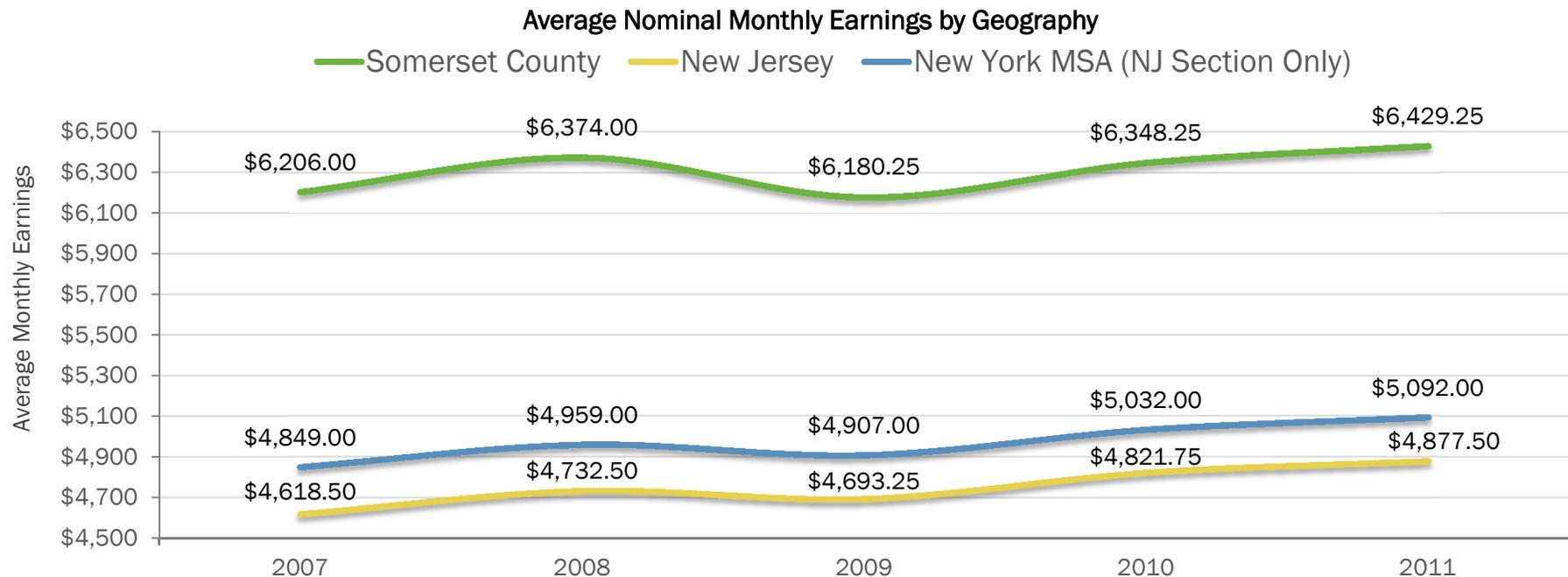
Top Six Industries by Average Monthly Earnings, Somerset County



Source: US Census Bureau, NJLWD

Average Monthly Earnings

The below annual average nominal monthly earnings graph reflects Somerset County's relative household income affluence, as compared to the average monthly earnings of the state and broader New York-New Jersey MSA (utilizing the New Jersey section of the MSA). Just prior to the start of the Great Recession, the average monthly earnings among all jobs in Somerset were approximately \$6,200 – over \$1,500 greater than the state average. During and post-recession (through 2011), Somerset's average monthly earnings climbed by more than four-percent, reflective of the county's high concentration of well-paying occupations, as compared occupational incomes at the state and MSA level. These relatively higher incomes can increase the level of discretionary spending as well as raise the local cost of living for other residents.

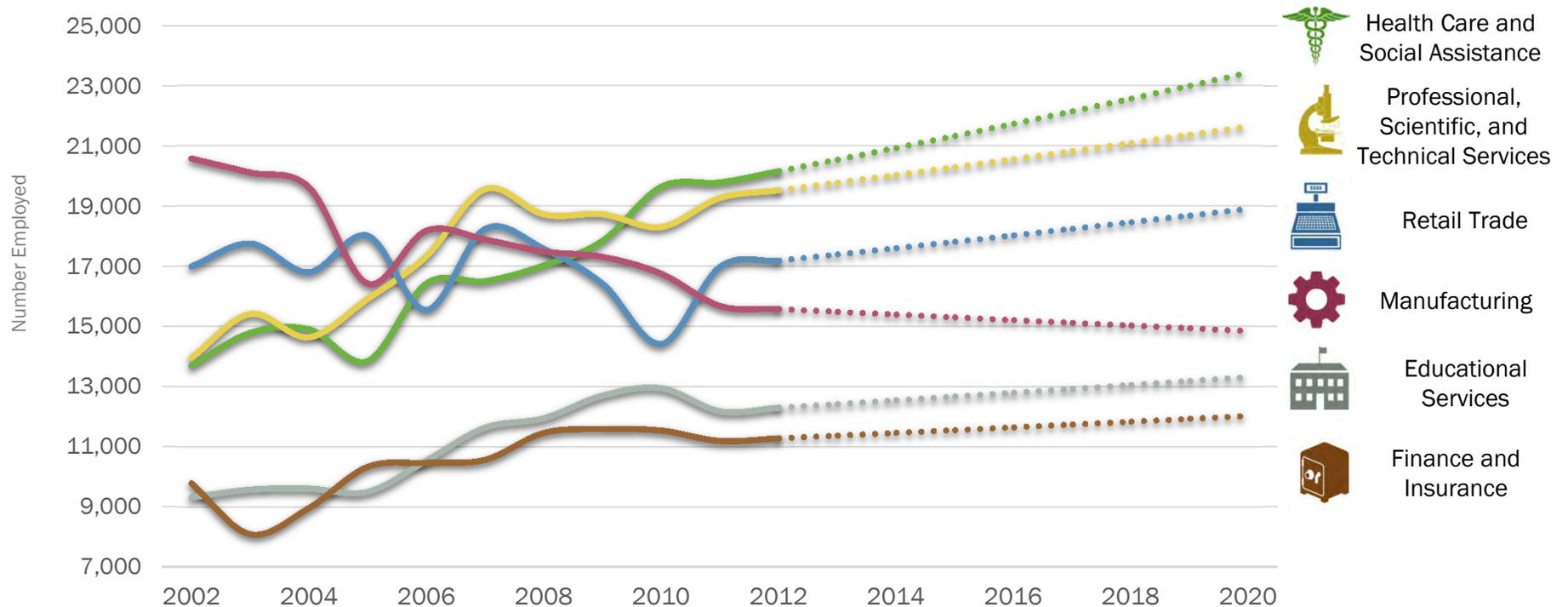


Note that numbers in this figure are not adjusted for inflation

Source: QWI

Long-Term Employment Growth: Somerset County

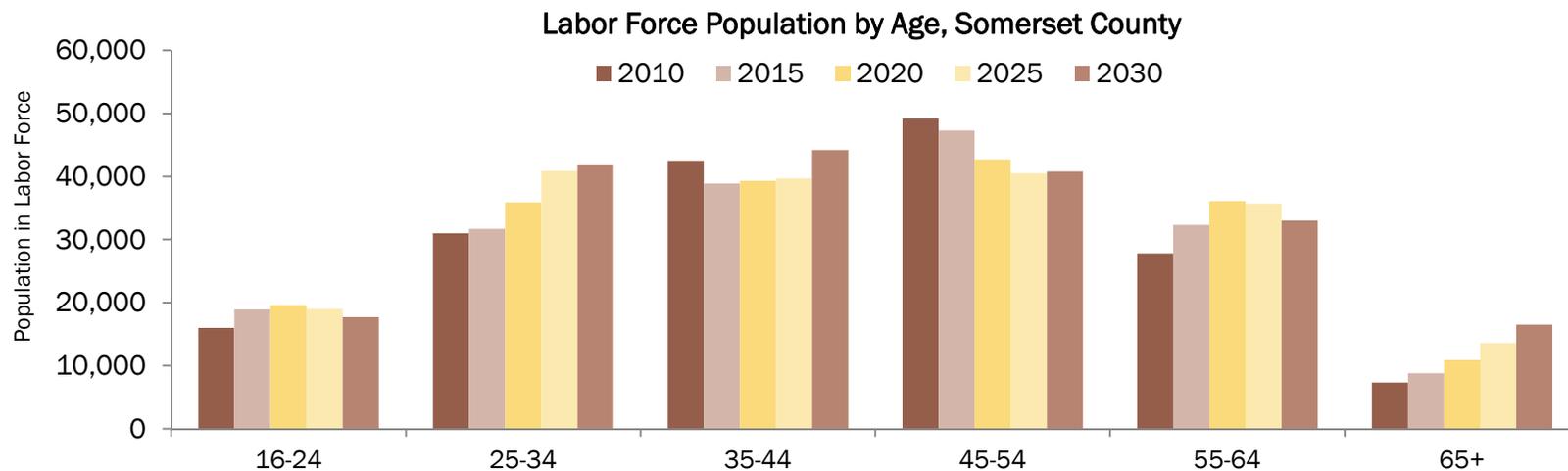
Health Care and Social Assistance, currently the largest industry by employment, is expected to maintain its employment primacy through the end of the decade, according to projections by the New Jersey Department of Labor and Workforce Development. All other top six industries are forecasted to experience growth, with the exception of Manufacturing, which is likely to continue its steady decline in total employment – though, and as earlier identified, manufacturing will provide a large number of opportunities through higher than average attrition rates associated with this industry.



Source: US Census Bureau, NJLWD

Labor Force Projections by Age – Somerset County

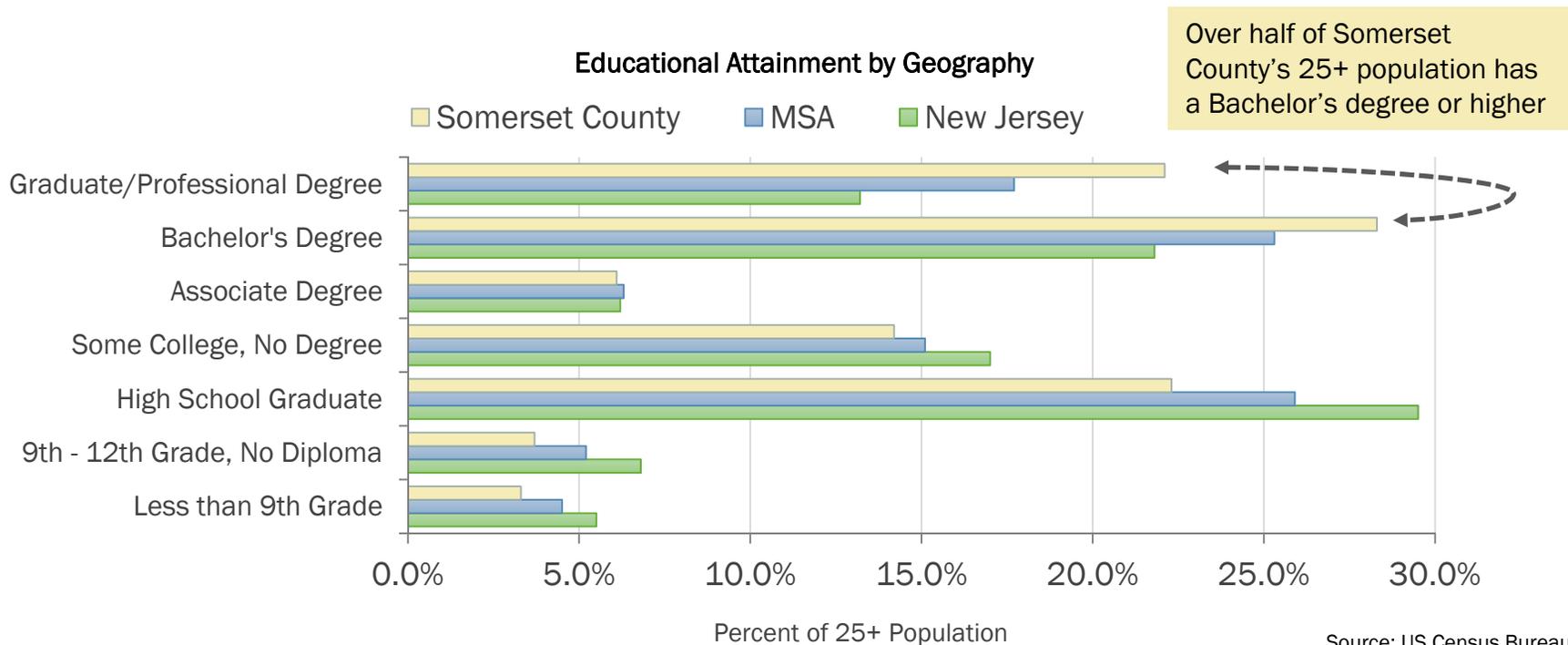
According to the New Jersey Department of Labor and Workforce Development, Somerset County’s labor force will be comprised of more workers younger than 45 than those older than 45, through 2030 (by 2015, 49.7 percent of all county workers are projected to be 45 years of age or older; by 2030, this is projected to drop to 46.5 percent of all workers). Accordingly, over the next ten years (or longer), local companies may find it difficult to quickly replace workers nearing retirement, placing upward pressure on wage rates for better recruitment. This will be particularly true for the industries reliant upon skilled trades workers (a recent report by ECMS (a national labor force research firm) and Monster.com identified New Jersey as having the third largest share of skilled trades workers who are 45 years of age or older – the implication being that over the next 10 years, there will be great pressure placed on manufacturers and construction enterprises, with respect to finding replacement workers).



Source: NJLWD

Educational Attainment

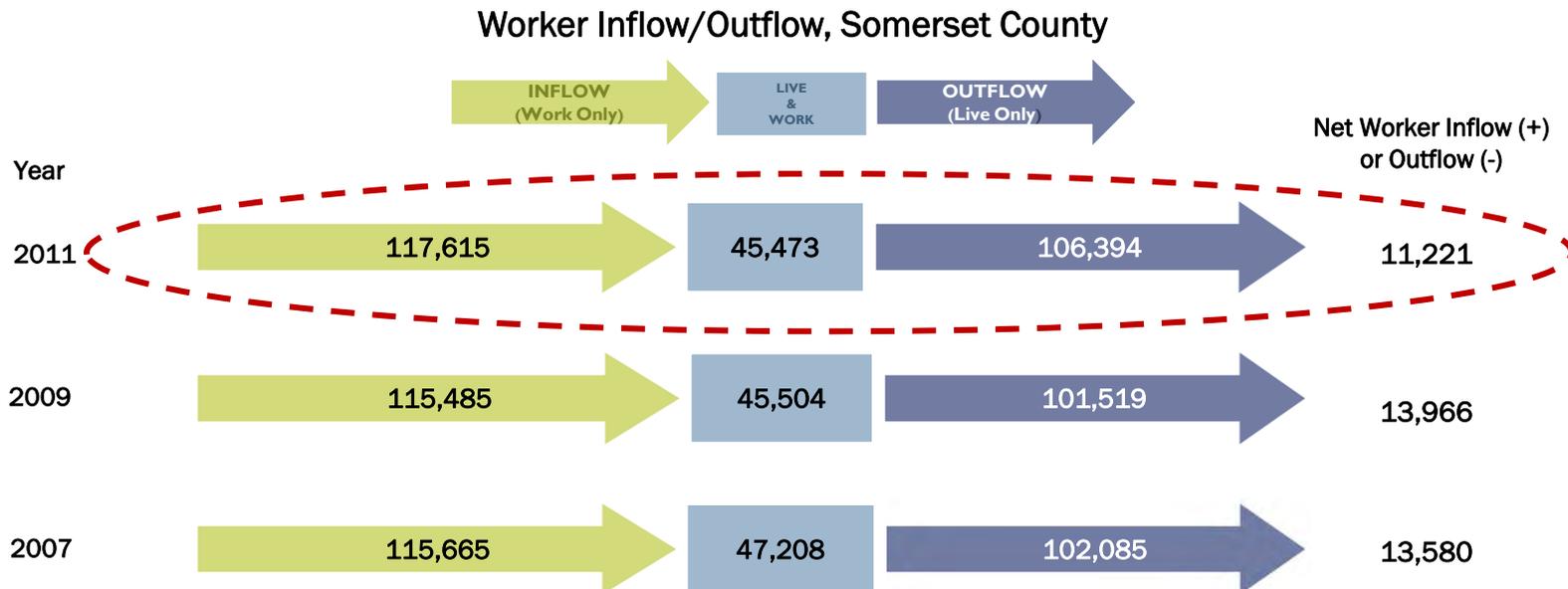
Illustrated below, Somerset County exhibits higher educational attainment levels than both the tri-county MSA and state – consistent with the earlier identified large share of high wage occupations in Somerset County. Further, the relatively high levels of educational attainment within Somerset County have created an attractive labor pool for a variety of companies needing highly educated workers. This high concentration of highly educated workers also creates fertile ground for start-up business activity, as high educational attainment and entrepreneurialism are positively and strongly linked. While this is positive news for Somerset County, data from the National Center for Education Statistics show that New Jersey experiences the greatest out-migration of college students, a potential threat that should be monitored, as this is a leading indicator of college graduates remaining outside of the state. Additionally, student debt is a potential threat as it is compounded by Somerset County’s high cost of living.



Source: US Census Bureau, Esri

Worker Inflow-Outflow Trends: Somerset County

As illustrated in the figure below, the number of workers who commute into Somerset County increased between 2007 and 2011, while the number of employed county residents who commute outside of the county also rose. Somerset County's net job outflow slightly decreased between 2007 and 2011, while total primary jobs simultaneously increased, suggesting an increase in the availability of job opportunities for county residents. As of 2011, approximately three out of ten Somerset County workers also lived in the county, with the other seventy percent commuting in from elsewhere. This trend shows a healthy number of people coming to Somerset County for work, and that numbers entering and leaving the county have remained mostly flat.



Source: US Census Bureau, OnTheMap

Primary Job Location by Municipality

County Subdivisions by Primary Jobs

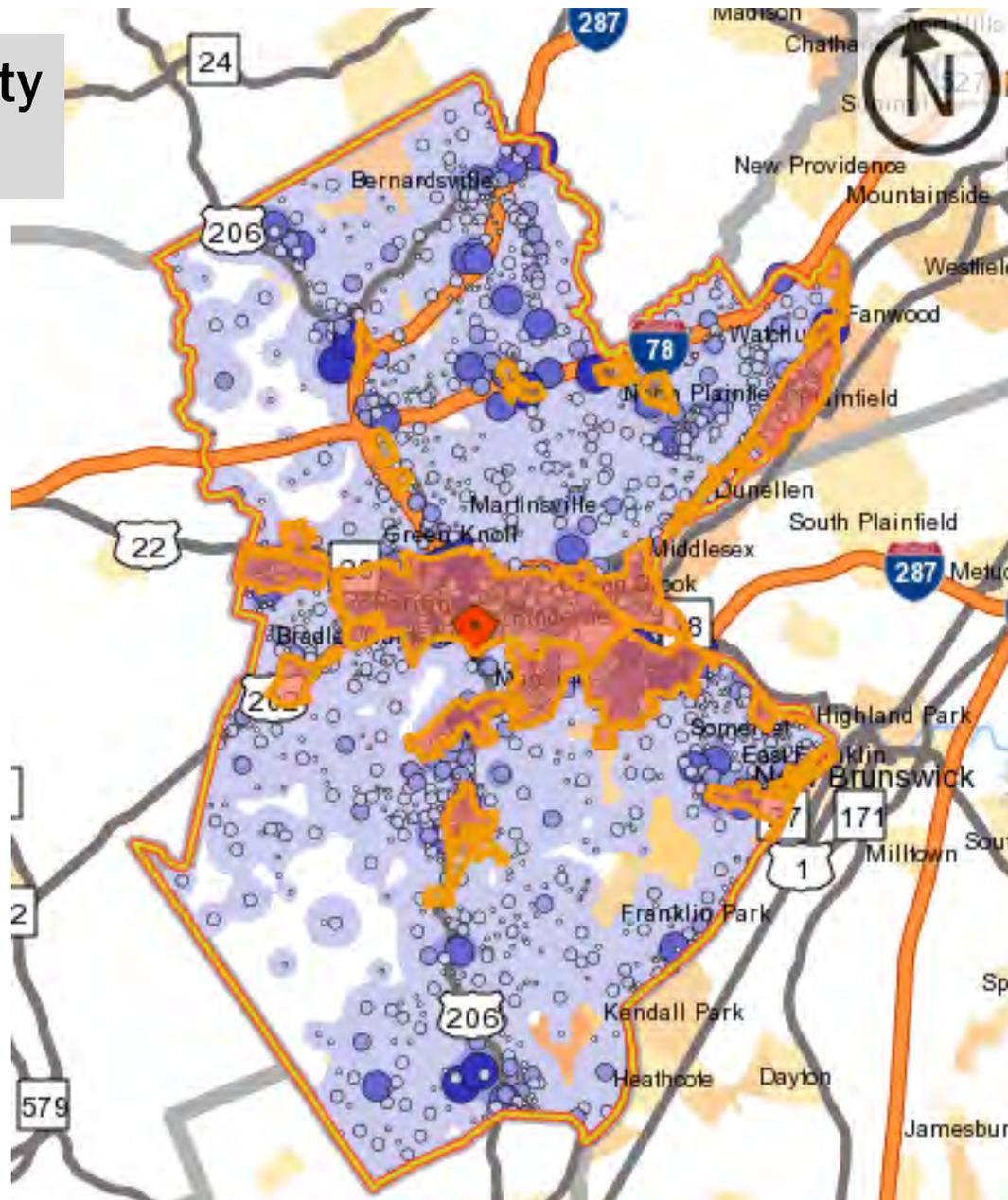
	2007		2009		2011	
Bridgewater township	31,714	19.5%	30,444	18.9%	31,309	19.2%
Franklin township	29,251	18.0%	29,479	18.3%	28,959	17.8%
Bernards township	10,655	6.5%	11,424	7.1%	14,405	8.8%
Warren township	12,969	8.0%	13,186	8.2%	12,558	7.7%
Montgomery township	9,899	6.1%	10,006	6.2%	10,478	6.4%
Hillsborough township	9,794	6.0%	9,843	6.1%	10,259	6.3%
Somerville borough	7,079	4.3%	7,026	4.4%	9,630	5.9%
Branchburg township	11,798	7.2%	10,891	6.8%	9,031	5.5%
Raritan borough	9,629	5.9%	9,001	5.6%	8,894	5.5%
Bedminster township	8,931	5.5%	9,073	5.6%	8,458	5.2%
All Other County Subdivisions	21,154	13.0%	20,616	12.8%	19,107	11.7%

Source: US Census Bureau, OnTheMap

Between 2007 and 2011, Bridgewater Township maintained its position as the municipality with the greatest number of primary jobs, representing nearly one-fifth of the total, with Franklin Township close behind. While Bernards Township and Somerville Borough exhibit significant employment growth of nearly 4,000 and 2,000 primary jobs, respectively, during the same time period, some of these reported job increases may be linked to employment outside of these towns (based on employment reporting anomalies). Primary job growth grows the county's economy by increasing employment in the county, and may lead to higher discretionary spending and a larger tax base.

Somerset County Job Clusters

- 1 - 7 Jobs
- 8 - 102 Jobs
- 103 - 513 Jobs
- 514 - 1,620 Jobs
- 1,621 - 3,955 Jobs

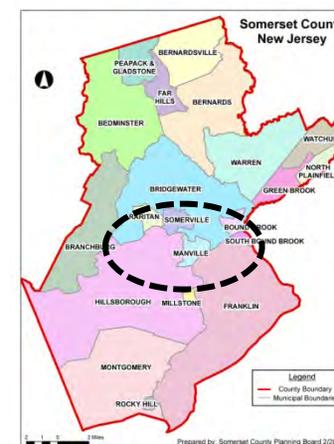


Source: US Census Bureau

Where County Area Workers Reside by Municipality

Home Destinations for Workers in Somerset County (County Subdivisions)

	2007		2009		2011	
Bridgewater township	7,946	4.9%	7,791	4.8%	7,619	4.7%
Hillsborough township	7,726	4.7%	7,445	4.6%	7,386	4.5%
Franklin township	6,745	4.1%	6,344	3.9%	6,640	4.1%
Piscataway township	3,601	2.2%	3,621	2.2%	3,461	2.1%
Edison township	3,401	2.1%	3,453	2.1%	3,334	2.0%
Bernards township	2,831	1.7%	2,878	1.8%	3,029	1.9%
Montgomery township	2,641	1.6%	2,316	1.4%	2,607	1.6%
Branchburg township	2,622	1.6%	2,672	1.7%	2,583	1.6%
Somerville borough	2,620	1.6%	2,656	1.6%	2,401	1.5%
Raritan township	2,318	1.4%	2,380	1.5%	2,363	1.4%
All Other Locations	120,422	73.9%	119,433	74.2%	121,665	74.6%



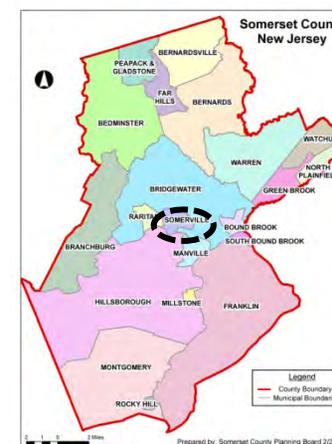
Source: U.S. Census Bureau; OnTheMap

Bridgewater Township has remained the top residential location among all workers employed in Somerset County since 2007, according to state and federal statistics. In 2011, nearly five out of every 100 employed persons in Somerset County resided in Bridgewater Township, although Hillsborough Township and Franklin Township, the second and third leading places of residence among county area workers, respectively, were close behind. While county area workers reside in various municipal jurisdictions throughout Somerset County, over 13 percent of county area workers reside within the townships of Bridgewater, Hillsborough, and Franklin – relatively close to the share of county area residents working in in those same townships.

Where County Area Residents Work by Municipal Jurisdiction

Work Destinations for Residents of Somerset County (County Subdivisions)

	2007		2009		2011	
Bridgewater township	9,430	6.3%	8,913	6.1%	8,853	5.8%
Manhattan borough	6,083	4.1%	6,323	4.3%	6,860	4.5%
Franklin township	6,751	4.5%	6,613	4.5%	6,685	4.4%
New Brunswick city	4,370	2.9%	4,607	3.1%	4,939	3.3%
Hillsborough township	5,026	3.4%	4,718	3.2%	4,765	3.1%
Piscataway township	4,617	3.1%	4,486	3.1%	4,433	2.9%
Edison township	4,468	3.0%	4,334	2.9%	4,234	2.8%
Somerville borough	3,130	2.1%	3,052	2.1%	3,731	2.5%
Bernards township	2,735	1.8%	3,006	2.0%	3,396	2.2%
All Other Locations	99,362	66.6%	97,696	66.4%	100,788	66.4%



Source: US Census Bureau, OnTheMap

Over ten out of every 100 employed Somerset County residents (over 15,500) worked in Bridgewater or Franklin Township in 2011, the top employment locations within Somerset for all employed Somerset County residents since 2007. Many of the top employment jurisdictions for Somerset County residents, listed in the above table, are home to large pharmaceutical and/or financial corporations – which is consistent with the relatively large share of Somerset County residents having high wage occupations. Finally, the top Somerset County employment destinations are geographically clustered in the central section of the county – a fact which has relevance to where the current concentration of mass transit service exists within the county.

Where County Area Workers Reside by County

Home Destinations for Workers in Somerset County (U.S. Counties)

	2007		2009		2011	
Somerset County, NJ	47,208	29.0%	45,504	28.3%	45,473	27.9%
Middlesex County, NJ	27,622	17.0%	27,783	17.3%	27,907	17.1%
Morris County, NJ	10,886	6.7%	11,154	6.9%	11,783	7.2%
Union County, NJ	11,360	7.0%	10,853	6.7%	10,693	6.6%
Hunterdon County, NJ	10,627	6.5%	10,520	6.5%	10,543	6.5%
Monmouth County, NJ	6,080	3.7%	5,923	3.7%	6,199	3.8%
Mercer County, NJ	6,122	3.8%	6,202	3.9%	6,027	3.7%
Essex County, NJ	5,973	3.7%	5,624	3.5%	5,779	3.5%
Warren County, NJ	3,918	2.4%	4,015	2.5%	3,939	2.4%
Bergen County, NJ	3,866	2.4%	3,779	2.3%	3,855	2.4%
All Other Locations	29,211	17.9%	29,632	18.4%	30,890	18.9%



Source: U.S. Census Bureau; OnTheMap

Hunterdon-Somerset-Middlesex MSA

Nearly 28 out of every 100 Somerset County area workers claimed residence within Somerset County in 2011, a percentage share decrease from 2007 when 29 percent of county area workers resided in Somerset County. Approximately 52 percent of all Somerset County area workers (83,923 workers) resided within the Hunterdon-Somerset-Middlesex MSA in 2011 – reflective of the strong economic relationship between the three counties. All of the top ten counties where Somerset County workers live were in New Jersey. As the majority of resident counties supplying labor for Somerset County businesses are suburban and rural in character, workers commuting from these counties, principally, rely on an automobile to get to work, as opposed to any other form of transportation. Further, the relatively large share of Somerset County workers who live outside of the county is but one indicator of the relatively high cost of housing observed within the county; and this issue is an economic development concern.

Where County Area Residents Work by County

Work Destinations for Residents of Somerset County (Counties)

	2007		2009		2011	
Somerset County, NJ	47,208	31.6%	45,504	31.0%	45,473	29.9%
Middlesex County, NJ	27,995	18.8%	27,833	18.9%	28,702	18.9%
Morris County, NJ	12,168	8.2%	12,082	8.2%	12,575	8.3%
Union County, NJ	12,856	8.6%	11,432	7.8%	12,063	7.9%
Mercer County, NJ	7,449	5.0%	7,872	5.4%	8,666	5.7%
Essex County, NJ	7,770	5.2%	7,841	5.3%	7,671	5.1%
New York County, NY	6,083	4.1%	6,323	4.3%	6,860	4.5%
Bergen County, NJ	4,934	3.3%	4,908	3.3%	4,885	3.2%
Hunterdon County, NJ	3,454	2.3%	3,865	2.6%	4,375	2.9%
Hudson County, NJ	3,482	2.3%	3,422	2.3%	3,659	2.4%
All Other Locations	15,894	10.6%	15,941	10.8%	16,938	11.2%



Source: US Census Bureau, OnTheMap

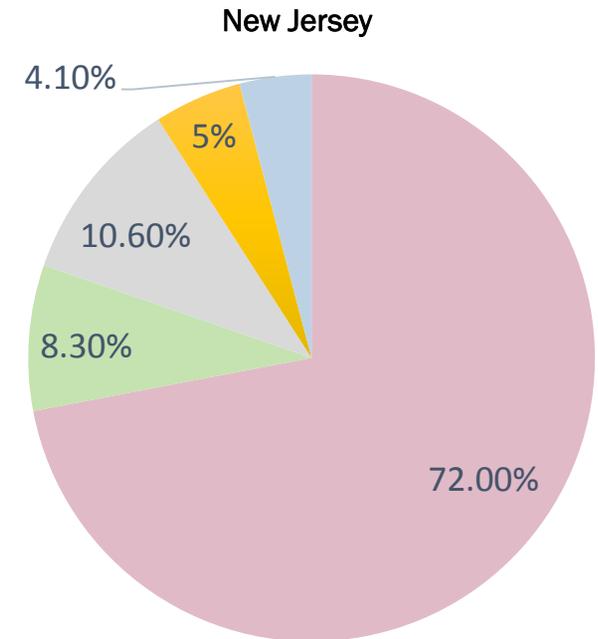
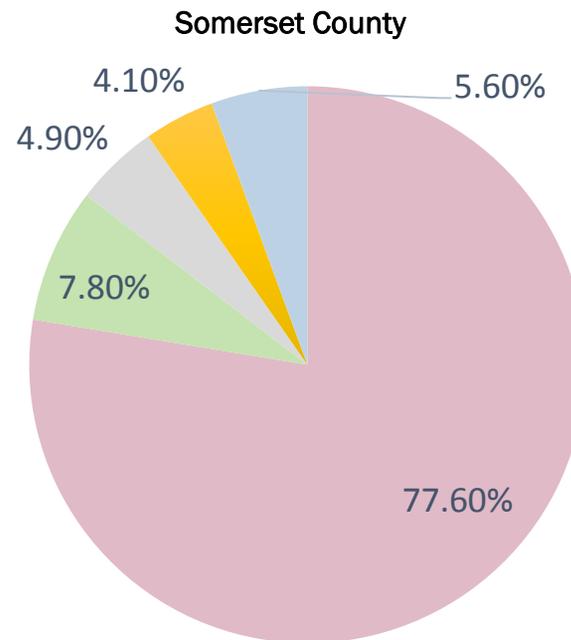
Hunterdon-Somerset-Middlesex MSA

Somerset County and neighboring Middlesex County, unsurprisingly, are the primary locations of employment for Somerset County residents. Since 2007, Somerset County has maintained the greatest share of employed Somerset County residents (30 out of every 100 employed county residents in 2011), followed by the counties of Middlesex and Morris at 18.9 percent and 8.3 percent of all employed Somerset County residents in 2011. In total, 51.7 percent of employed Somerset County residents (or 78,550 persons) worked within the MSA in 2011. Another relatively large share of county residents (16.2 percent or 24,638 persons) commuted to the neighboring counties of Morris (12,575), and Union (12,063) in 2011. New York County (Manhattan) was the only non-New Jersey county represented among the top ten county employment destinations by Somerset County. The strong jobs connection within the MSA ties the county's fiscal health to the MSA's overall economic performance.

Means to Work, 2012

Relative to New Jersey, Somerset County exhibits a higher dependence on automobile use as the primary means of commuting to work and, subsequently, a significantly lower reliance on commuting via public transportation.

The relatively low share of persons using public transit to get to work should receive significant attention in the county's current and future economic development strategic plans, as time and cost issues become ever greater factors for business investment considerations.



- Drove Alone
- Carpooled
- Public Transportation
- Other
- Worked at Home

Source: American Community Survey

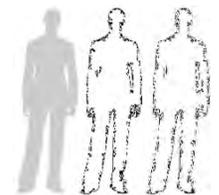
Takeaway: Labor and Industry Trends

The overall health of Somerset County's industries and supporting labor markets during and since the Great Recession (2007 to 2009) has been, generally, good. The county's relatively large share of well-educated, highly paid skilled workers is reflective of the large corporate employers located both within its borders and in surrounding counties.

While current economic conditions in Somerset County appear fine, there are a number of observed trends which raise concern for the future health of Somerset County's economy:

Employment Growth is Concentrated within Lower-Wage Industry Sectors: As depicted in earlier charts and tables, the greatest employment growth is projected to occur within industries which, traditionally, offer relatively lower wages (e.g., Healthcare and Social Assistance, Retail, and Accommodation and Food Services). While many county residents and residents from outside of the county will find greater employment opportunities in these industries, Somerset County's relatively high housing costs and near non-existent public transit system will, ultimately, place upward pressure on local wage rates, in order for businesses to recruit and retain a quality talent pool. Such cost pressures will challenge area businesses to stay competitive.

A Greying Workforce with Few Replacements in the Near-Term: Many higher wage industries in Somerset County, as nationally, are facing an exodus of their most skilled workers, as many baby boomers prepare to retire over the next ten years and New Jersey college graduates leave the state in high numbers. This is particularly true of the skilled trades industries, such as construction, manufacturing and wholesale trade.



Takeaway: Labor and Industry Trends (continued)

As earlier identified, projected labor trends suggest that over the same period of time, there will not be an equivalent number of younger workers to replace those either retiring or those who will be promoted to fill positions vacated by retirements. Complicating this coming labor shortage issue is the county's aforementioned high cost of living, which dissuades a number of workers from entering the local market.

As with the county's high cost of housing, employers will face choices of having to raise wage rates across the board to recruit and retain needed workers, relocate the business to a location outside of Somerset County which satisfies the business' labor needs or, in a worse case scenario, close the business. The forthcoming economic development strategies will seek to address the coming labor shortage issue.

Lack of Public Transit will Challenge Employers and Employees, Alike: A notable dearth of public transit in Somerset County has only recently become a larger issue, given recent and projected growth of local serving service industries – such as healthcare, retail, hospitality and lodging, and food and drinking establishments. These industries, principally, rely upon a large and mainly lower-wage workforce. In many other areas of the state, lower-wage workers in these industries rely upon a well-serviced network of public transit options (whether bus, light rail, or commuter rail). In cases where such transit services are not provided, workers must either rely upon having access to an automobile (difficult to achieve, given the wages these workers can command) or bicycling/walking (a further challenge given the rural and low-density character of the county). Given the increase in worker inflow and outflow to and from the county, transportation options for workers will be a necessity.

**Priority Growth
Investment Area
Business Inventory**

Introduction and Methodology

This technical memo provides information on the business composition of each of the PGIAs. In order to inventory businesses located within Somerset County's Priority Growth Investment Areas (PGIAs), Infocree.com, a commercially available and monthly updated database that tracks all registered businesses (public and private) within the United States, was utilized. Infocree.com is considered the most comprehensive, commercially available business data source, and its business data underpin many Internet search engines. However, data accuracy is not guaranteed, and therefore, should not be considered 100-percent reliable.

The AT&T Campus and Weldon Quarry have been excluded due to data issues resulting from a relatively low number of active businesses. Among the business types reported, the Standard Industrial Classification System (SIC) is used for categorization by major sector. The following information is presented for each PGIA: total number of businesses, top five business types by major SIC sector, age of businesses, number of employees (ranges), and annual sales volumes (ranges). As the exact number of employees and sales volumes for each business are not provided, a tally of businesses by number of employees and sales volume ranges are presented, instead.

Key Findings: Business Inventory Analysis

Regional Center, Green Brook Route 22 Corridor, and Hamilton Street/Renaissance Redevelopment PGIAs

The Somerset County Regional Center has the highest number of existing businesses (not surprising, as it is the largest PGIA), at nearly 3,200. Further, it contains the most large employers (500 employees or greater) among the PGIAs. The Green Brook Route 22 Corridor and Hamilton Street/Renaissance Redevelopment PGIAs contain the greatest concentration of businesses, each with almost one business per acre.

Most firms are small

Consistent with data at the national level, the vast majority of businesses within the PGIAs (just under 75 percent) employ less than 20 people. Firms with 500 employees or more represent only 0.3 percent of all businesses within the PGIAs.

Young firms and startups

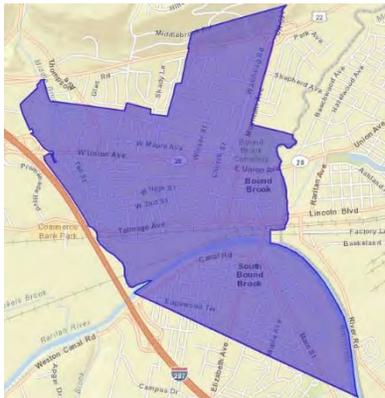
An important engine of job creation, young firms (those five years old or less) represent approximately one-third of all businesses within the PGIAs, while startups (those two years old or less) represent just over 15 percent of all businesses.

I-287 Industrial Complex and Regional Center PGIAs

These two PGIAs exhibit the greatest concentration of businesses generating annual revenues in excess of \$10 million. Current estimates show 118 companies within the I-287 Industrial Complex generating revenues in excess of \$10 million annually, and 155 firms within the Somerset County Regional Center generating such revenues.

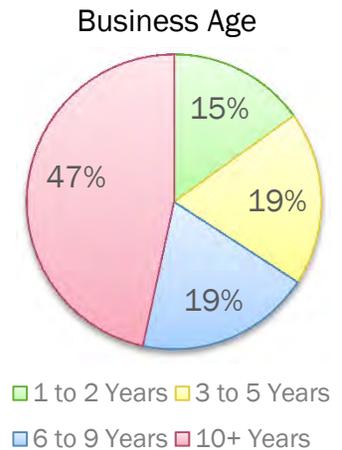
PGIA Profiles

Business Inventory Summary: The Bound Brooks

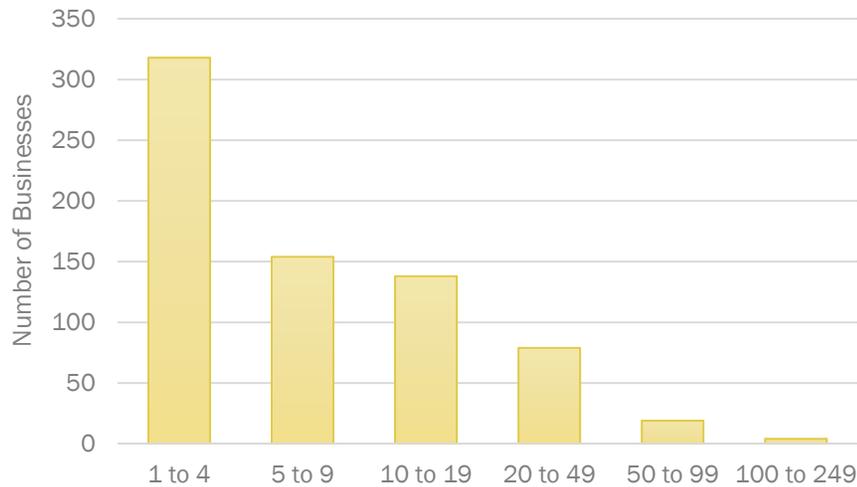


Total Number of Businesses: 796

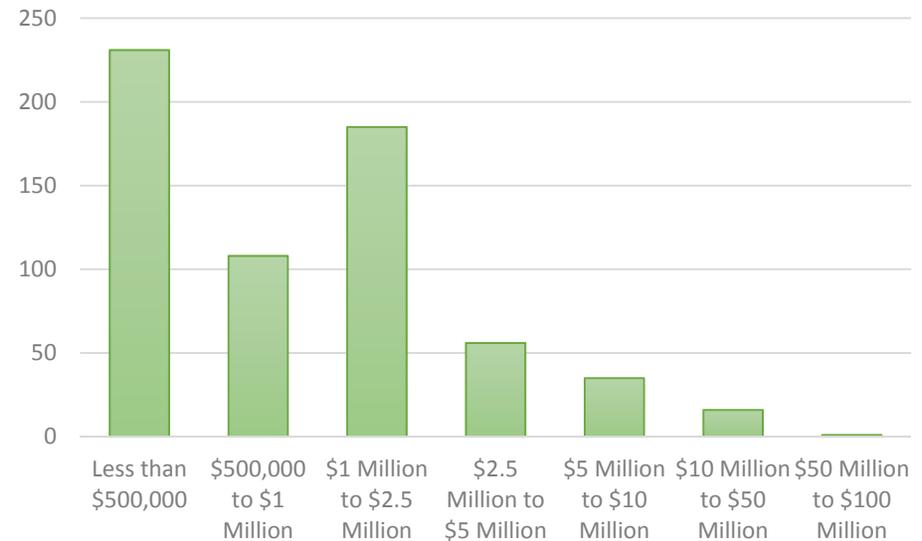
Top Business Types	Count
Health Services	83
Eating and Drinking Places	69
Non-classifiable Establishments	49
Personal Services	48
Business Services	39



Number of Employees

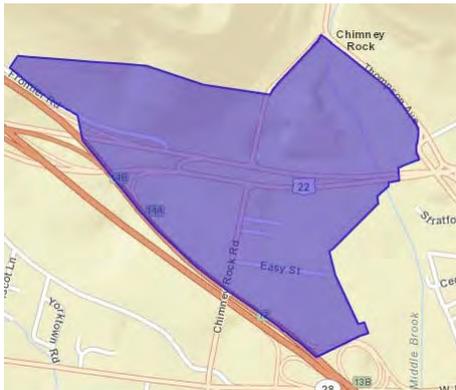


Annual Sales Volume



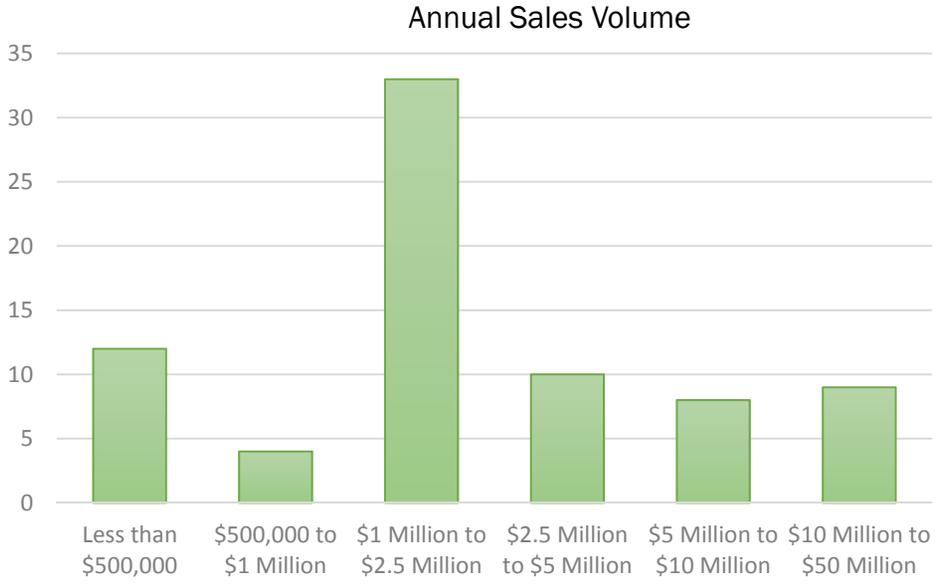
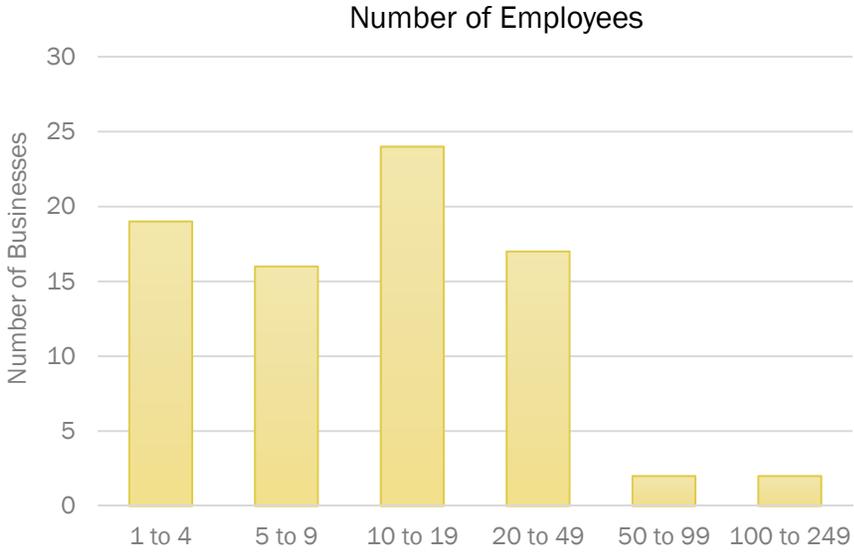
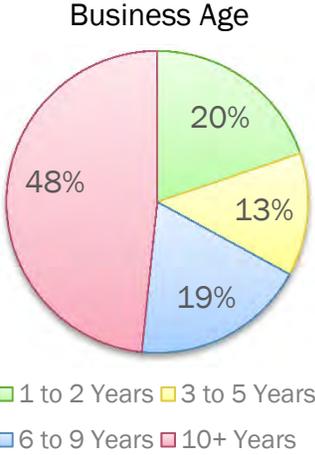
Source: InfoFree

Business Inventory Summary: Chimney Rock Interchange



Total Number of Businesses: 91

Top Business Types	Count
Wholesale Trade - Durable Goods	14
Non-classifiable Establishments	9
Miscellaneous Retail	7
Construction - Special Trade Contractors	6
Real Estate	6



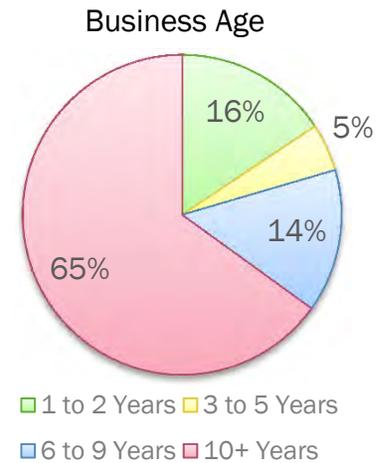
Source: InfoFree

Business Inventory Summary: Easton Avenue Corridor

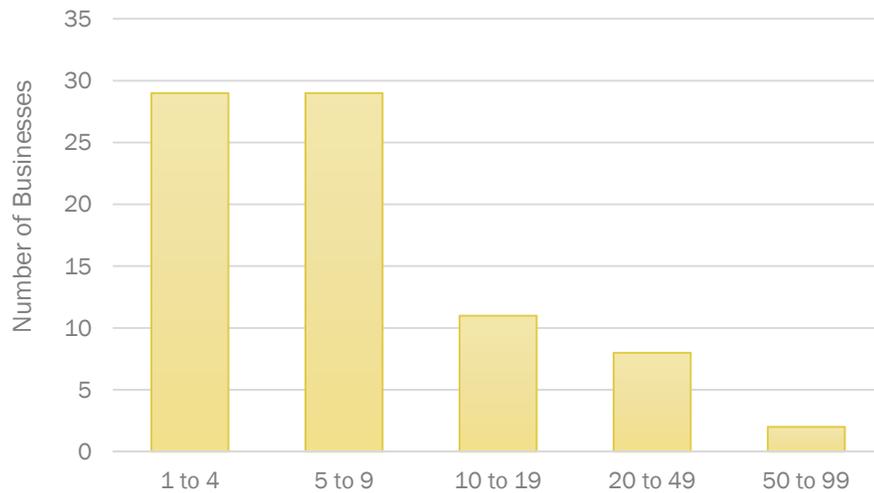


Total Number of Businesses: 83

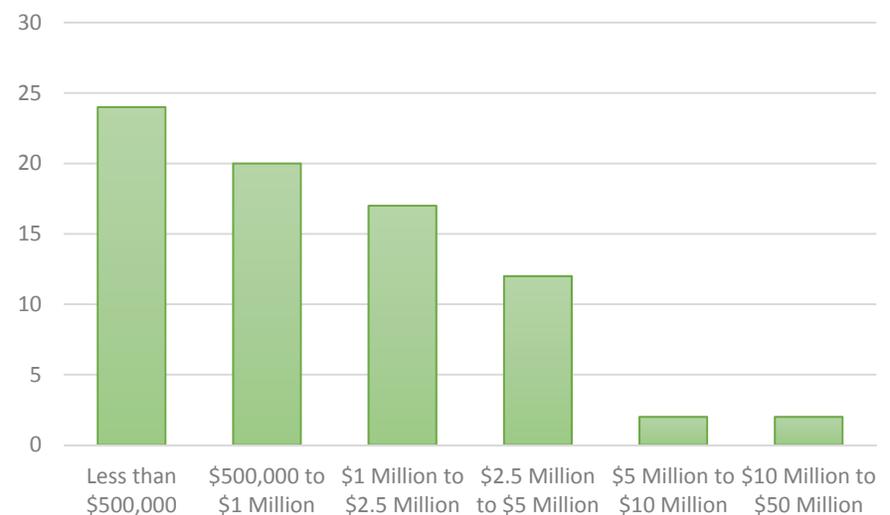
Top Business Types	Count
Eating and Drinking Places	12
Personal Services	12
Engineering, Accounting, Research, Management & Related	8
Health Services	6
Food Stores	4



Number of Employees

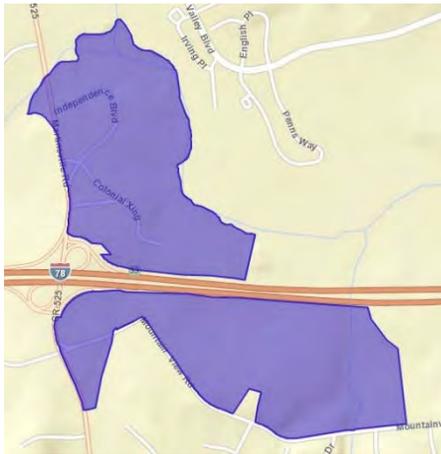


Annual Sales Volume



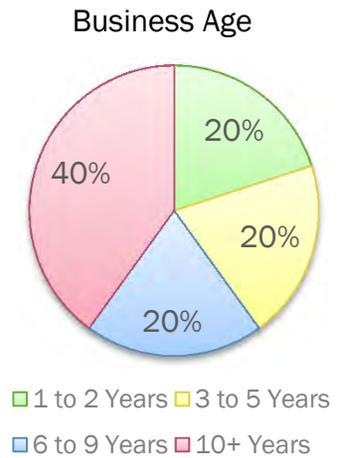
Source: InfoFree

Business Inventory Summary: Exit 33 I-78

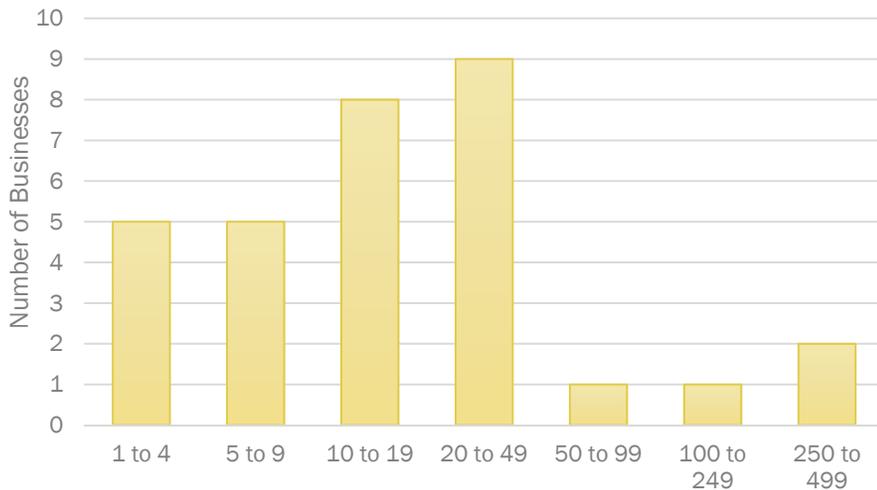


Total Number of Businesses: 40

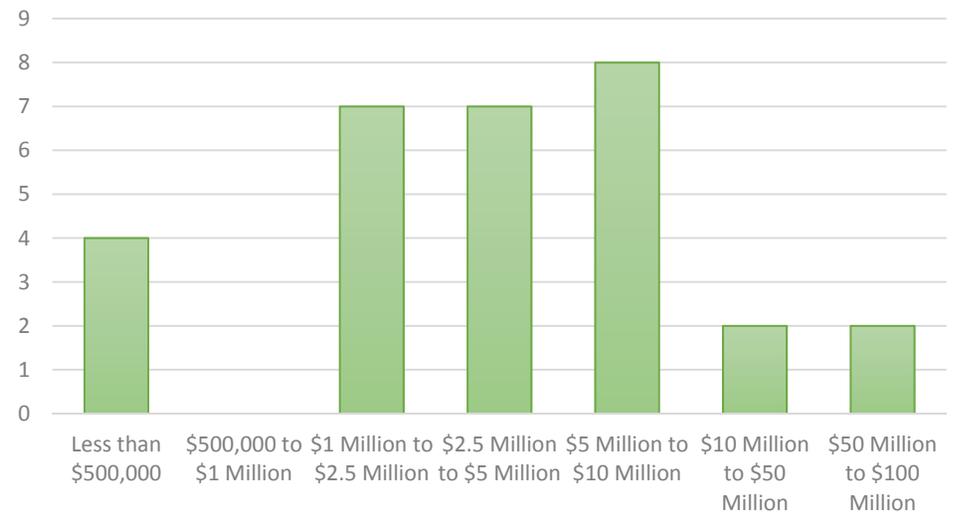
Top Business Types	Count
Real Estate	5
Legal Services	5
Non-classifiable Establishments	5
Depository Institutions	3
Engineering, Accounting, Research, Management & Related	3



Number of Employees

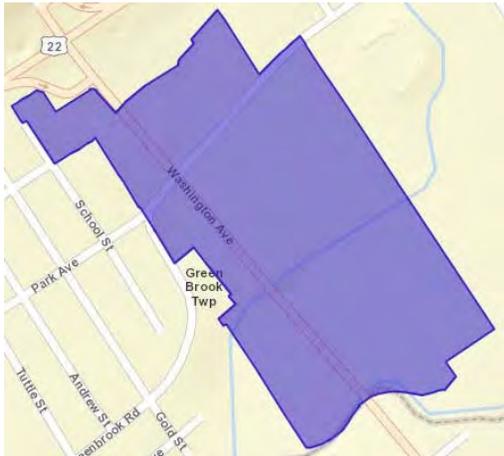


Annual Sales Volume



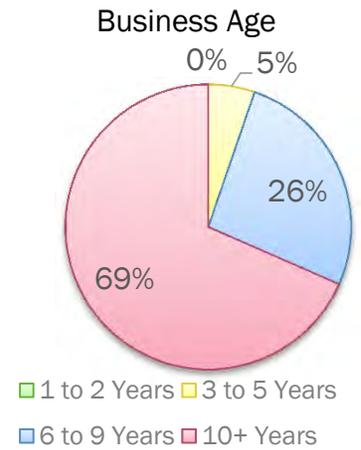
Source: InfoFree

Business Inventory Summary: Green Brook Neighborhood Center

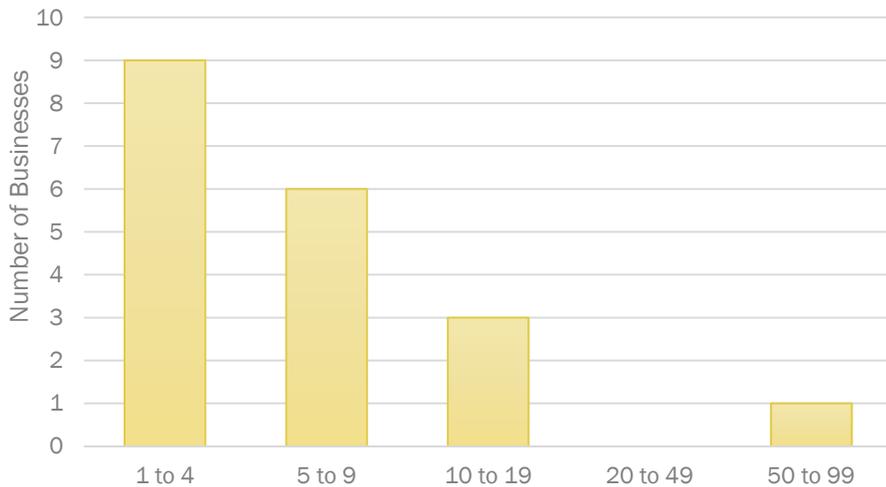


Total Number of Businesses: 19

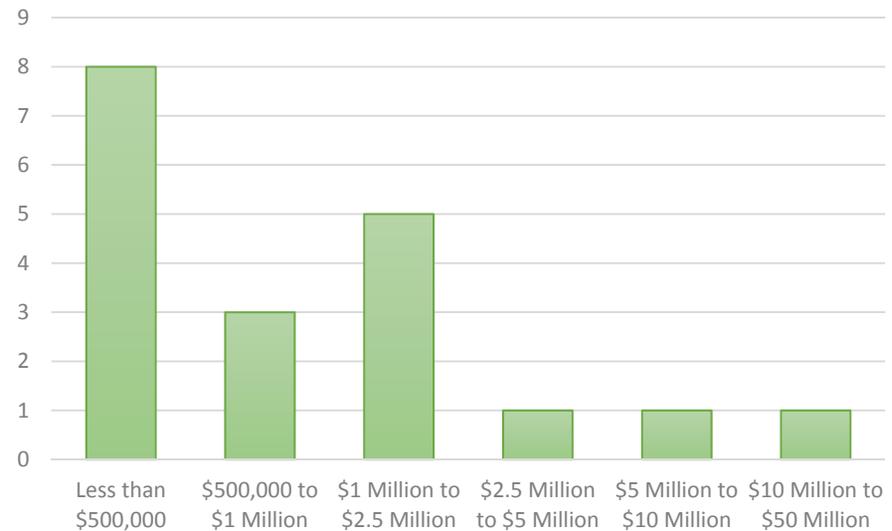
Top Business Types	Count
Health Services	3
Eating and Drinking Places	2
Depository Institutions	2
Personal Services	2
Legal Services	2



Number of Employees



Annual Sales Volume



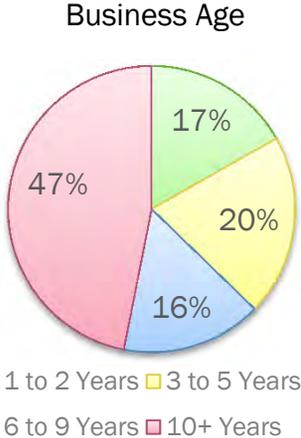
Source: InfoFree

Business Inventory Summary: Green Brook Route 22 Corridor

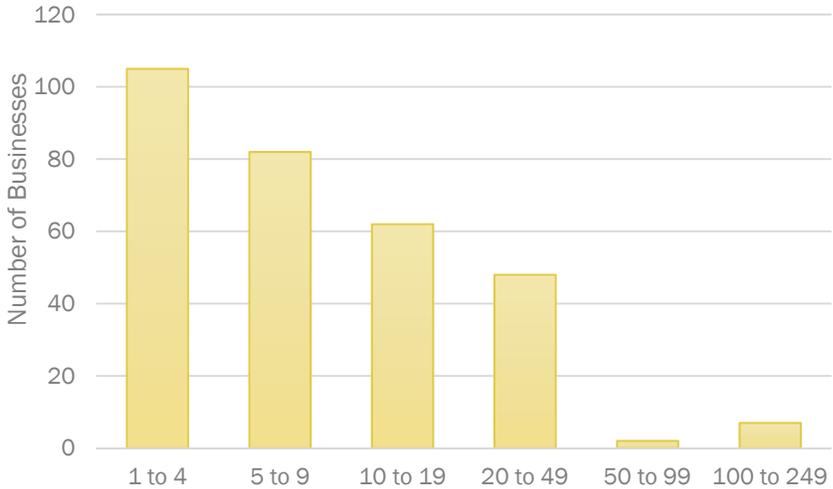


Total Number of Businesses: 322

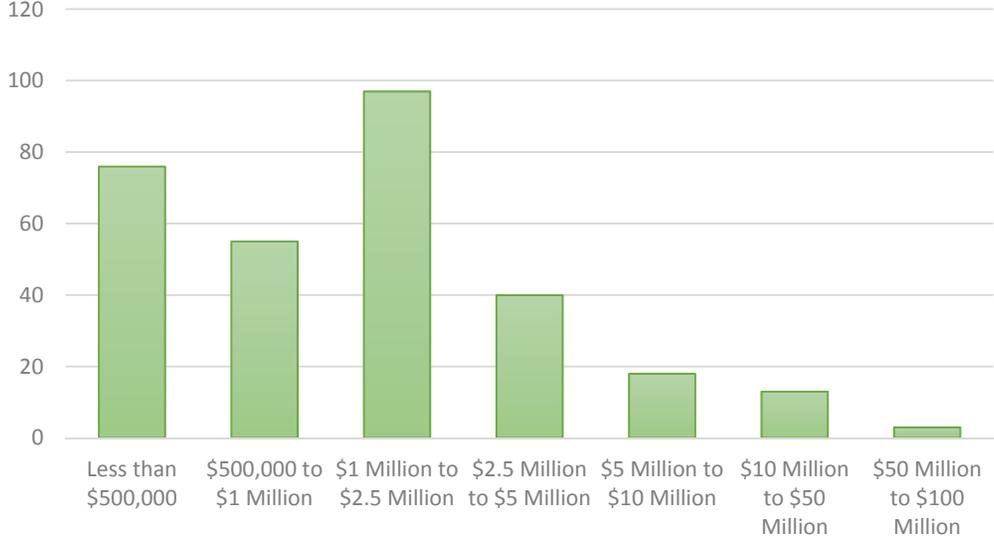
Top Business Types	Count
Home Furniture, Furnishings and Equipment Stores	29
Eating and Drinking Places	28
Personal Services	24
Health Services	24
Miscellaneous Retail	22



Number of Employees

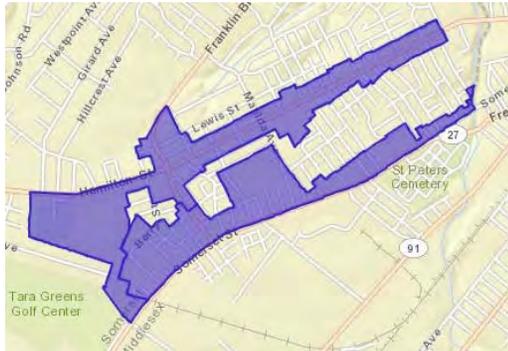


Annual Sales Volume



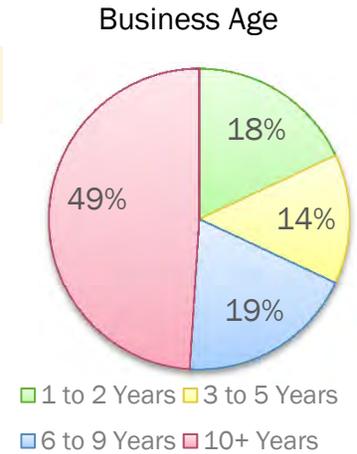
Source: InfoFree

Business Inventory Summary: Hamilton Street/Renaissance Redevelopment

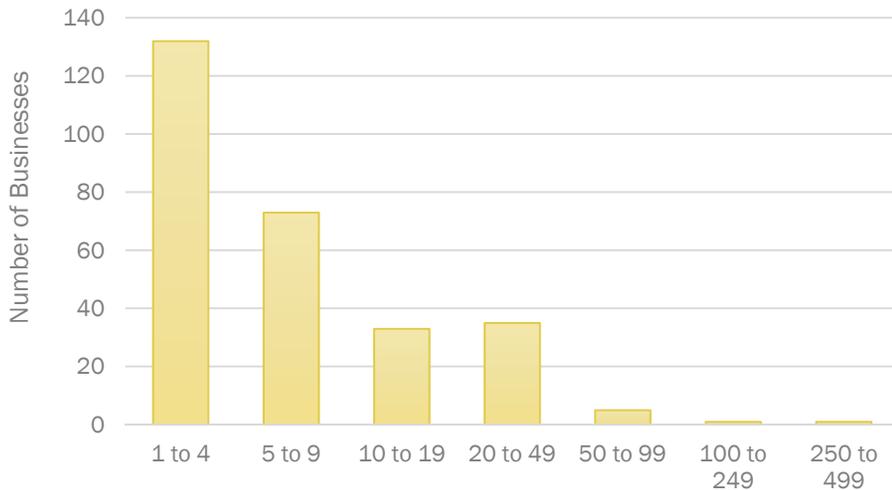


Total Number of Businesses: 294

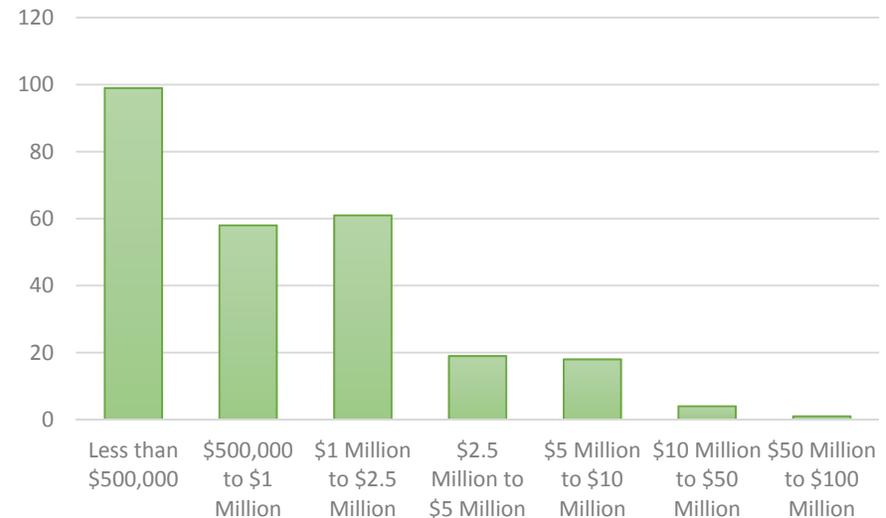
Top Business Types	Count
Personal Services	44
Eating and Drinking Places	36
Automotive Repair, Services, and Parking	18
Food Stores	17
Non-classifiable Establishments	14



Number of Employees

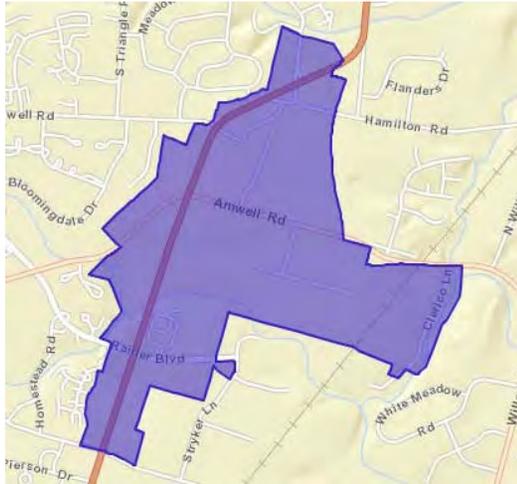


Annual Sales Volume



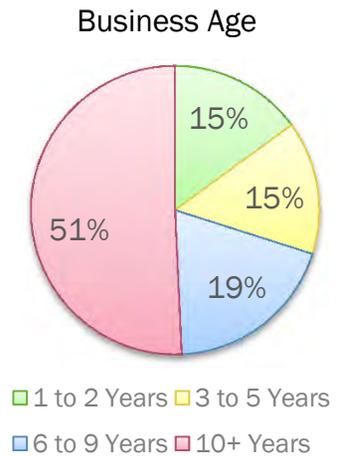
Source: InfoFree

Business Inventory Summary: Hillsborough Town Center/Gateway

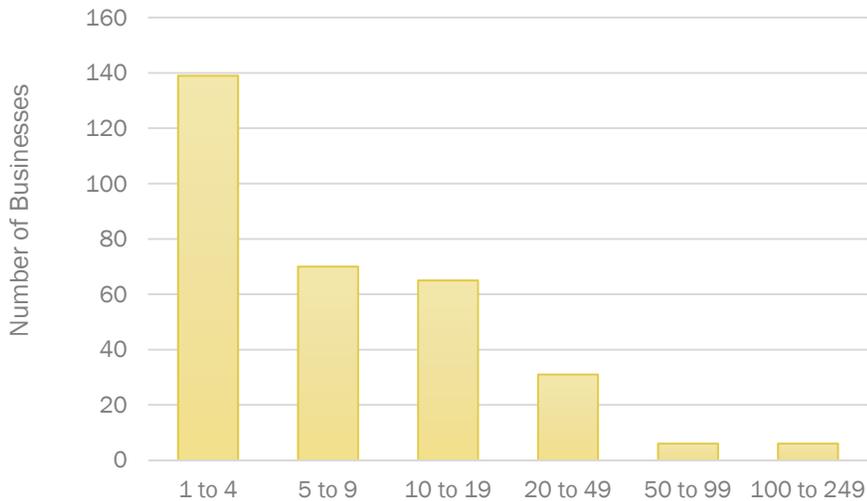


Total Number of Businesses: 341

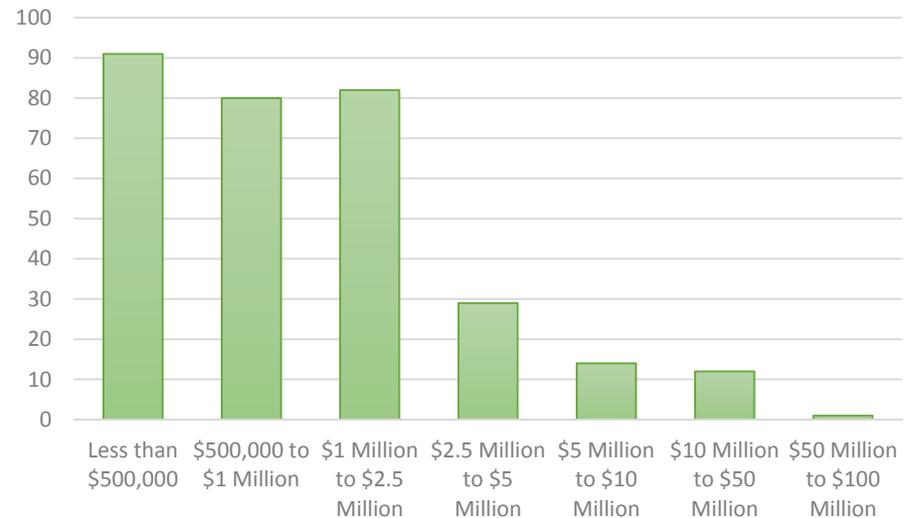
Top Business Types	Count
Health Services	68
Eating and Drinking Places	28
Personal Services	28
Business Services	19
Miscellaneous Retail	18



Number of Employees

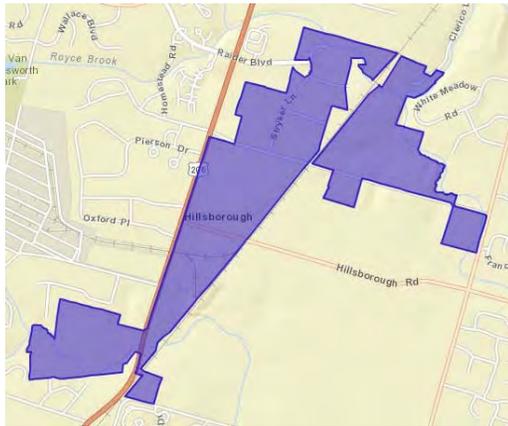


Annual Sales Volume



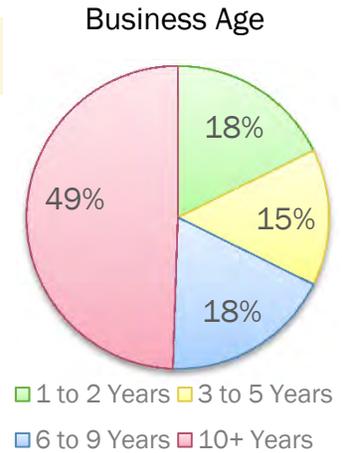
Source: InfoFree

Business Inventory Summary: Homestead Road/Rt. 206 Bypass

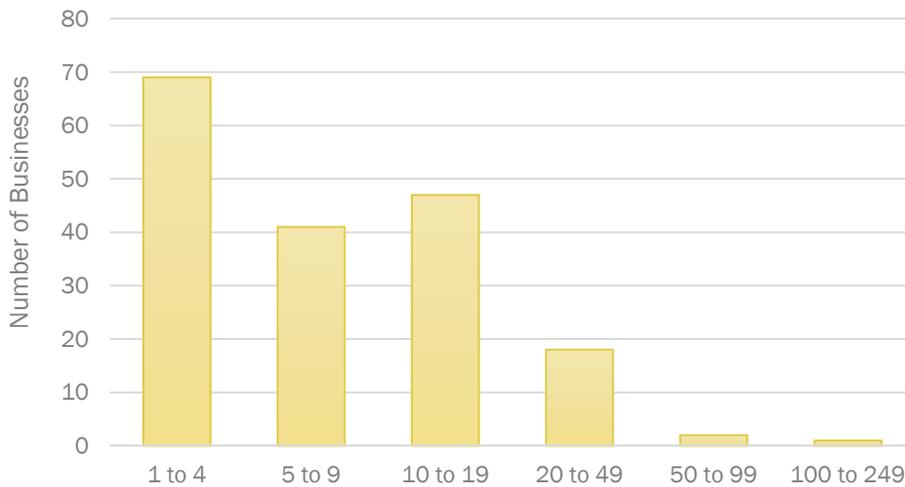


Total Number of Businesses: 192

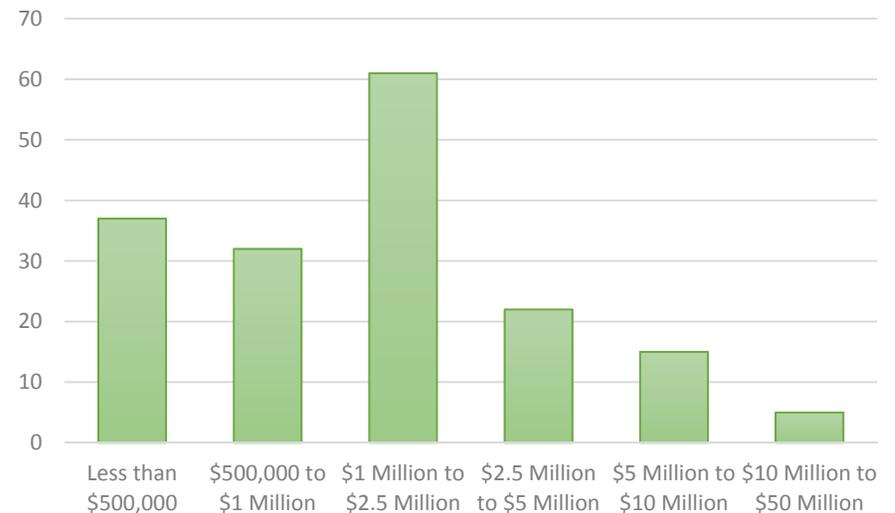
Top Business Types	Count
Wholesale Trade - Durable Goods	25
Construction - Special Trade Contractors	22
Business Services	15
Non-classifiable Establishments	14
Amusement and Recreation Services	10



Number of Employees

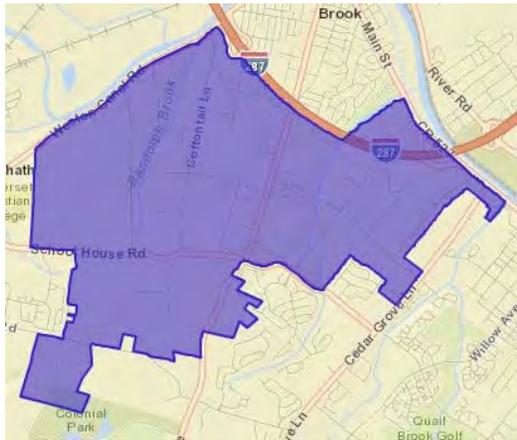


Annual Sales Volume



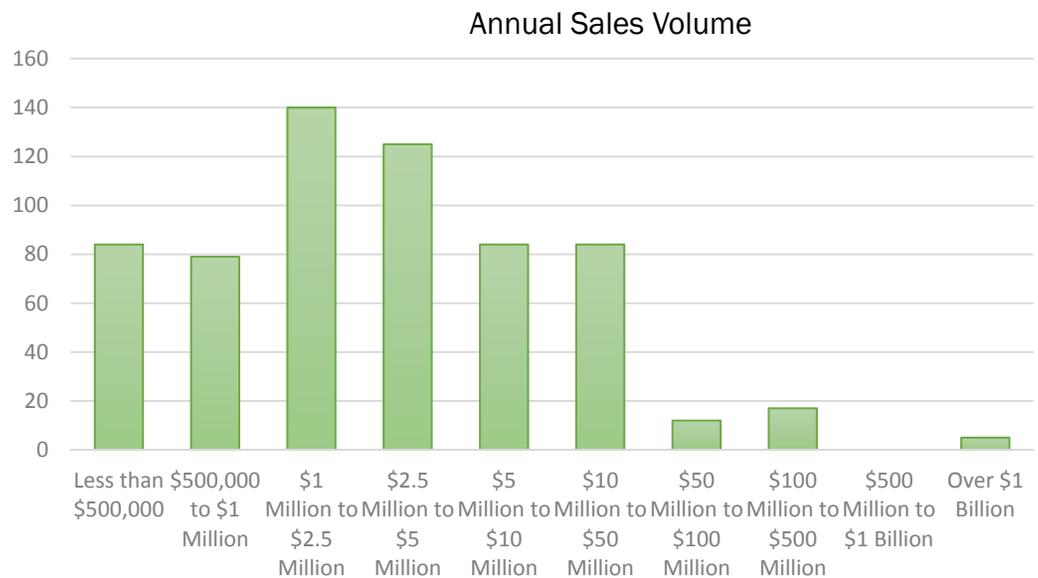
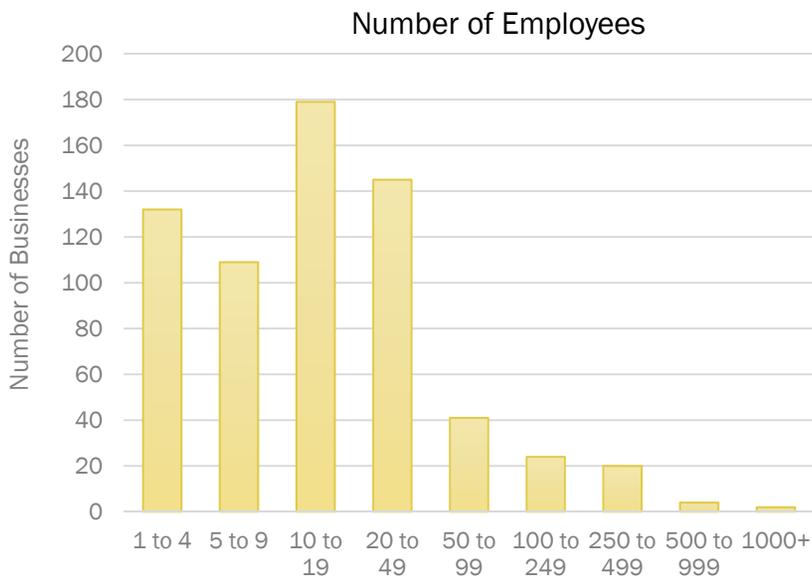
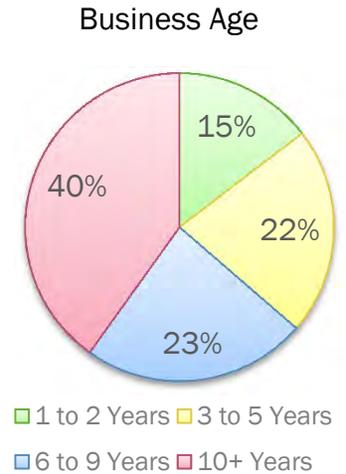
Source: InfoFree

Business Inventory Summary: I-287 Industrial Complex



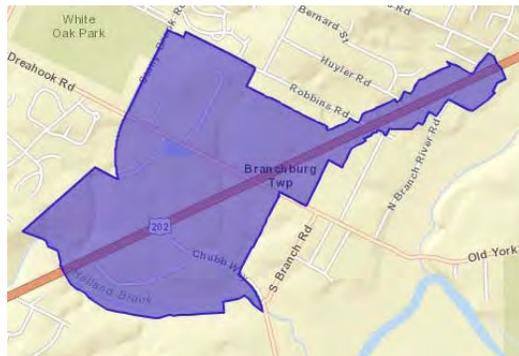
Total Number of Businesses: 748

Top Business Types	Count
Business Services	87
Engineering, Accounting, Research, Management & Related	83
Non-classifiable Establishments	56
Health Services	48
Wholesale Trade - Durable Goods	42



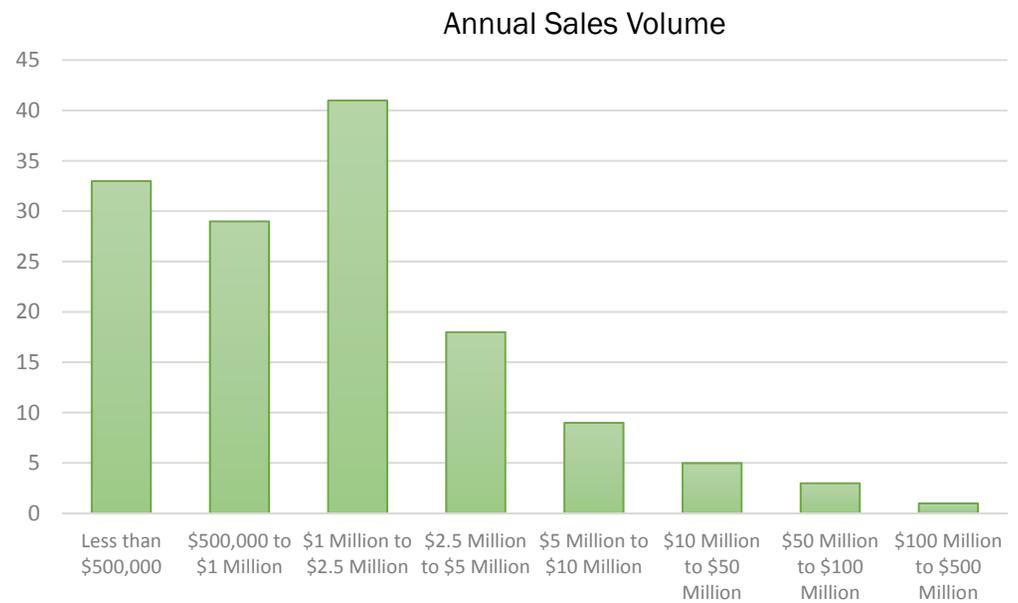
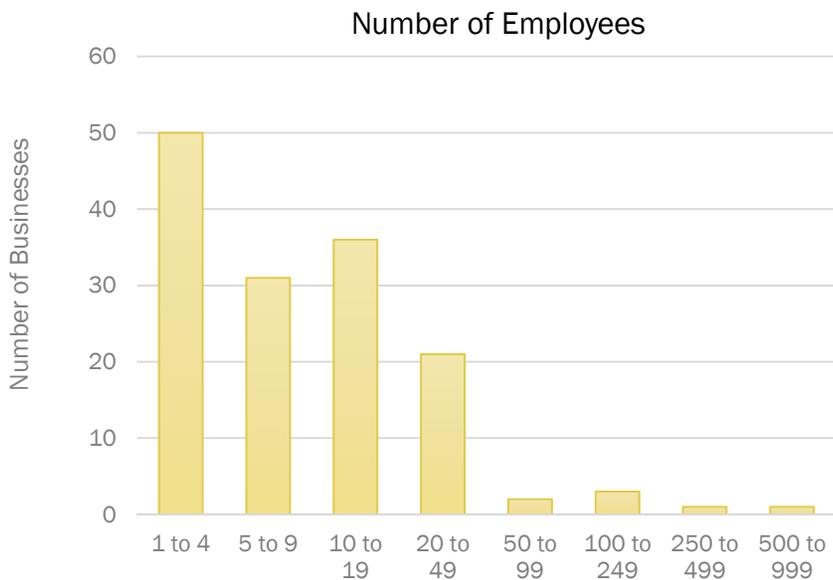
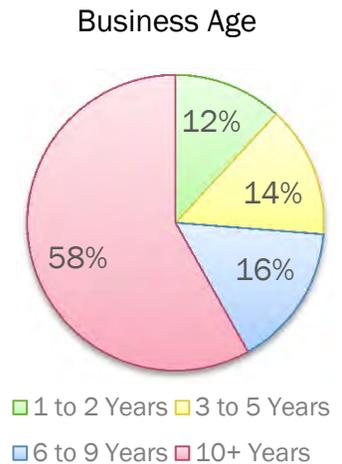
Source: InfoFree

Business Inventory Summary: Imclone



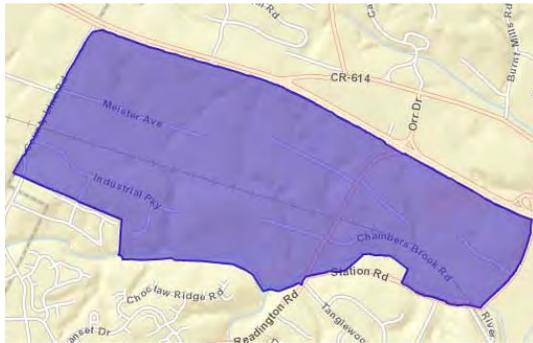
Total Number of Businesses: 160

Top Business Types	Count
Eating and Drinking Places	17
Health Services	15
Business Services	10
Engineering, Accounting, Research, Management & Related	10
Personal Services	9



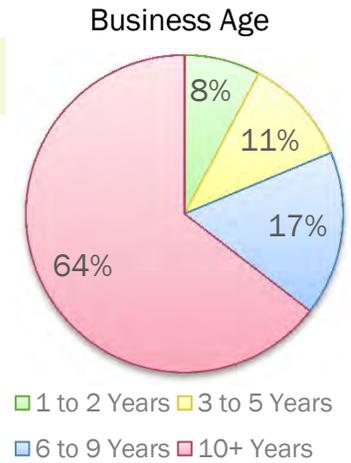
Source: InfoFree

Business Inventory Summary: Meister Ave Industrial Parkway

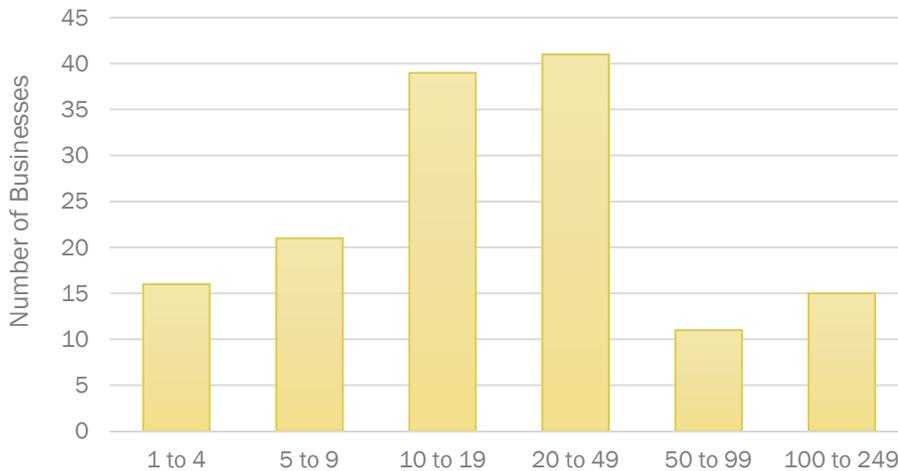


Total Number of Businesses: 155

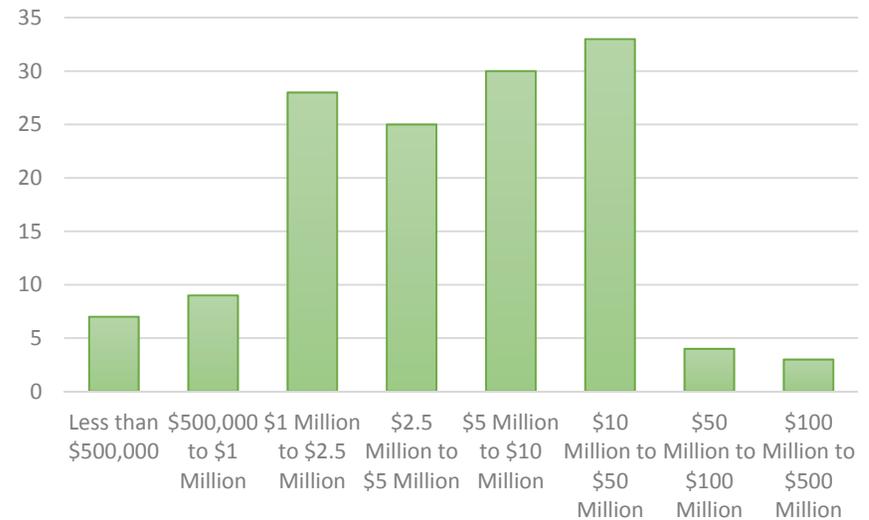
Top Business Types	Count
Wholesale Trade - Durable Goods	29
Business Services	18
Wholesale Trade - Nondurable Goods	13
Home Furniture, Furnishings, and Equipment Stores	8
Engineering, Accounting, Research, Management & Related	8



Number of Employees

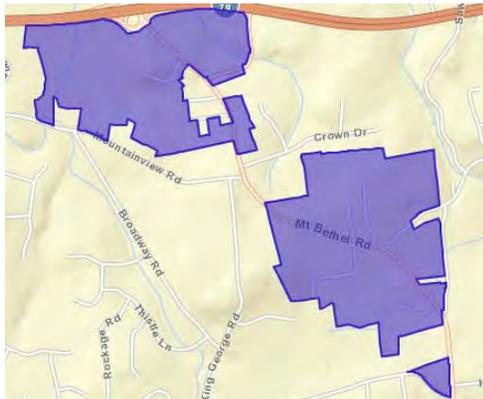


Annual Sales Volume



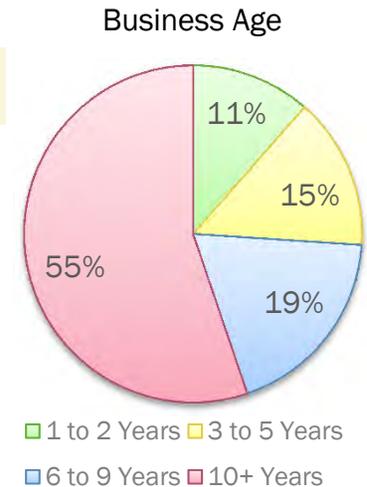
Source: InfoFree

Business Inventory Summary: Mt. Bethel Employment Area

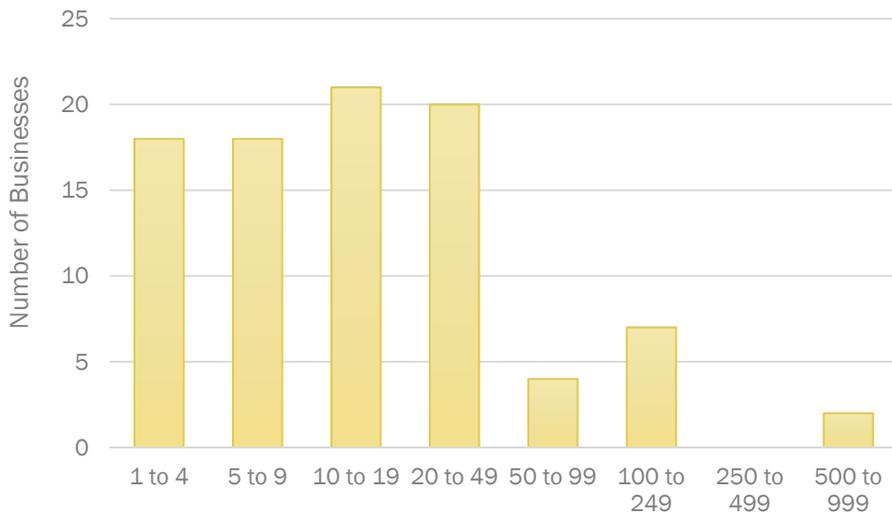


Total Number of Businesses: 96

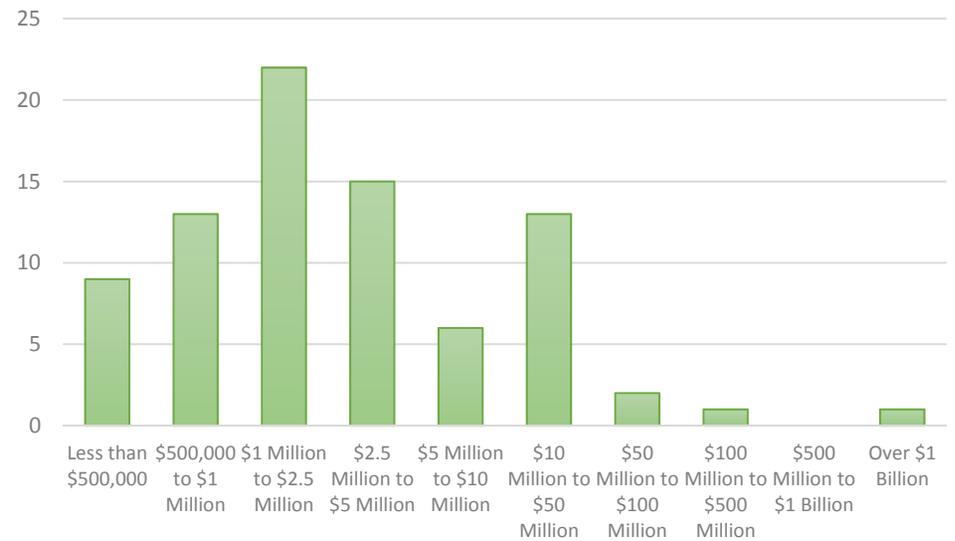
Top Business Types	Count
Engineering, Accounting, Research, Management & Related	15
Health Services	13
Business Services	11
Membership Organizations	6
Non-classifiable Establishments	6



Number of Employees

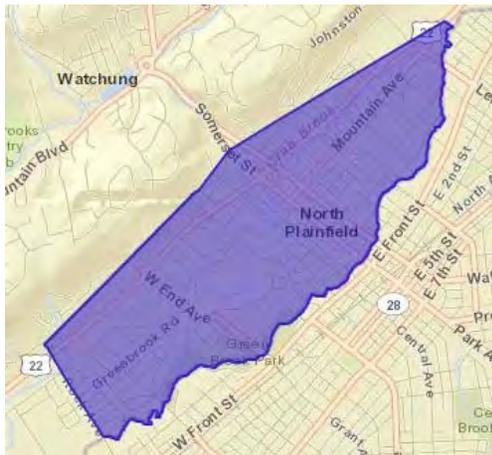


Annual Sales Volume



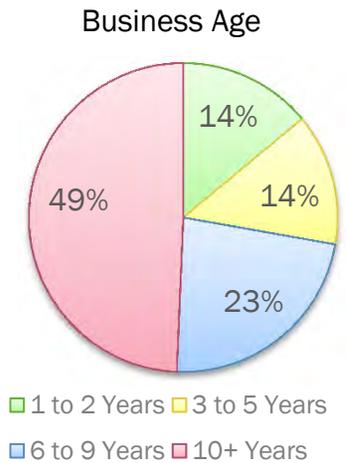
Source: InfoFree

Business Inventory Summary: North Plainfield Town Center

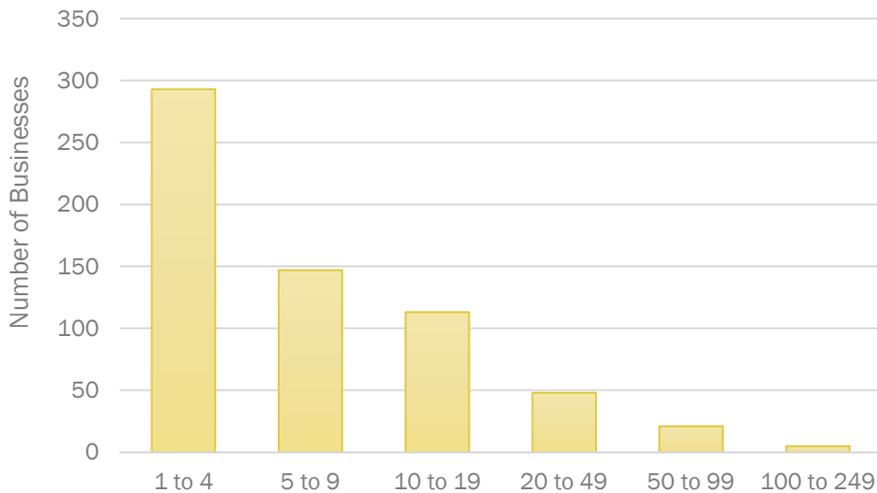


Total Number of Businesses: 673

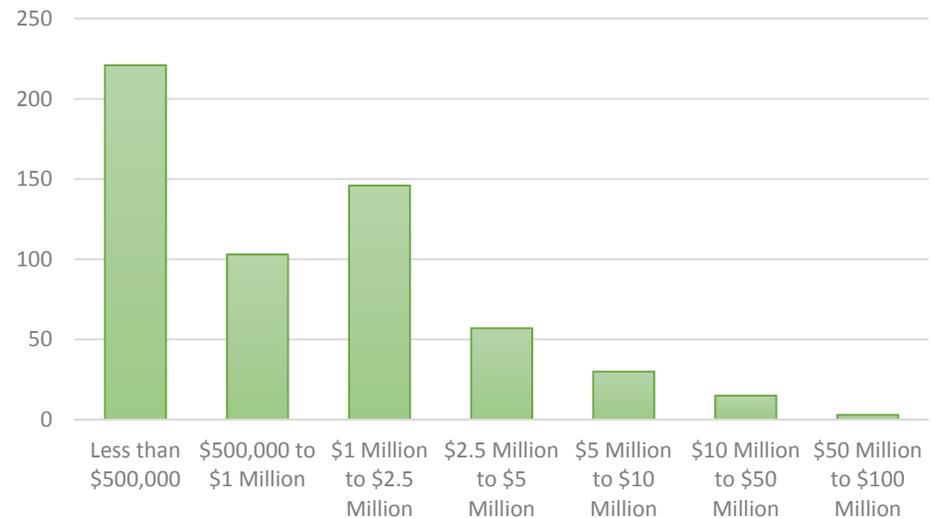
Top Business Types	Count
Personal Services	61
Health Services	39
Business Services	36
Non-classifiable Establishments	36
Eating and Drinking Places	35



Number of Employees

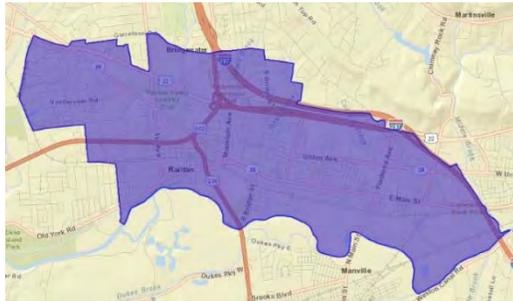


Annual Sales Volume



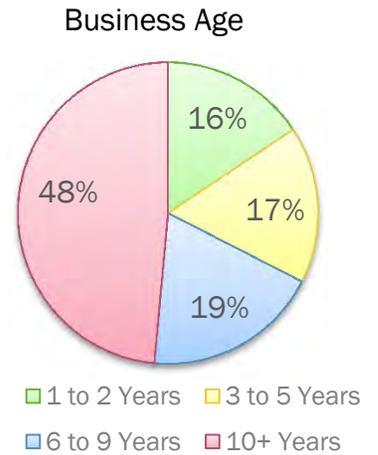
Source: InfoFree

Business Inventory Summary: Somerset County Regional Center

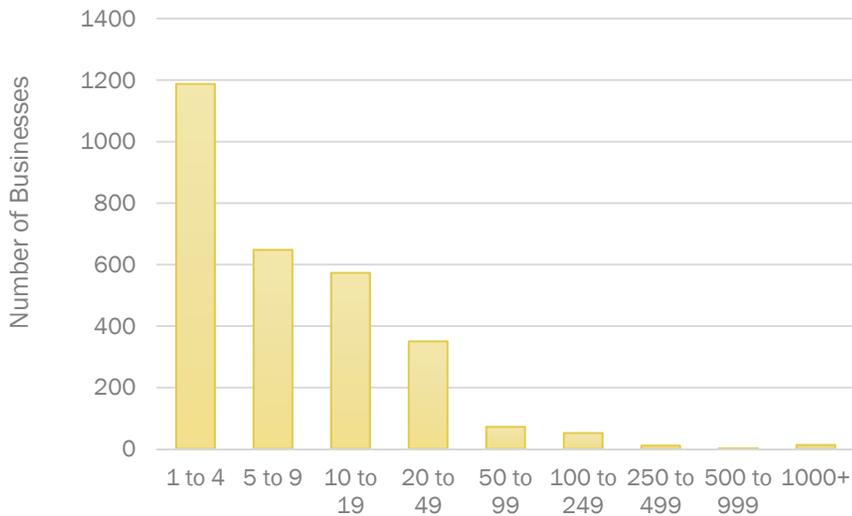


Total Number of Businesses: 3,181

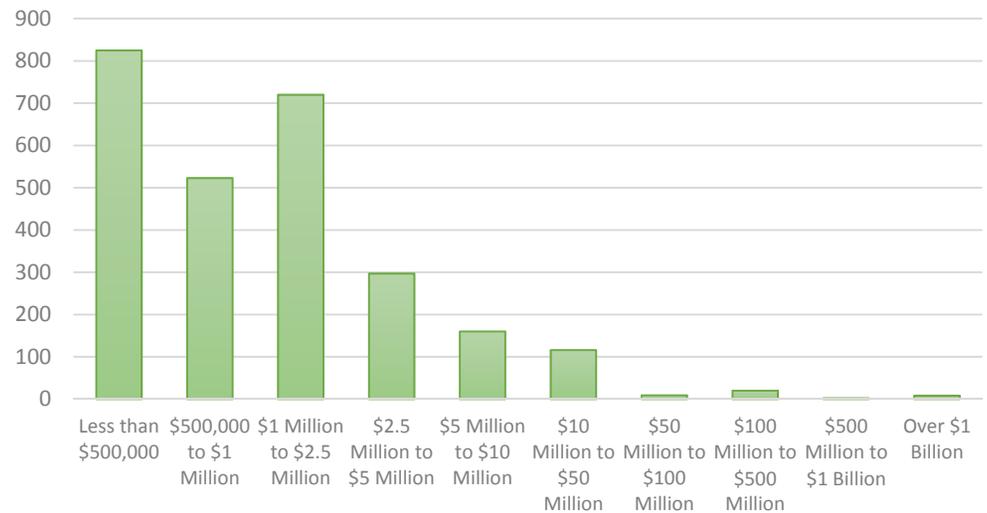
Top Business Types	Count
Health Services	388
Legal Services	212
Business Services	192
Miscellaneous Retail	176
Eating and Drinking Places	175



Number of Employees



Annual Sales Volume



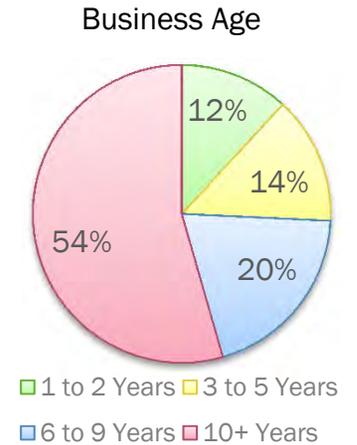
Source: InfoFree

Business Inventory Summary: Route 202/NJ TRANSIT Rail Spur

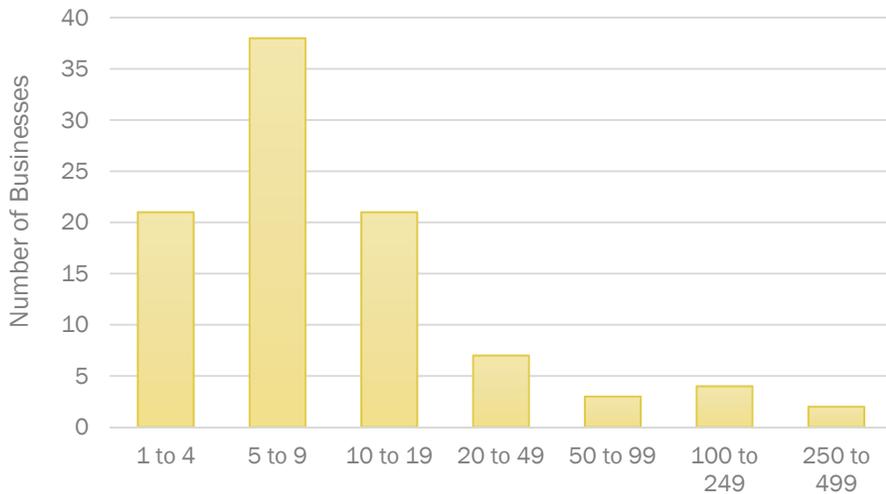


Total Number of Businesses: 101

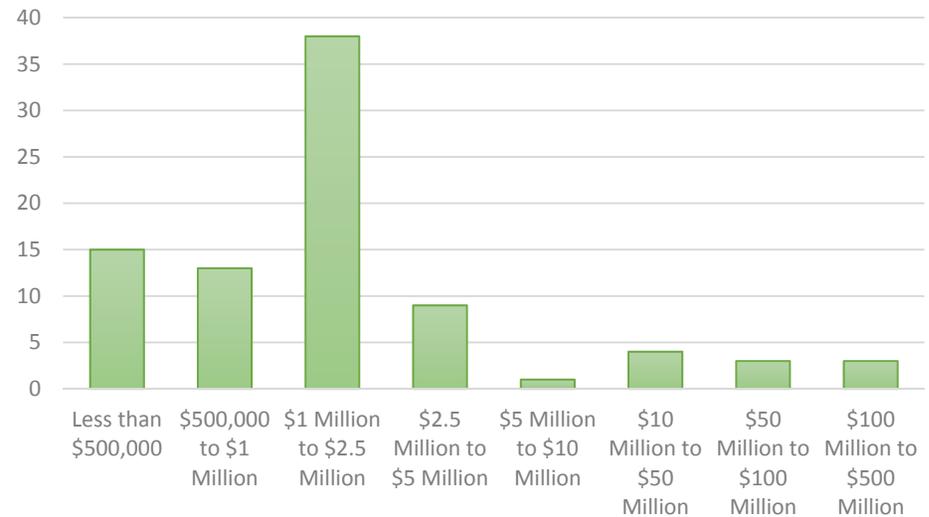
Top Business Types	Count
Legal Services	18
Business Services	8
Wholesale Trade - Durable Goods	5
Personal Services	5
Engineering, Accounting, Research, Management & Related	5



Number of Employees



Annual Sales Volume



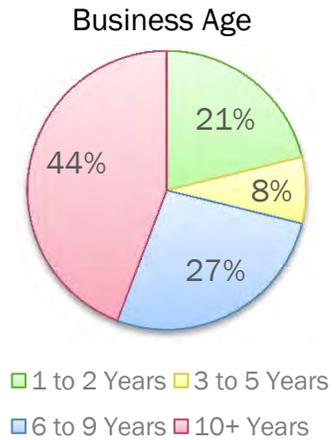
Source: InfoFree

Business Inventory Summary: RVCC/Easton Turnpike

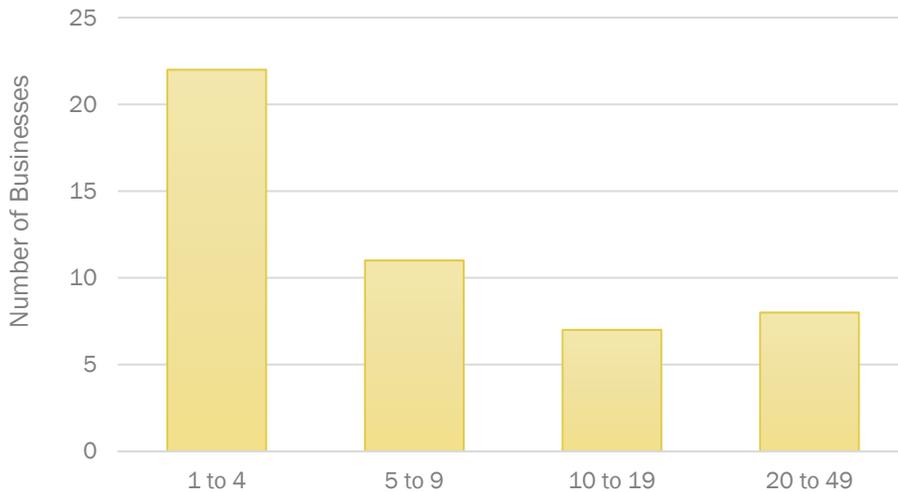


Total Number of Businesses: 52

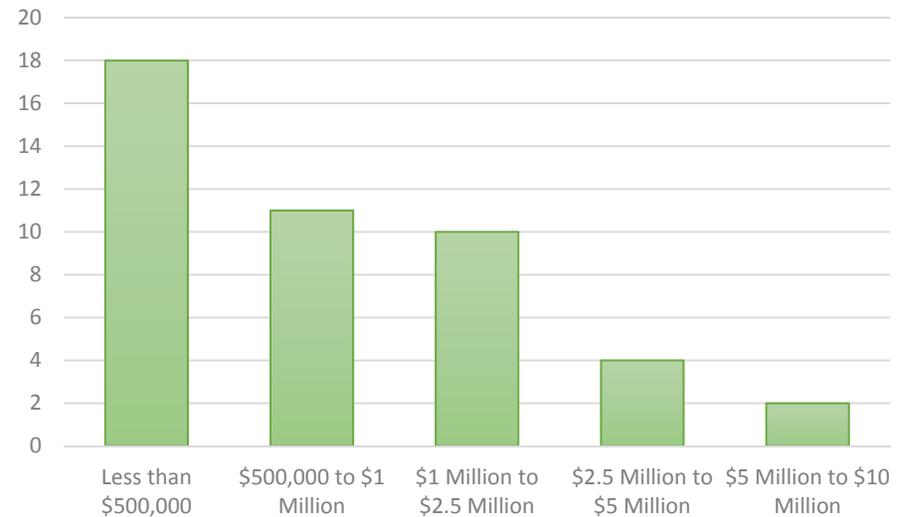
Top Business Types	Count
Eating and Drinking Places	9
Personal Services	6
Health Services	6
Engineering, Accounting, Research, Management & Related	6
Business Services	3



Number of Employees



Annual Sales Volume



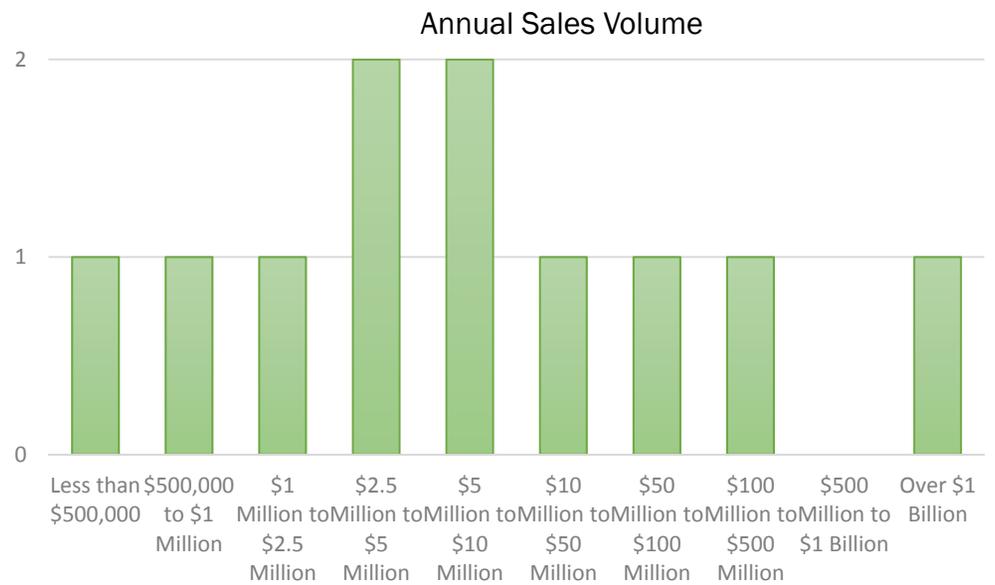
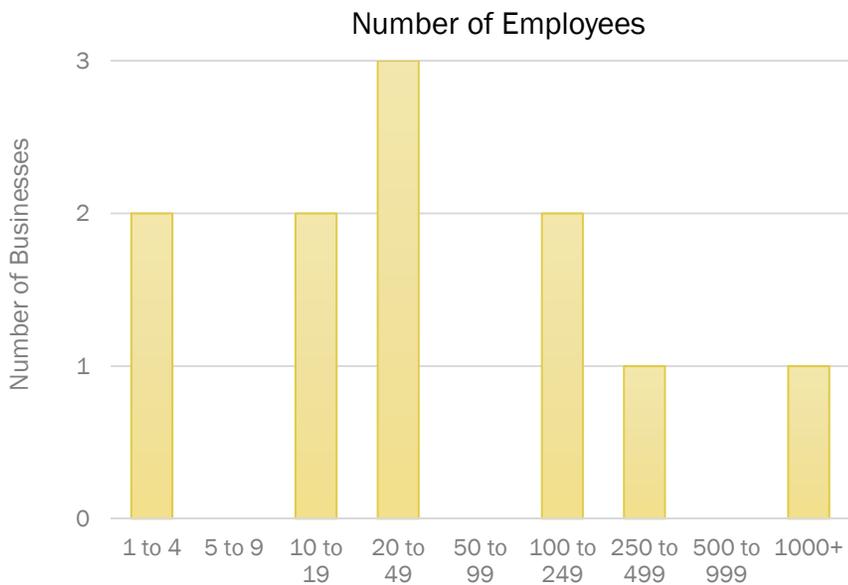
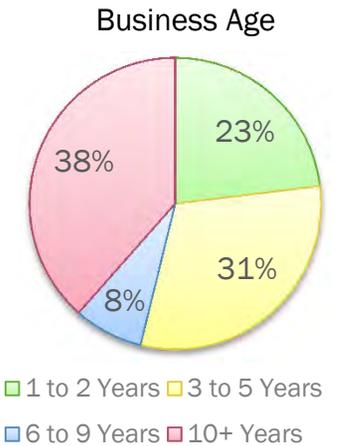
Source: InfoFree

Business Inventory Summary: Sanofi Aventis



Total Number of Businesses: 13

Top Business Types	Count
Chemicals and Allied Products	2
Miscellaneous Retail	2
Health Services	2
Communications	1
Insurance Agents, Brokers, and Service	1



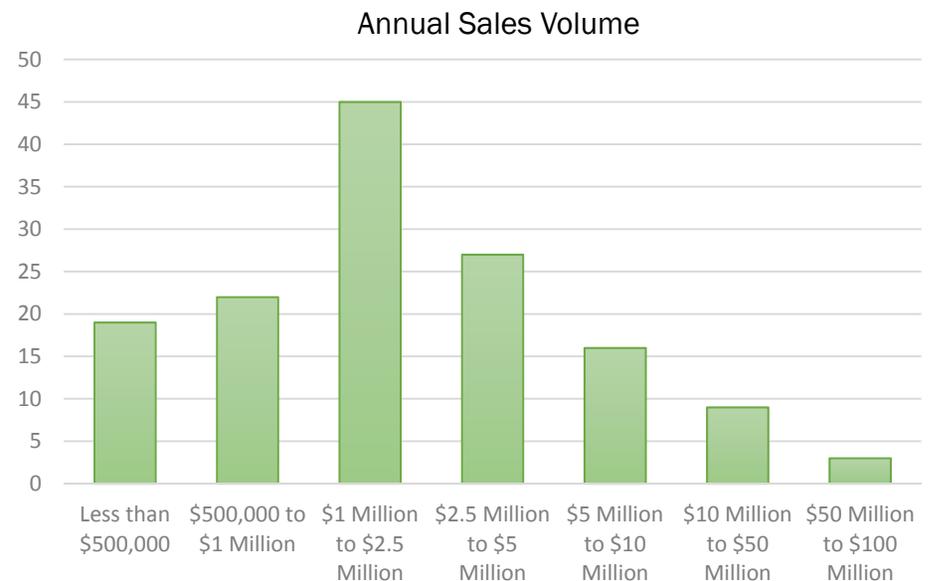
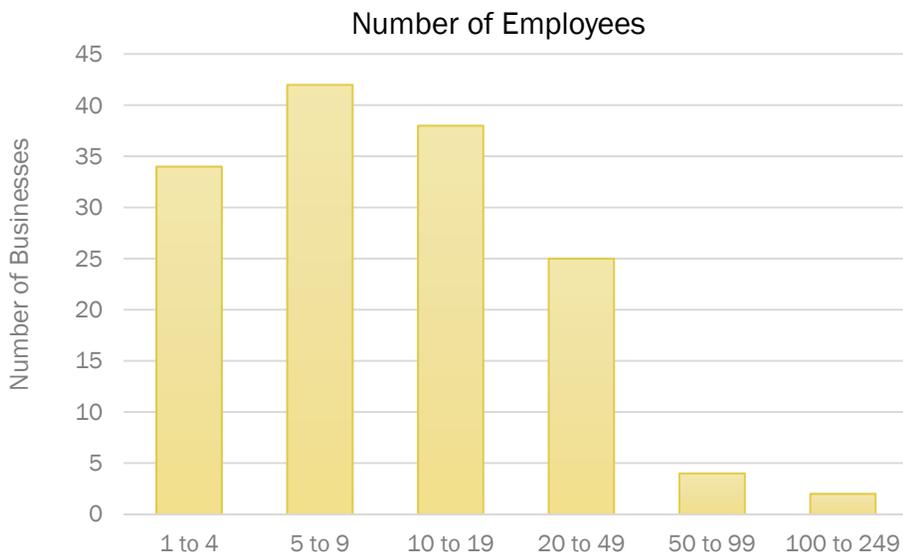
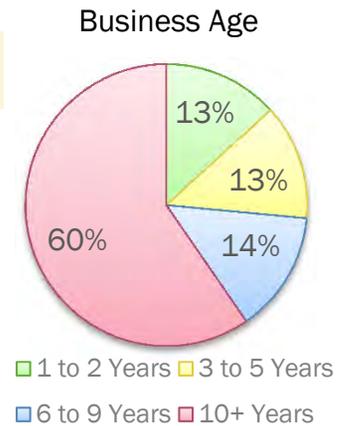
Source: InfoFree

Business Inventory Summary: VA Depot



Total Number of Businesses: 151

Top Business Types	Count
Construction - Special Trade Contractors	19
Industrial and Commercial Machinery & Comp Equipment	12
Wholesale Trade - Durable Goods	11
Motor Freight Transportation	9
Business Services	9



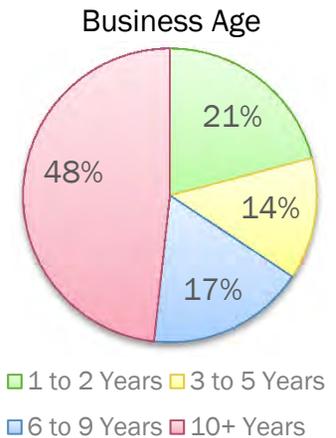
Source: InfoFree

Business Inventory Summary: Veronica Avenue

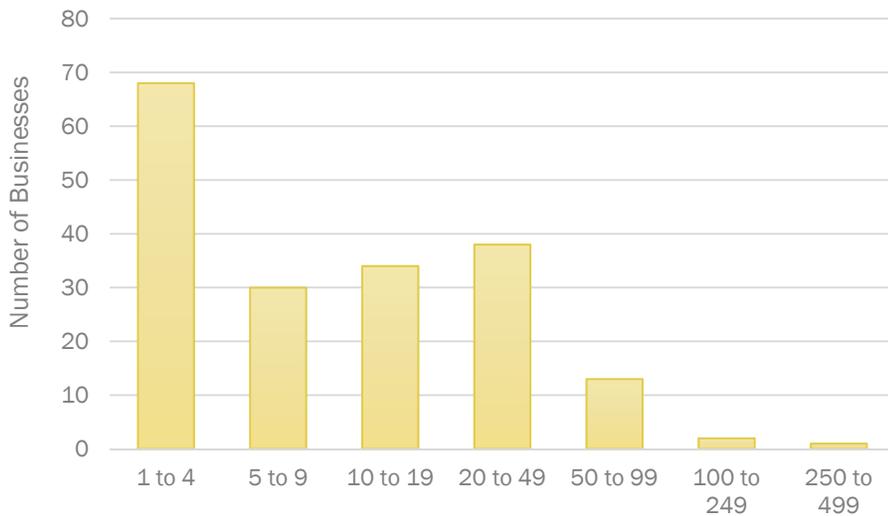


Total Number of Businesses: 201

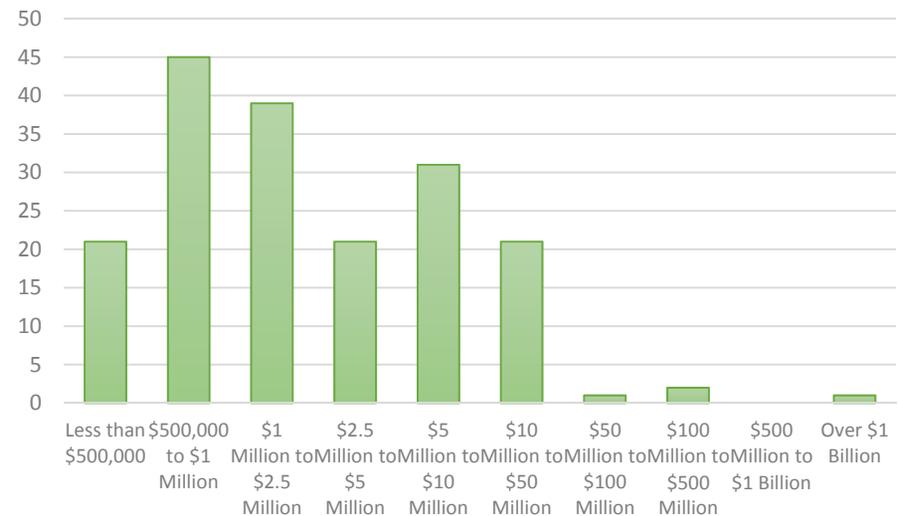
Top Business Types	Count
Health Services	68
Wholesale Trade - Durable Goods	13
Wholesale Trade - Nondurable Goods	13
Non-classifiable Establishments	10
Business Services	9



Number of Employees

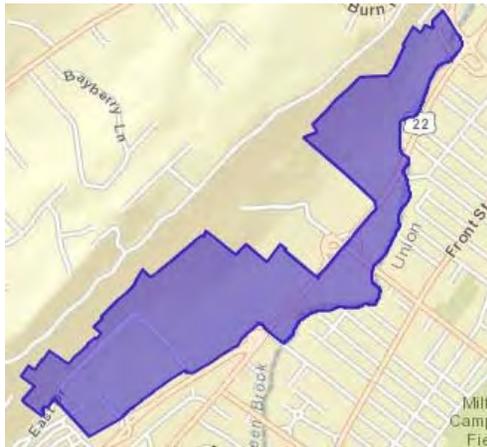


Annual Sales Volume



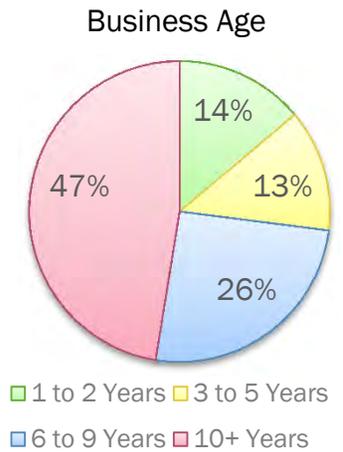
Source: InfoFree

Business Inventory Summary: Watchung Route 22 Corridor

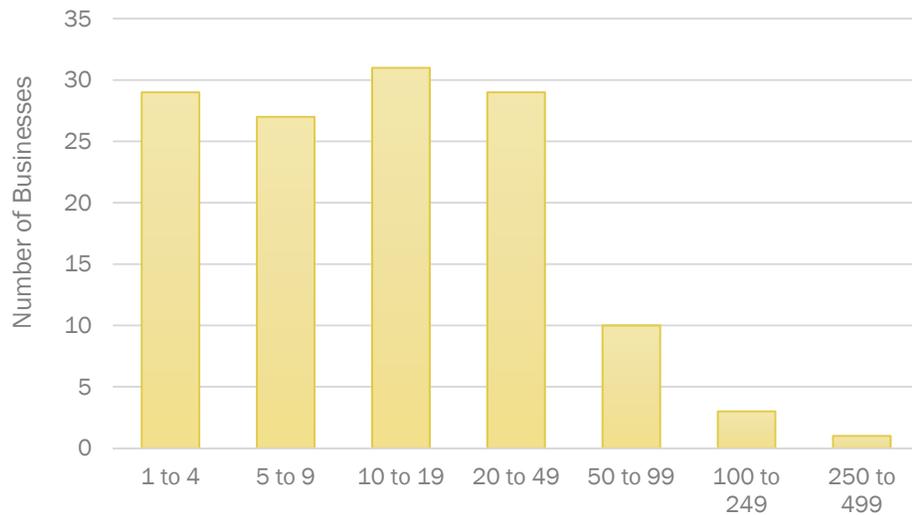


Total Number of Businesses: 137

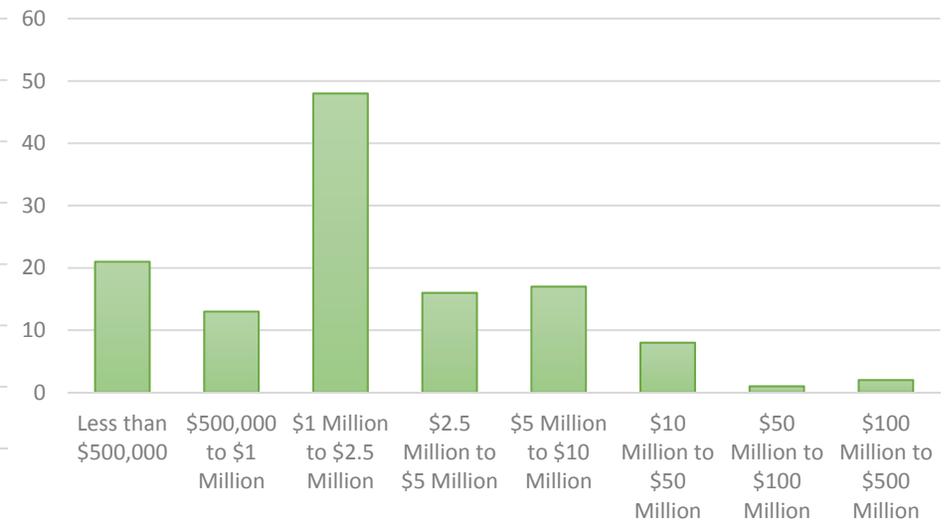
Top Business Types	Count
Miscellaneous Retail	23
Eating and Drinking Places	17
Home Furniture, Furnishings, and Equipment Stores	15
Apparel and Accessory Stores	14
Food Stores	8



Number of Employees



Annual Sales Volume



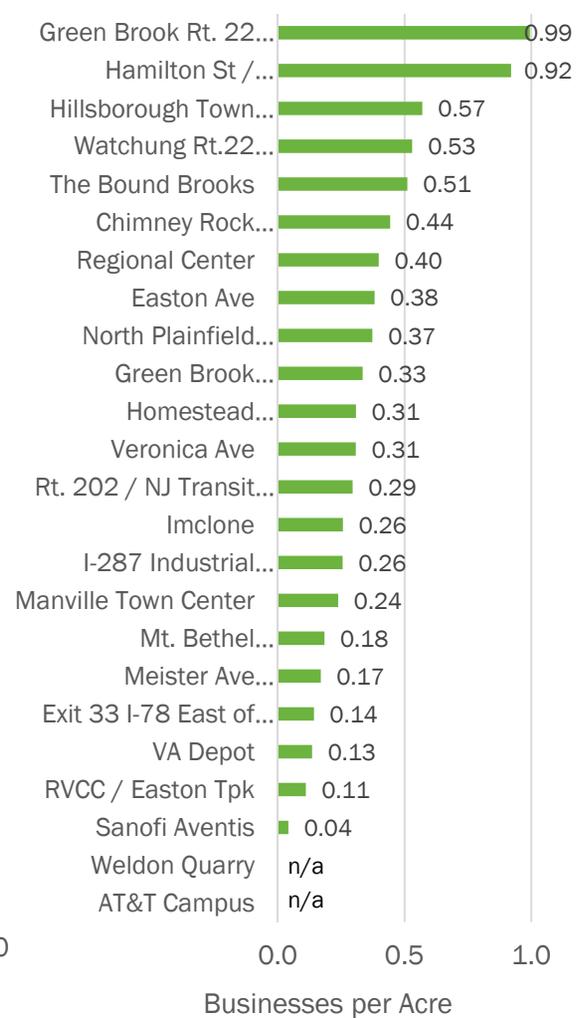
Source: InfoFree

Business Count and Density

Ranking by Number of Businesses



Ranking by Business Density



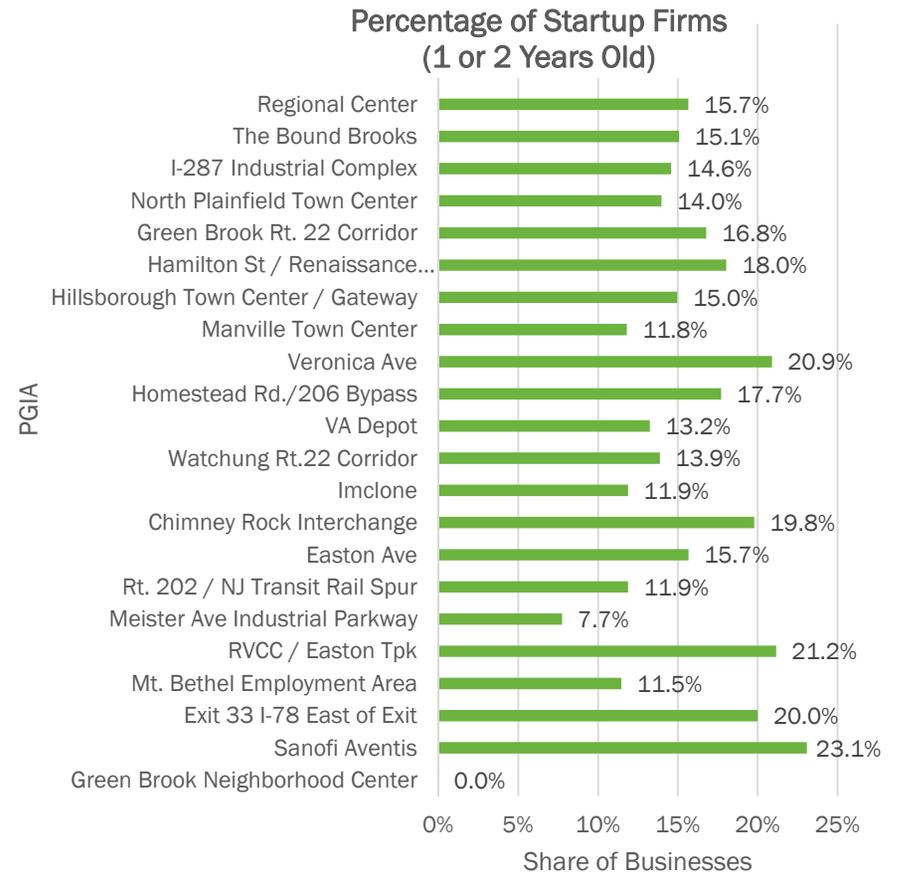
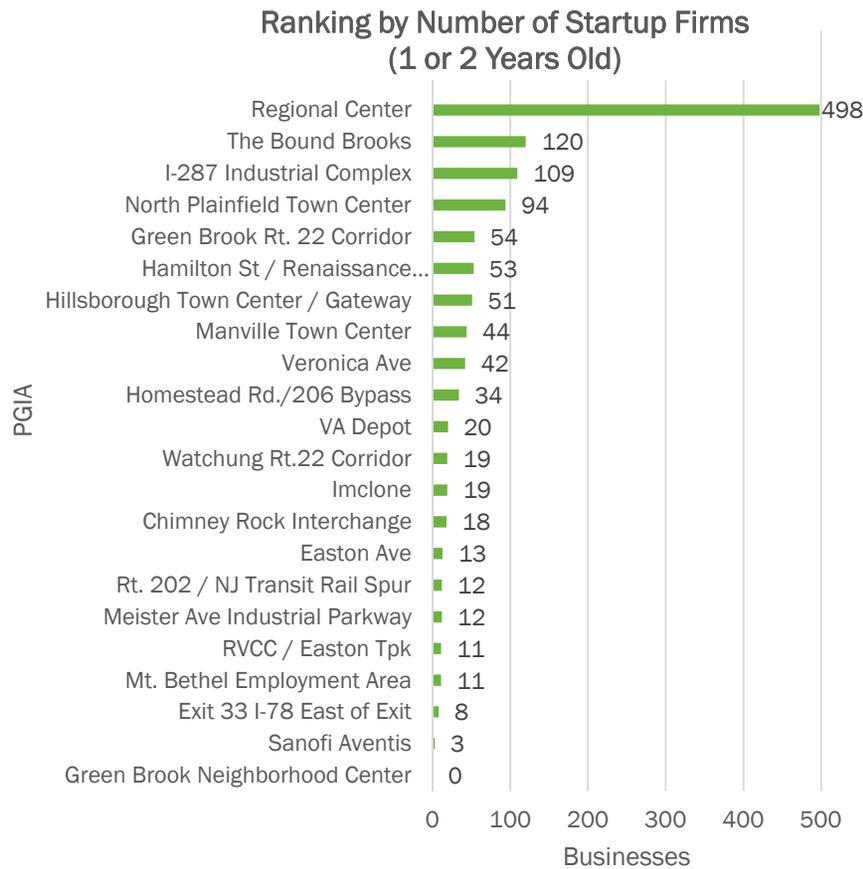
The Green Brook Route 22 Corridor and Hamilton St./Renaissance Redevelopment PGIA's have the highest concentration of businesses, with approximately one business per acre. These PGIA's feature concentrations of retail, eating and drinking establishments, and personal services. These types of businesses tend to require less space as compared to larger corporate offices and industrial enterprises, likely contributing to higher business density. Additionally, they depend on the presence of consumers and foot traffic, and therefore benefit from being densely concentrated.

While the Regional Center PGIA has the greatest number of businesses, its business density is closer to 0.4 businesses per acre, placing it seventh in business density among the PGIA's. PGIA's with lower business densities generally feature other land uses such as residential, government, and community services.

Source: InfoFree

Startup Firms

In total, 15.1 percent of businesses in the PGIAs are considered to be startup firms. The Regional Center PGIA has the greatest amount of startup firms; though as the largest PGIA, its percentage of startup businesses is close to that of the average of all PGIAs. Startup firms can benefit from support services such as those provided by business incubators, as well as flexible rental policies such as the provision of co-working spaces, which allow firms to rent smaller spaces and share amenities with other businesses, thereby reducing costs.

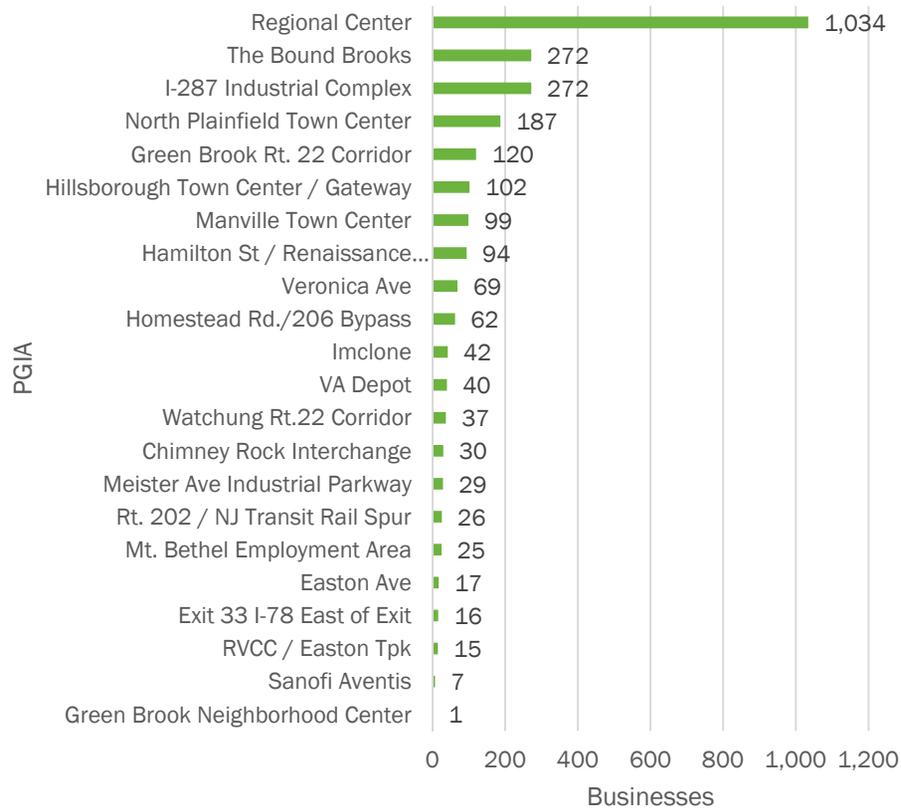


Source: InfoFree

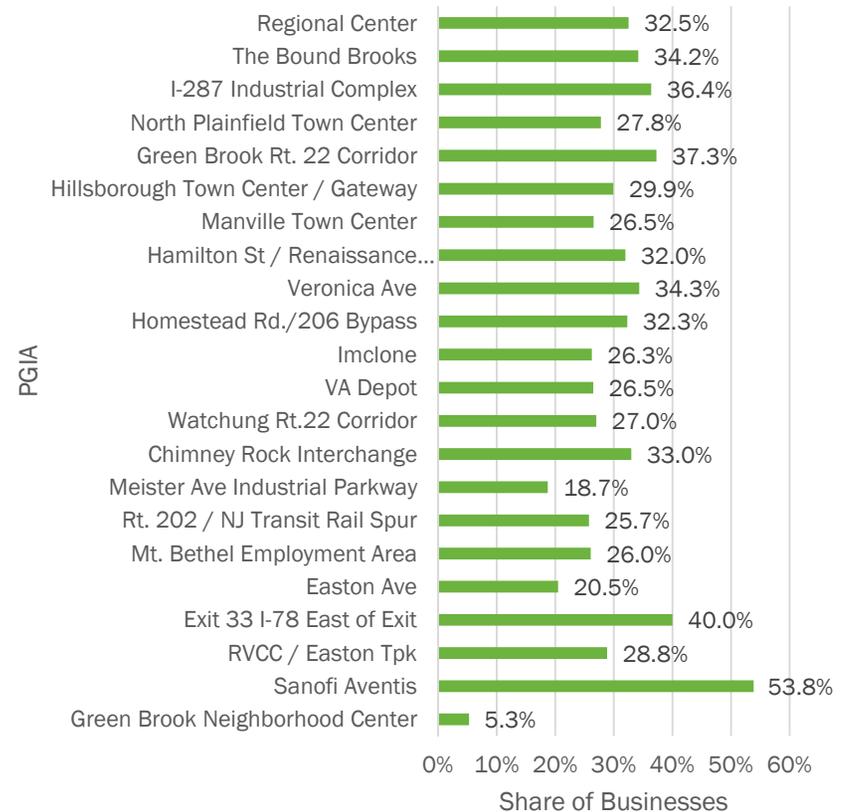
Young Firms

Young firms, considered to be five years of age or less, include startup firms. In sum, 31.6 percent of businesses in the PGIAs are considered young firms. Generally less established than older businesses, young firms may benefit from services such as networking opportunities as well as provision of affordable rents.

Ranking by Number of Young Firms (5 Years or Less)



Percentage of Young Firms (5 Years or Less)

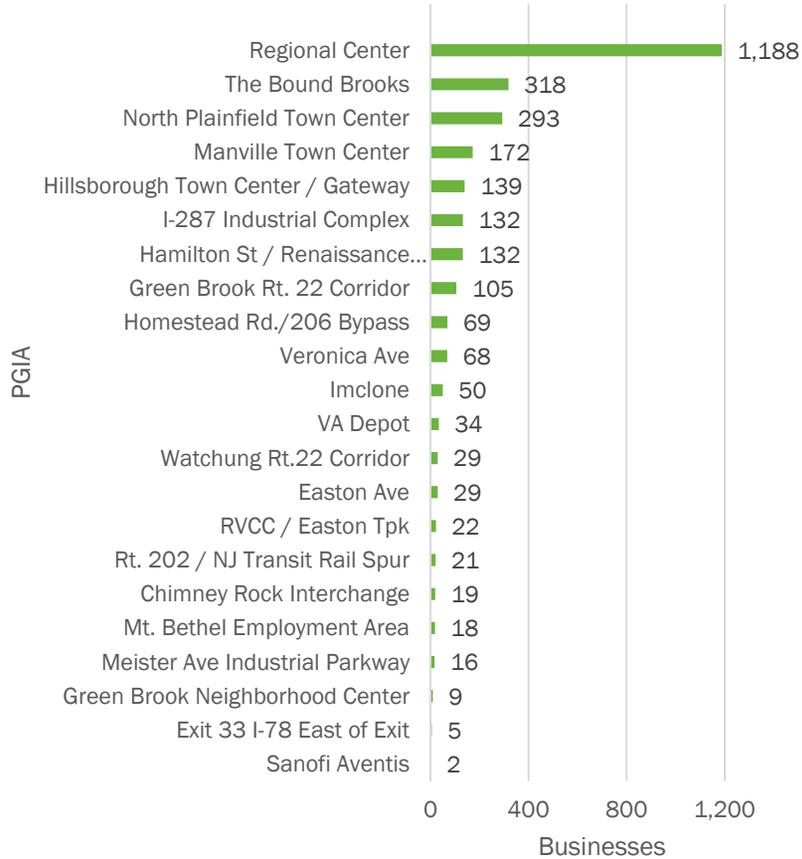


Source: InfoFree

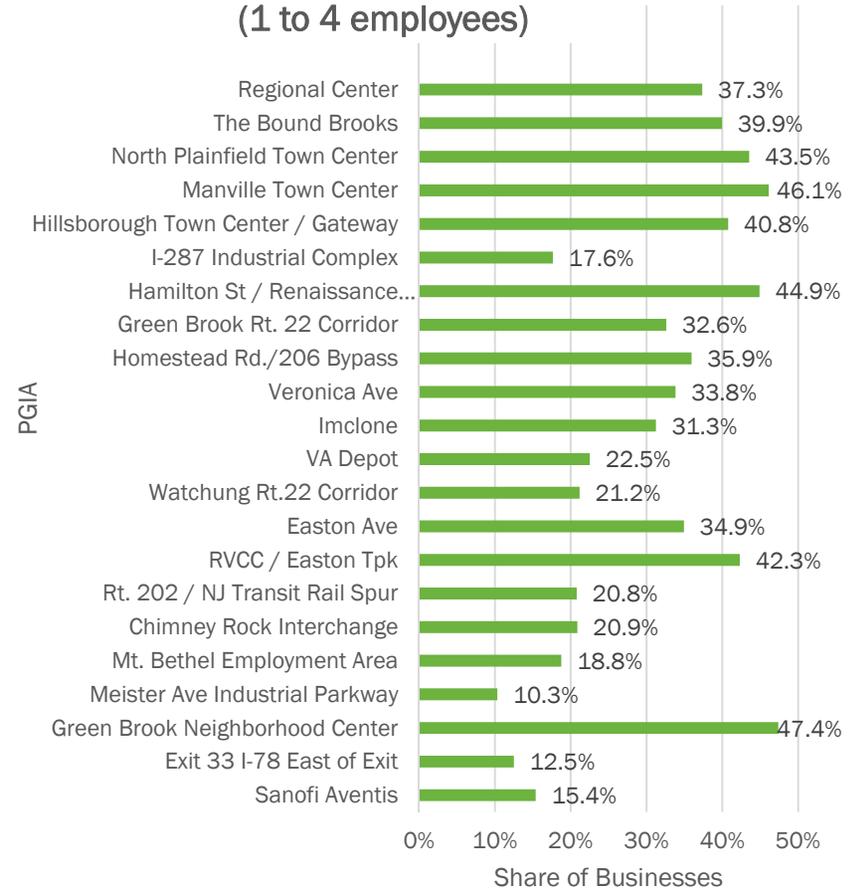
Small Businesses

In total, 2,870 businesses (or 34.9 percent of businesses in the PGIAs) have between one and four employees. The Regional Center leads, with over 1,000 such businesses. A total of 6,079 businesses in the PGIAs have fewer than 20 employees; this is almost three-quarters of all businesses in the PGIAs. Small businesses are important economic drivers of job creation, and can benefit from specialized support and flexible rental policies, as mentioned in the preceding pages.

**Ranking by Number of Small Businesses
(1 to 4 employees)**



**Percentage of Small Businesses
(1 to 4 employees)**

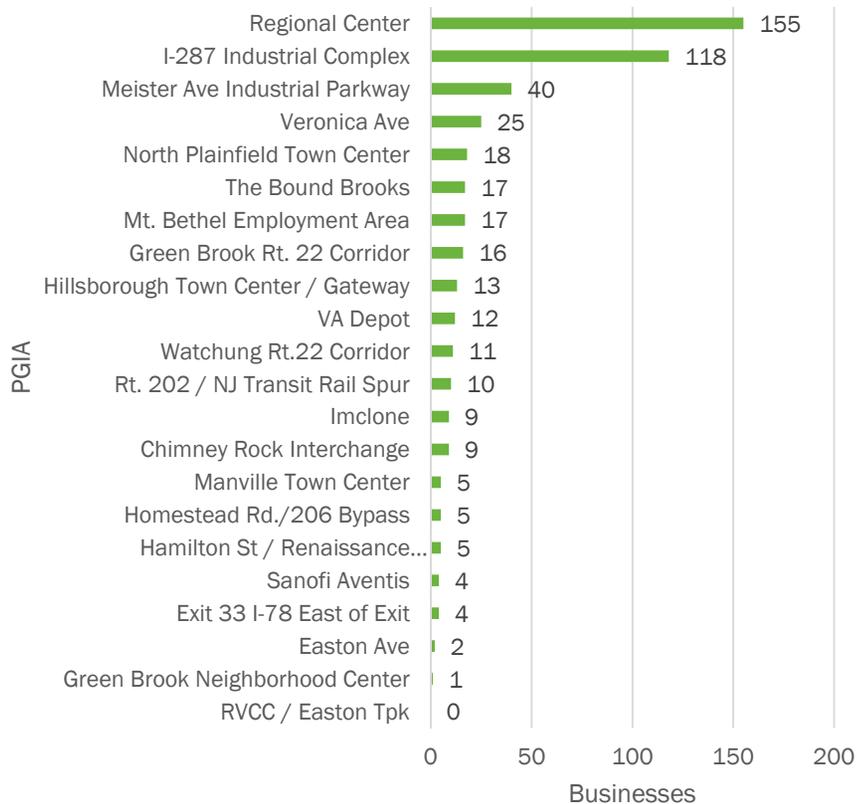


Source: InfoFree

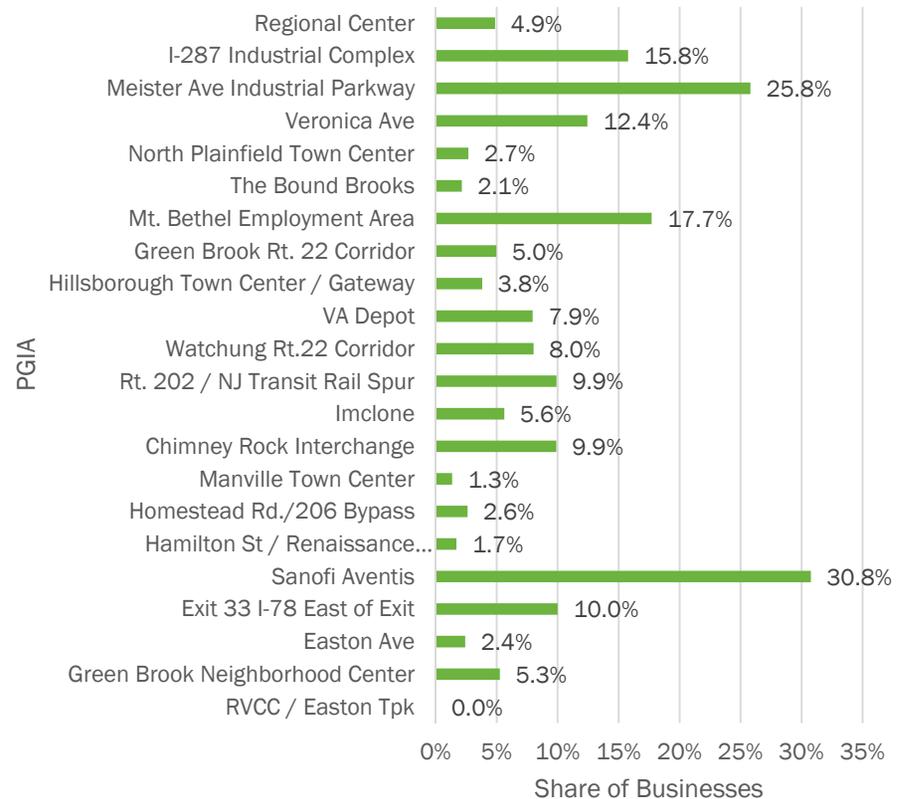
Annual Sales Volume

In the PGIAs, 496 businesses (approximately six percent of businesses in the PGIAs) see sales volumes of over \$100 million annually. The majority of these businesses fall within the Regional Center and I-287 Industrial Complex PGIAs, and make up a relatively large percentage of businesses in the Meister Avenue Industrial Parkway PGI.

Ranking by Number of Businesses with over \$100 Million Annual Sales Volume



Percentage of Businesses with over \$100 Million Annual Sales Volume



Source: InfoFree

Takeaway: Business Inventory

Concentration of business activity: As of December 2013, there were 14,816 businesses in Somerset County. Of these businesses, approximately 8,219 (about 55 percent) fall within a PGIA. This is a significant share of businesses, as the PGIAs compose only 11 percent of the county, by area. Business concentration is encouraged in the PGIAs, as these areas contain infrastructure (water, sewer, electric, and transportation) to support businesses. PGIAs with a high concentration of businesses benefit from these systems being in place, and lead to more efficient use of resources, a result of minimizing sprawl. Additionally, business clustering and co-location of companies providing business services lead to greater efficiencies. There are potential disadvantages to concentrations of business that should be monitored, however, such as increased traffic congestion during commute periods; potential lack of activity and vibrancy on evenings and weekends after businesses close; and so forth.

Young businesses: There is a significant number of young and start-up businesses in the PGIAs; as these businesses are an economic asset, the county should work to support them. These young businesses will likely require particular types of support such as those provided by business incubators, co-working spaces, and networking opportunities. Additionally, the county should consider keeping an inventory of various commercial and flex space that may be a good match for a small and/or young company.

Small and large businesses: The majority of businesses in the PGIAs are small. There is, however, a mix of business sizes, which supports a diverse economic base that contributes to resiliency, should one industry or sector go into decline. Small businesses are vital to the economy: They provide diverse employment opportunities, tend to be rooted in the local community, and may adapt to changing economic circumstances more easily. Particularly large businesses (1,000 plus employees) are present in the Regional Center, Veronica Avenue, I-287 Industrial Complex, and Sanofi Aventis PGIAs. The health of these large employers is also important, as the closing or moving of even one such business could have noticeable effects on the local economy.

Takeaway: Business Inventory

Business mix: The industry make-up of each PGIA reflects its zoning and co-location of similar businesses, and is generally consistent with place types.

For example, the town center PGIAs, and those with residential concentrations, generally feature high shares of businesses in the services, eating and drinking, and retail categories. For example, the Bound Brooks, Easton Avenue Corridor, Green Brook Neighborhood Center, Hamilton Street/Renaissance Redevelopment, North Plainfield Town Center, and RVCC/Easton Turnpike PGIAs have high concentrations of health, personal, and business services and eating and drinking establishments. The Hillsborough Town Center/Gateway, Green Brook Route 22 Corridor, and Watchung Route 22 Corridor PGIAs also have high concentrations of these businesses in addition to retail, and Manville Town Center features these along with construction. The Regional Center PGIA includes health, legal, and business services, along with eating and drinking establishments and retail.

Wholesale trade is a dominant business type in the industrial PGIAs, including Meister Avenue Industrial Parkway, Chimney Rock Interchange, Homestead Road/Route 206 Bypass (along with construction), VA Depot (along with construction, industrial and commercial machinery businesses, and freight transportation), and Veronica Avenue (along with health services). The I-287 Industrial Complex PGIA has a mix of business and health services, as well as engineering/accounting/research/management and wholesale trade businesses.

Employment nodes such as Mt. Bethel Employment Area feature engineering/accounting/research/management, and health and business services. The Sanofi Aventis PGIA is characterized by its large, single business (in the chemicals and allied products sector).

Industry Cluster Analysis

Glossary of Terms

Labor Income: All forms of employment income, including Employee Compensation and Proprietor Income

- Employee Compensation:** Employee Compensation is the total payroll cost of the employee paid by the employer. This includes wage and salary, all benefits (e.g. health, retirement, etc.) and employer paid payroll taxes (e.g. employer side of social security, unemployment taxes, etc.).
- Proprietor Income:** Proprietor income consists of payments received by self-employed individuals and unincorporated business owners.

NAICS (North American Industry Classification System): The standard used by federal statistical agencies in classifying business establishments according to type of economic activity and/or process of production

Value Added: The difference between an industry's or establishment's total output and the cost of its intermediate inputs. It equals gross output (sales or receipts and other operating income, plus inventory change) minus intermediate inputs (consumption of goods and services purchased from other industries or imported). *Value added* consists of compensation of employees, taxes on production, and imports less subsidies.

Output: Output represents the value of industry production. In IMPLAN, these are annual production estimates for the year of the data set and are in producer prices. For manufacturers, this would be sales plus/minus change in inventory. For service sectors, production = sales. For Retail and wholesale trade, output = gross margin and not gross sales.

Industry Clusters: Geographically concentrated groups of interconnected companies and associated institutions in a particular field. Clusters arise because they increase the productivity with which companies can compete. Strong clusters drive regional economic performance, resulting in job growth; higher wages; higher patenting rates; and greater new business formation, growth, and survival. Local Clusters serve the local market and compose the majority of the region's employment, while Traded Clusters serve larger national and international markets and are directly exposed to cross-regional competition.

Source: IMPLAN, Institute for Strategy and Competitiveness

Methodology: Industry Cluster Analysis

Industry clusters using 2013 data provided by the New Jersey Department of Labor and Workforce Development were utilized. These clusters were compared to the top 15 traded and local industry clusters for the New York-Northern New Jersey-Long Island, NY-NJ-PA Metropolitan Statistical Area (MSA) based on 2010 employment data provided by the Institute for Strategy and Competitiveness (a project funded by the U.S. Department of Commerce, Economic Development Administration).

Using IMPLAN Professional 3.0 economic modeling software, Bureau of Economic Analysis (BEA) data to identify Somerset County's top industries by total Output (goods and services produced), Labor Income (employee compensation and proprietor income), Value Added (compensation of employees, taxes on production and imports less subsidies), and Local Purchase Percentages (LPP) were analyzed.

Major industry clusters within the State of New Jersey that serve businesses located within Somerset County were identified. Only area businesses that were considered a part of a traded cluster (businesses that principally sell their goods and services outside of the regional market) were examined.

The maps of businesses located within Somerset County's Priority Growth Investment Areas (PGIAs) by industry were created using data from Infocree.com, a commercially available and monthly updated database that tracks all registered businesses (public and private) within the United States. Infocree.com is considered to be the most comprehensive, commercially available business data source, and its business data underpin many Internet search engines. However, data accuracy is not guaranteed, and therefore, should not be considered 100 percent reliable.

Key Findings: Industry Cluster Analysis

7 Industry Clusters within New Jersey

New Jersey has seven industry clusters including Bio/Pharmaceuticals and Life Sciences; Transportation, Logistics, Distribution; Financial Services; Advanced Manufacturing; Health Care; Technology; and Leisure, Hospitality and Retail, according to 2013 data provided by the New Jersey Department of Labor and Workforce Development.



Local Health Services - Top Local Cluster by Employment in MSA

With just under 1.2 million jobs within the NY-NJ metro area in 2010, local health services is the top local industry cluster by employment. Commercial services, hospitality establishments, real estate, construction and development, and community and civic organizations composed the remaining top five local clusters, serving the metro market and not directly exposed to cross-regional competition.



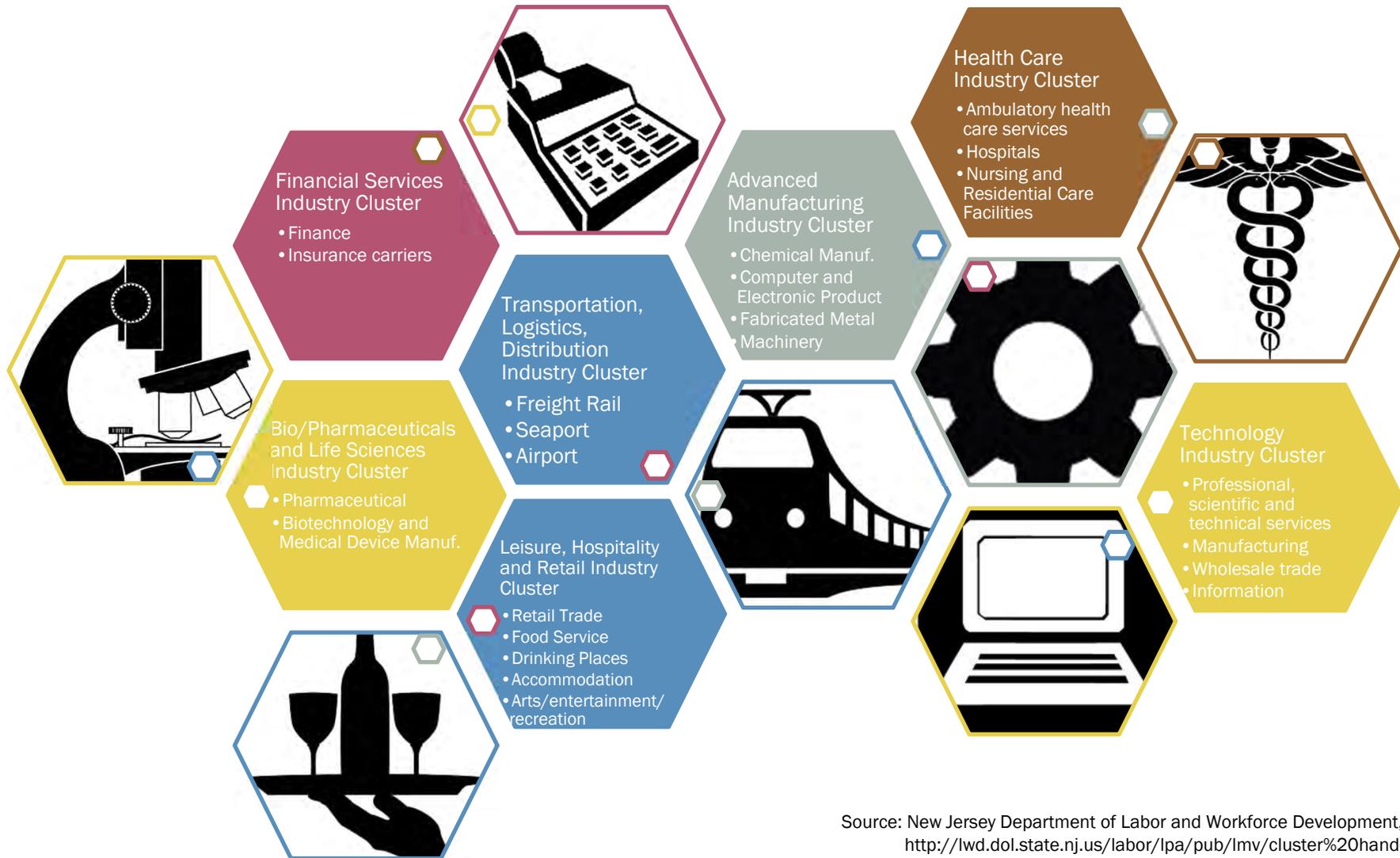
Manufacturing - Top Industry by Total Value Added in Somerset County

Within Somerset County, the Manufacturing sector was the top industry by total output and total value added in 2011. Additionally, Manufacturing has the highest employment multiplier by major industrial category within Somerset County. The Manufacturing sector alone produced nearly \$14 billion in goods and services (almost 30 percent of total output for the county), \$2.3 billion in total labor income (12.4 percent of total labor income), and nearly \$5 billion in total value added (17 percent of total value added within the county).



Industry Clusters: New Jersey

According to the New Jersey Department of Labor and Workforce Development, New Jersey has the following industry clusters:



Source: New Jersey Department of Labor and Workforce Development, 2013, <http://lwd.dol.state.nj.us/labor/lpa/pub/lmv/cluster%20handout.pdf>

New Jersey Industry Clusters within Somerset County

Within Somerset County, New Jersey's industry clusters are heavily present and contribute strongly to the county's economic output. Highlighted below, Advanced Manufacturing demonstrates the highest output, output per worker, and labor income per worker. Consistent with the growing role of technology in manufacturing, Advanced Manufacturing is *not* relatively employment-intensive, particularly when adjusted for its considerable economic output. By contrast, the Leisure, Hospitality, and Retail Cluster, while characterized by relatively low output per worker and labor income per worker, is the most employment-intensive at nearly 30,000 workers.

Cluster*	Somerset County Employment	Somerset County Output	Output per Worker	Labor Income per Worker
Advanced Manufacturing	8,614	\$7,623,017,219	\$884,977	\$125,400
Technology	5,514	\$3,465,461,609	\$628,461	\$115,013
Financial Services	12,922	\$4,167,576,554	\$322,525	\$106,368
Transportation, Logistics, Distribution	2,399	\$298,881,473	\$124,596	\$74,052
Health Care	17,723	\$1,922,799,248	\$108,493	\$58,079
Leisure, Hospitality, and Retail	28,225	\$2,060,845,075	\$73,016	\$38,988

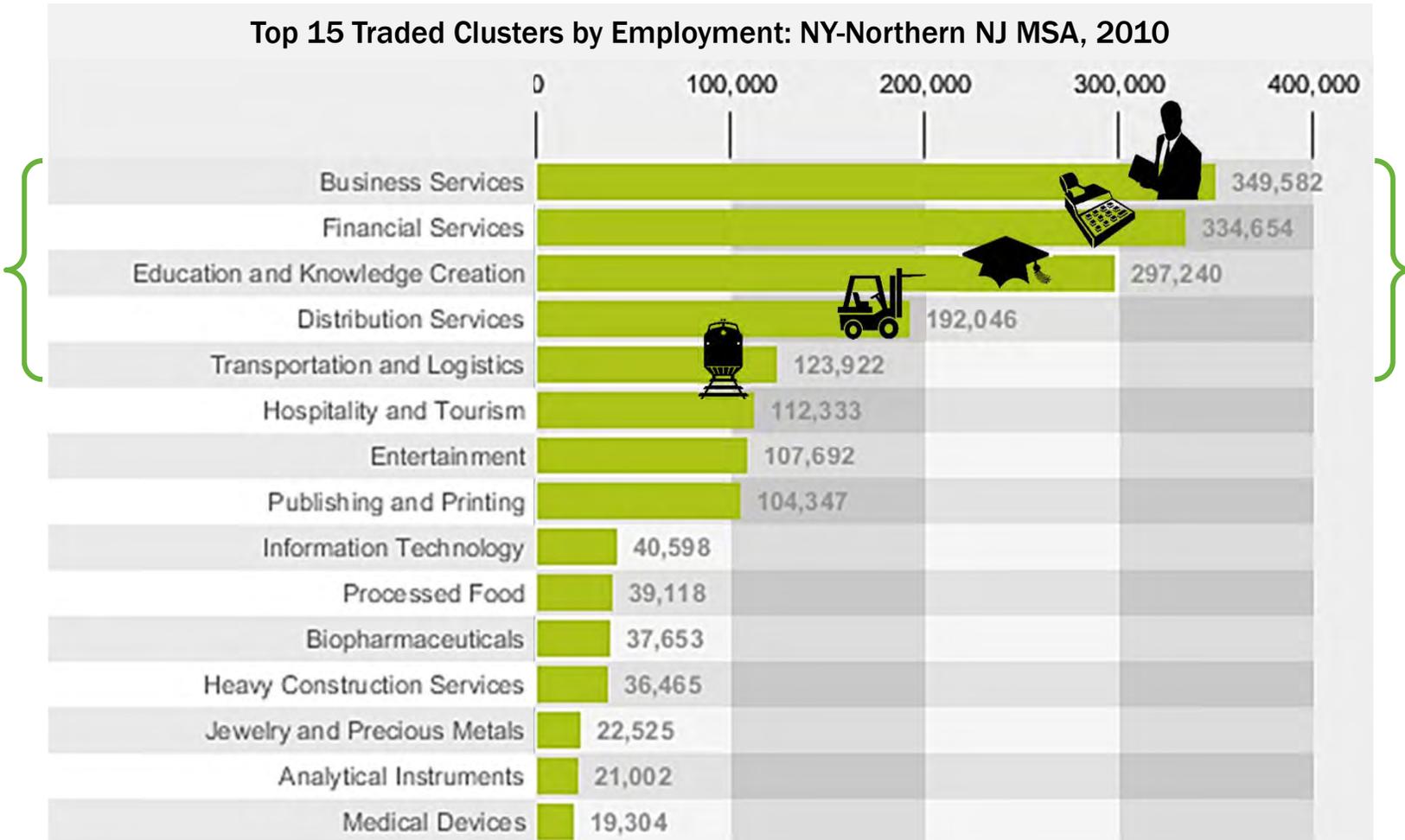
Source: IMPLAN

* Bio/Pharmaceuticals and Life Sciences excluded due to inability to disaggregate at 3-digit NAICS level



Traded Clusters: MSA

According to 2010 data provided by the Institute for Strategy and Competitiveness, Business Services, Financial Services, Education and Knowledge Creation, Distribution Services, and Transportation and Logistics composed the top five industry clusters by employment in the NY-Northern NJ MSA.



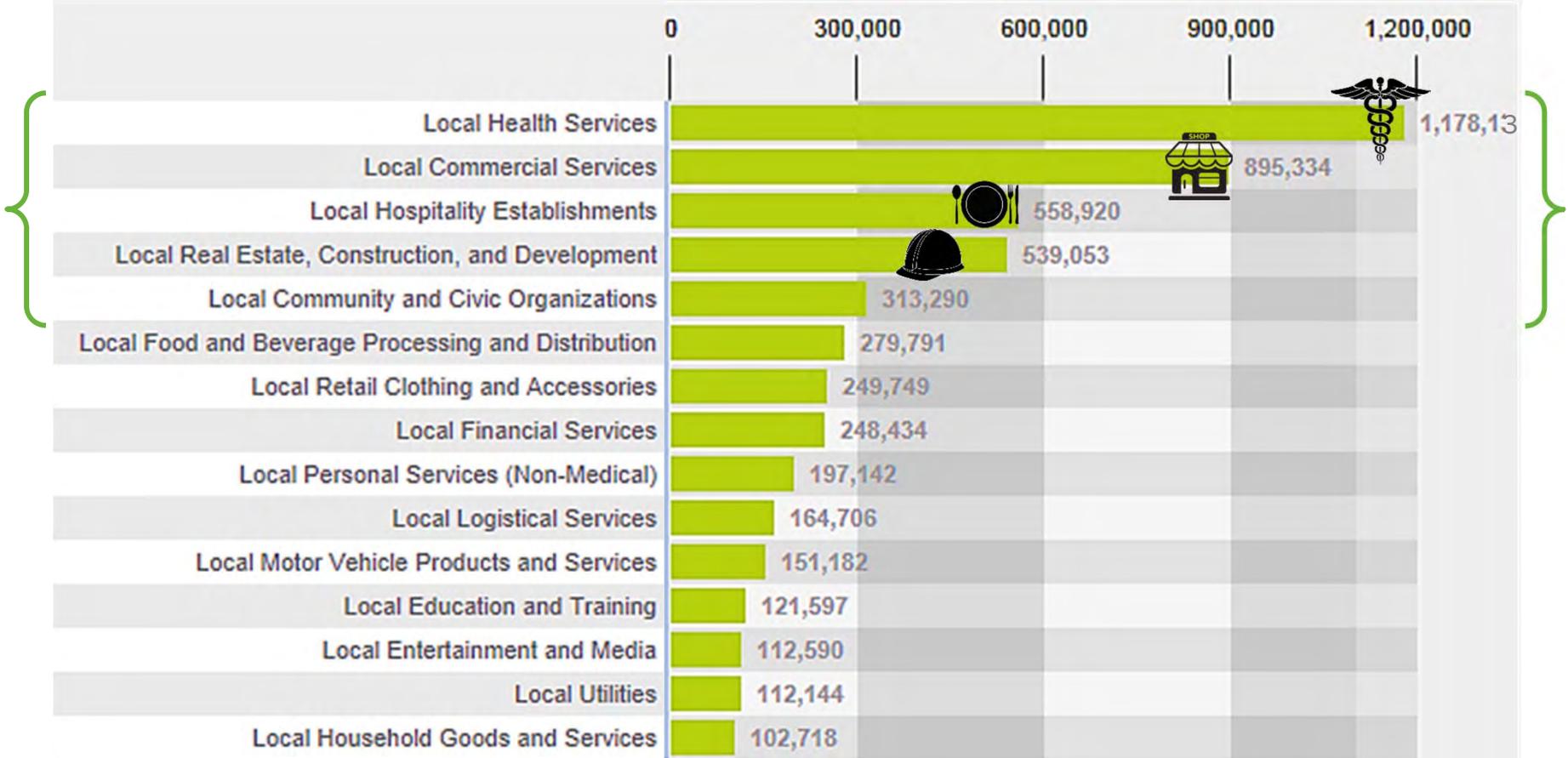
Source: Institute for Strategy and Competitiveness, www.isc.hbs.edu/econ-clusters.htm



Local Clusters: MSA

In 2010, Local Health Services; Commercial Services; Hospitality Establishments; Real Estate, Construction and Development; and Community and Civic Organizations composed the top five local clusters by employment in the NY-NJ metro area.

Top 15 Local Clusters by Employment: NY-Northern NJ MSA, 2010



Source: Institute for Strategy and Competitiveness, www.isc.hbs.edu/econ-clusters.htm

Industry Clusters and Location Quotients: Somerset County

Three-Digit Industry Sector	LQ
Chemical manufacturing	2.61
Management of companies and enterprises	2.57
Telecommunications	2.08
Miscellaneous manufacturing	2.02
Insurance carriers and related activities	1.75
Plastics and rubber products manufacturing	1.64
Electronics and appliance stores	1.57
Publishing industries, except Internet	1.44
Professional and technical services	1.37
Construction of buildings	1.34
Computer and electronic product manufacturing	1.26
Nursing and residential care facilities	1.22
Sports, hobby, music instrument, book stores	1.17
Machinery manufacturing	1.16
Furniture and related product manufacturing	1.15
Private households	1.12
Couriers and messengers	1.08
Membership associations and organizations	1.08
Primary metal manufacturing	1.05
Data processing, hosting and related services	1.04



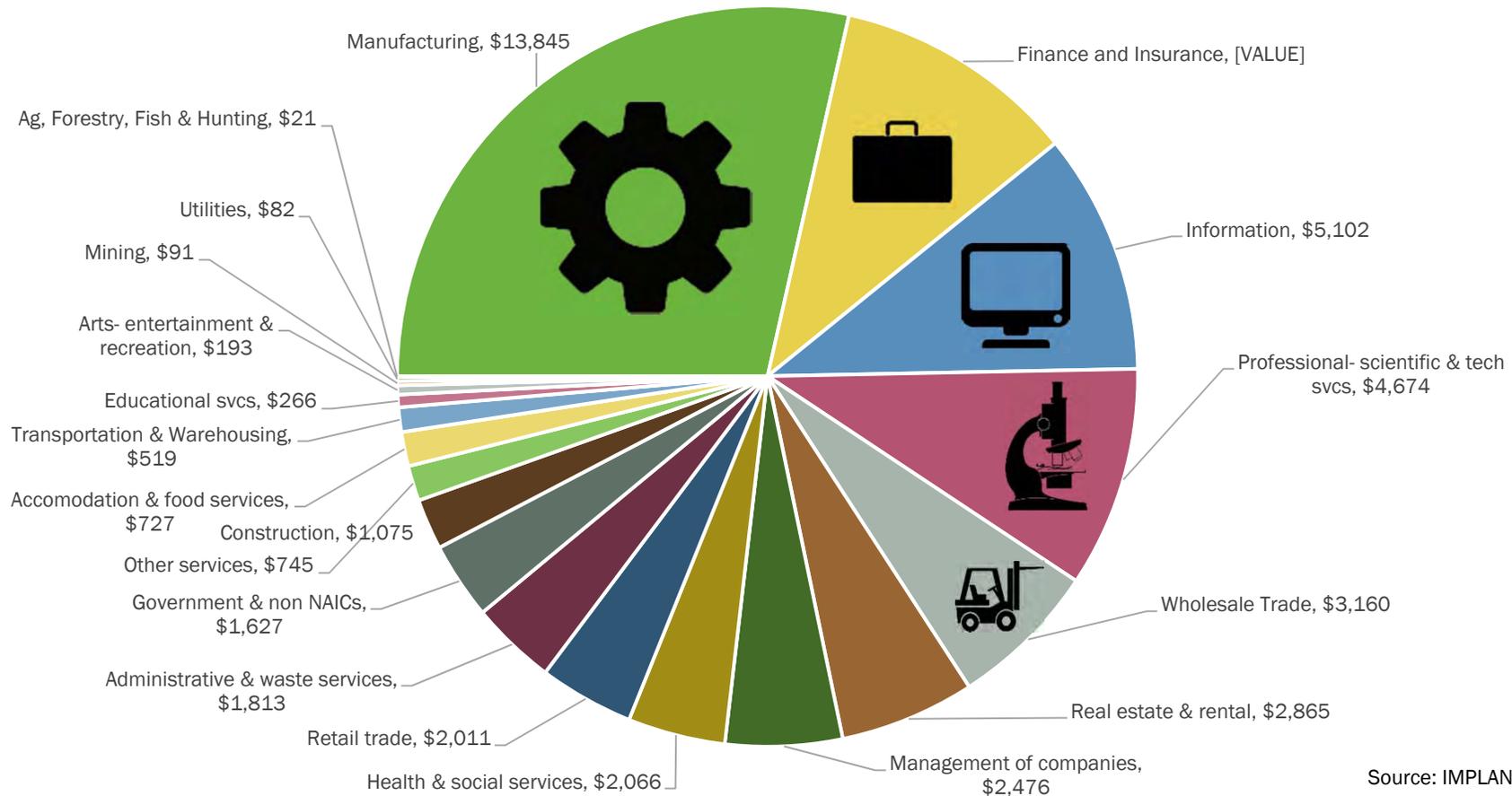
Location quotients are ratios that compare the concentration of a resource or activity (in this case, employment) in a defined area to that of a larger area (in this case, Somerset County and New Jersey). For example, if the location quotient of a particular industry is 1.5, this would indicate that the industry in question is 1.5 times more concentrated relative to the larger area. At the three-digit NAICS level, Somerset County is the location of many industries that are more concentrated than the State. Industries in which Somerset is more than twice as concentrated as New Jersey include chemical manufacturing, management of companies, telecommunications, and miscellaneous manufacturing. Of the top 20 three-digit industries, seven are manufacturing, suggesting a strong manufacturing base in Somerset County in relation to New Jersey as a whole.

Source: BLS

Total Industry Output: Somerset County

According to data provided by IMPLAN, Somerset County produced approximately \$48.5 billion in goods and services in 2011. Nearly half (49.7 percent) of this output came from the Manufacturing, Finance and Insurance, and Information sectors alone. The top five industries by output are traded industries, indicating the importance of out-county exports to Somerset County's industrial output.

Somerset County Total Industry Output, Millions, 2011



Source: IMPLAN, 2013

Employment and Output Multipliers: Somerset County

An employment multiplier is a measure of the total number of jobs (direct, indirect, and induced) created by each additional job in a given industry. For example, the manufacturing industry creates additional jobs beyond those only in the manufacturing industry (direct jobs); there will also be a need for people in jobs that support manufacturing (indirect jobs). Furthermore, extra spending in the local economy will support additional outside jobs unrelated to manufacturing (induced jobs). The employment multiplier reveals the employment impact of an industry and changes that will likely occur when an industry grows, shrinks, or leaves altogether. A higher multiplier is indicative of an industry that adds more jobs to the local economy. From an employment standpoint, industries with high employment multipliers are desirable. As the chart on the following page suggests, there are likely a healthy amount of support services in Somerset County for manufacturing and information.

The output multiplier shows the total amount of dollars that will be spent in support of one dollar of final demand. This includes money spent on suppliers, as well as money spent on final products. A higher output multiplier means more profit for support services and suppliers in the local economy (in addition to the primary industry). High output multipliers are desirable, as they translate to increased spending and greater volumes of money moving through the local economy.

Source: BLS Strategies

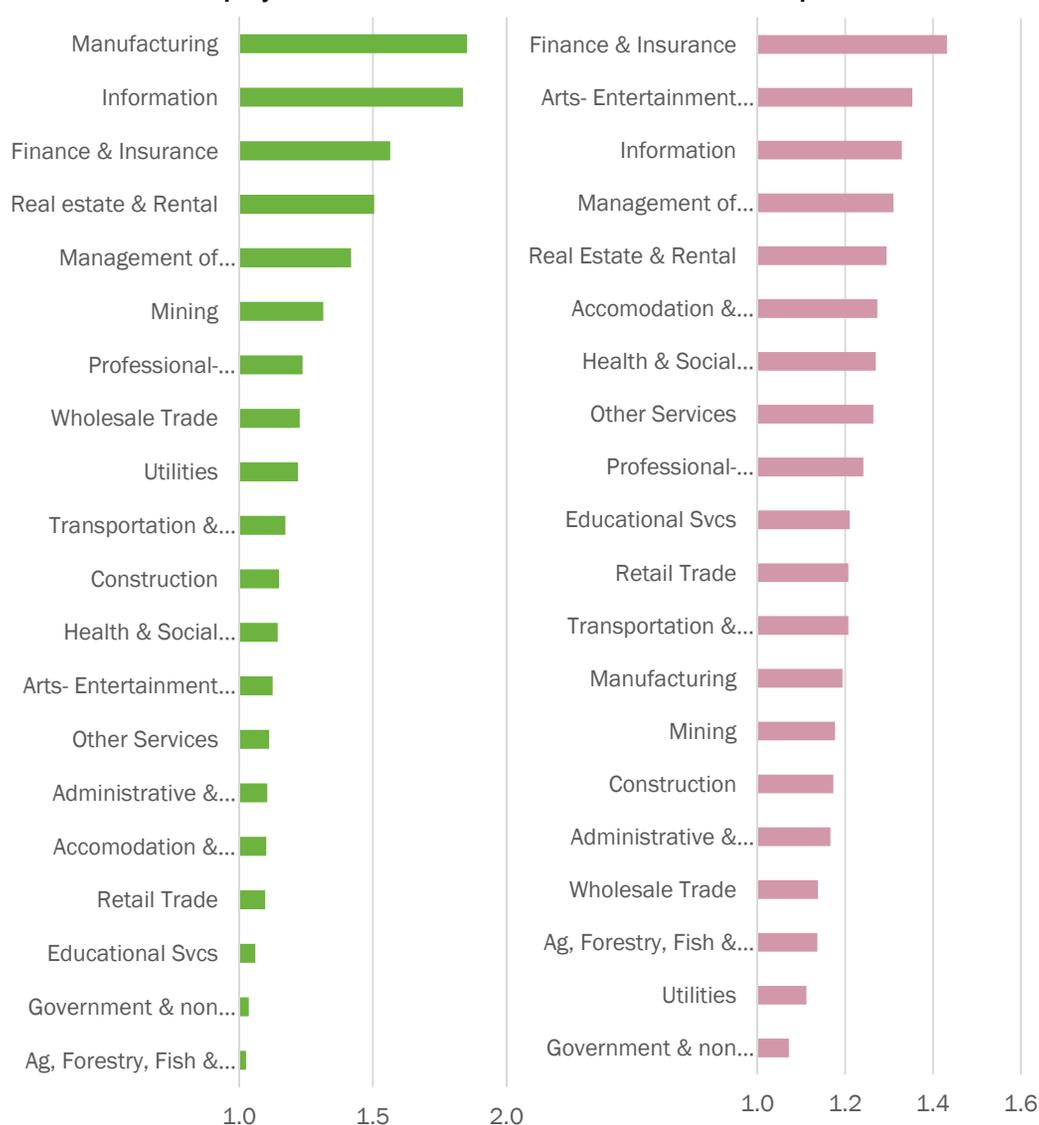
Employment and Output Multipliers: Somerset County

The multipliers highlighted to the right indicate the intra-county “backward linkages” of each major NAICS category for every dollar spent, in terms of employment and output.

For example, Manufacturing and Information have employment multipliers of approximately 1.8, indicating that for every 10 employees added in either industry, there are approximately eight additional jobs added in other industries throughout the county.

Similarly, for each dollar of output in the Finance and Insurance industry, Somerset County gains about 43 cents via backward industry linkages. High backward linkages are likely due to the presence of related industries within the county and the ability to purchase supporting local goods and services.

Somerset County Multipliers by Major NAICS Sector

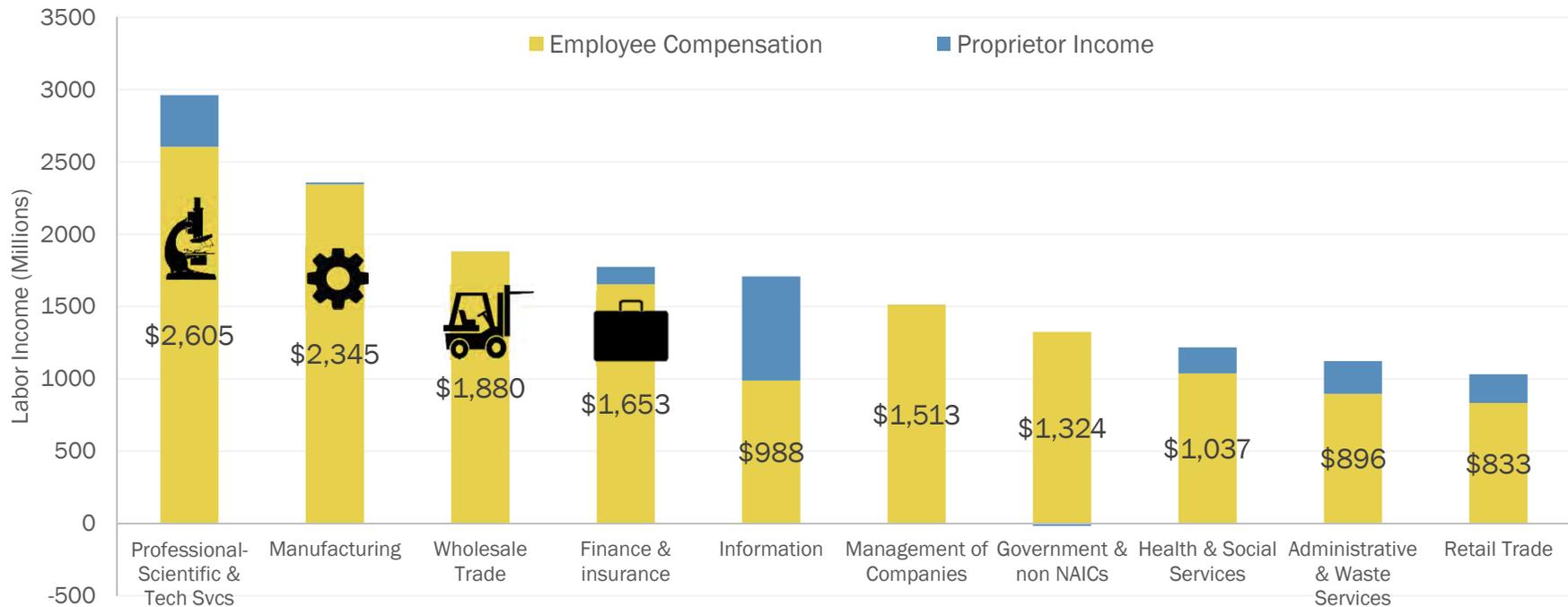


Source: IMPLAN

Top 10 Industries by Labor Income: Somerset County

In 2011, the Professional Services industry contributed over \$2.5 billion in total labor income to Somerset County, representing over 15 percent of total County income. Manufacturing was close behind, exceeding \$2.3 billion and representing over 12 percent of the county's total income. Similar to Somerset County's leading industries by output, the industries with the highest labor income generally fall within the traded sector.

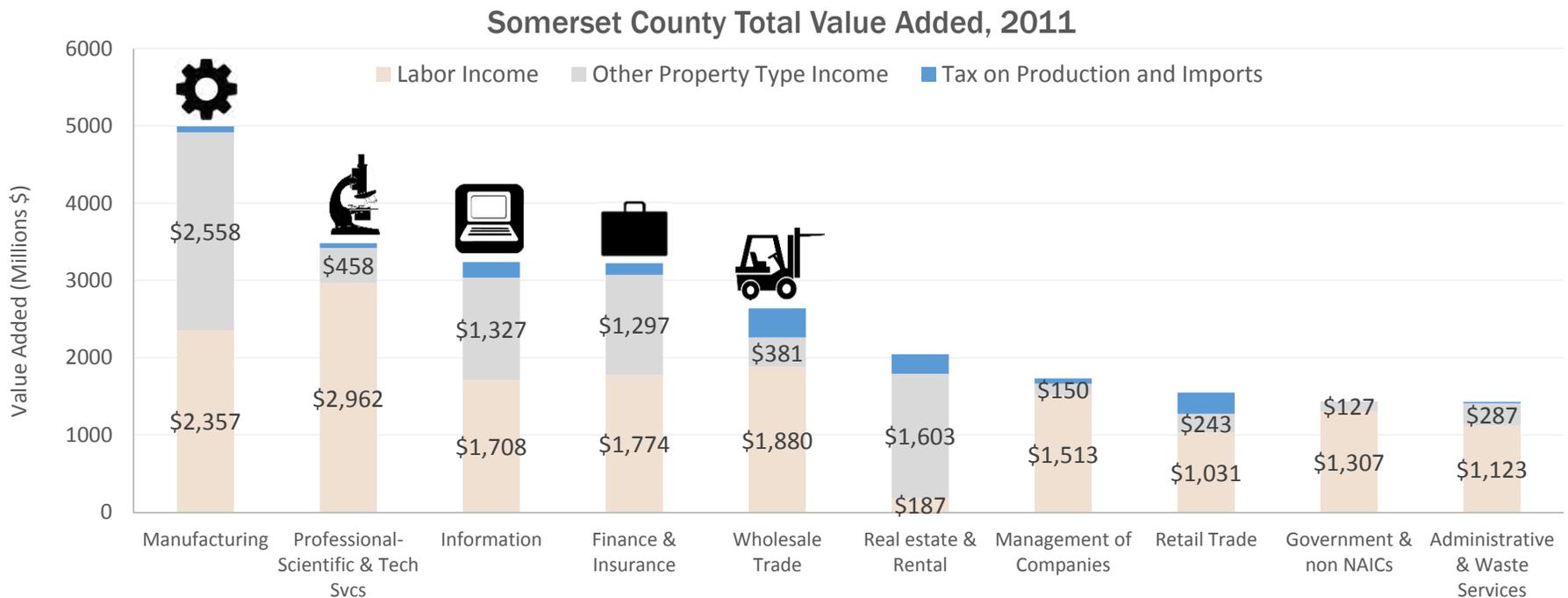
Somerset County Labor Income Analysis, 2011



Source: IMPLAN

Top 10 Industries by Total Value Added: Somerset County

In 2011, the Manufacturing industry contributed nearly \$5 billion in total value added (including labor income, as well as other property type income and taxes on productions and imports) - equivalent to almost 17 percent of total value added for Somerset County. This value added included an additional \$2.5 billion in other property income and \$76 million in taxes on production and imports. Again, the traded sector contributes heavily to Somerset County's total value added, with Professional Services, Information, Finance and Insurance, and Wholesale Trade forming the top five industries.

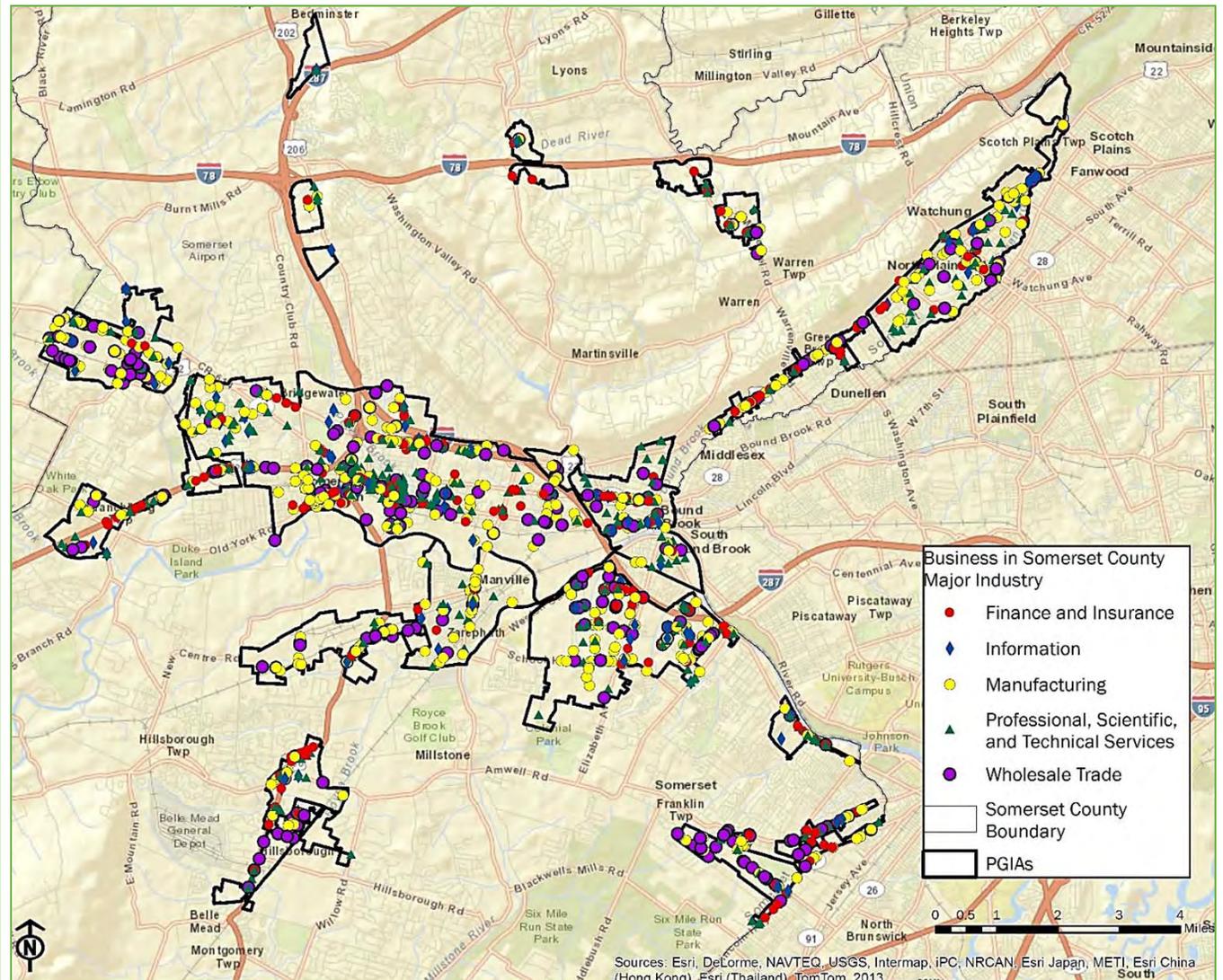


Source: IMPLAN

Businesses in Major Somerset County Industries: PGiAs

This and the following pages display spatial information on businesses within the PGiAs that are part of Somerset County's significant sectors including Finance, Insurance and Real Estate; Information; Manufacturing; Professional, Scientific & Technical Services; and Wholesale Trade. To account for potential geocoding errors, all businesses falling within 100 feet of a PGiA boundary are included in the analysis.

The PGiAs contain approximately 2,789 businesses within the five sectors listed above, which accounts for 62 percent of the 4,510 such businesses within Somerset County. Given that only 11 percent of land in Somerset County is designated as a PGiA, this reveals a clear concentration of these business in the PGiAs. However, there are still slightly more than 1,700 businesses within the top industries located outside of the PGiAs, indicating that significant economic activity is occurring there as well.

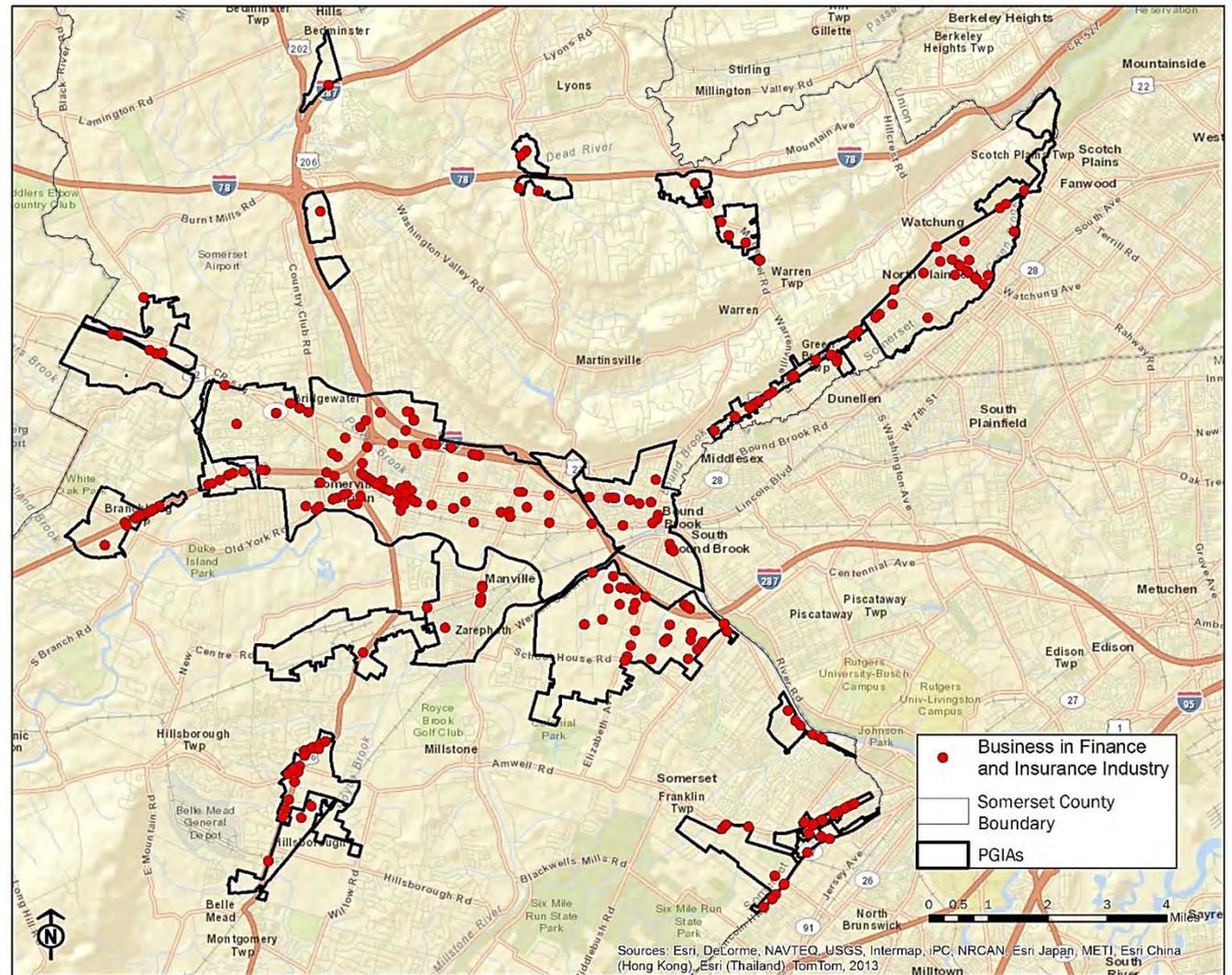


Source: InfoFree

PGIA Businesses in the Finance, Insurance, & Real Estate Industry

There are 388 businesses in the PGIA that fall within the Finance, Insurance and Real Estate (FIRE) Industry (59 percent of Somerset County's 660 such businesses). This industry has the highest output multiplier in Somerset County, meaning that a dollar spent on this industry's services adds the greatest share of dollars to Somerset County's economy relative to all other industries.

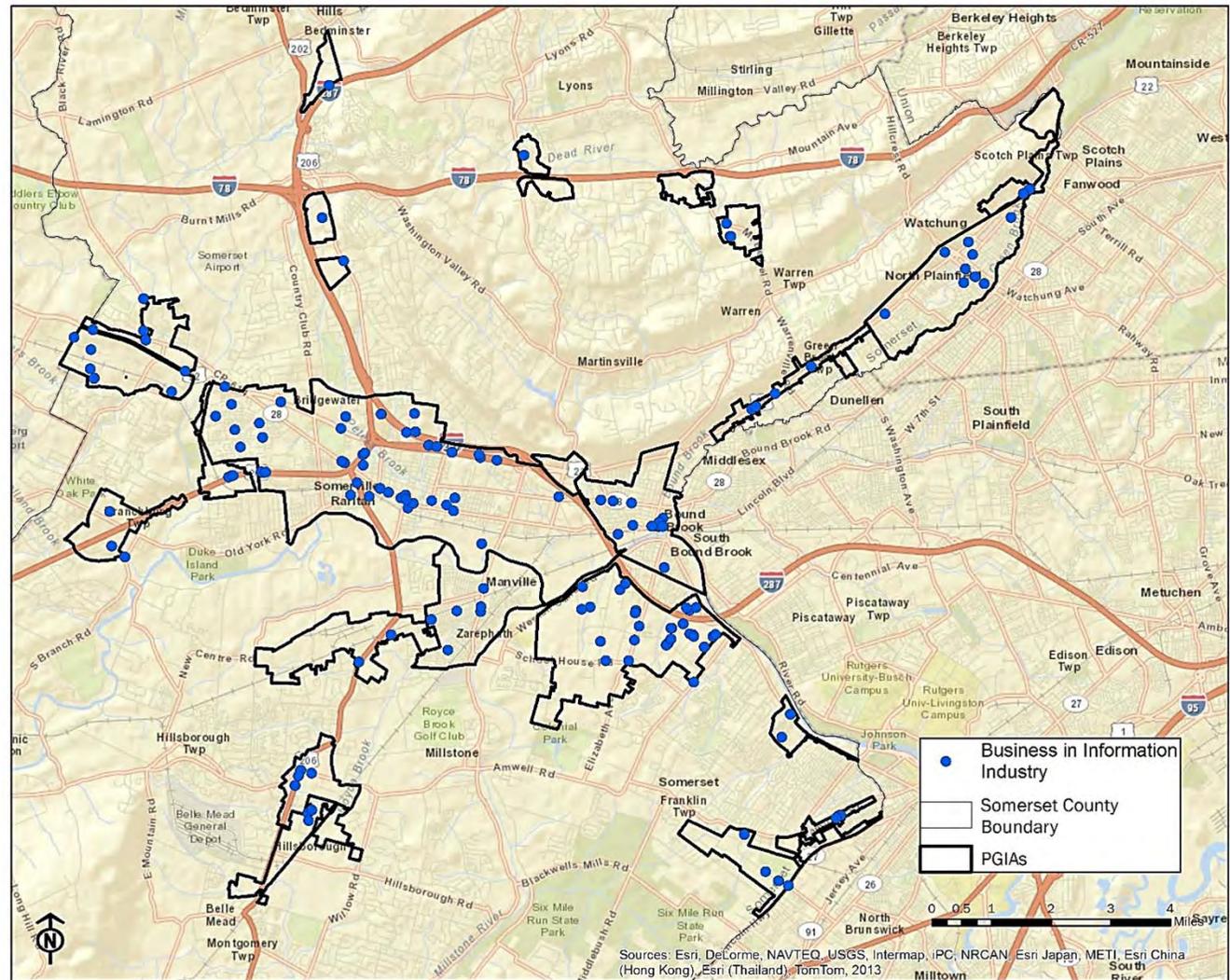
However, and based on earlier research provided in this study, the FIRE industry has been shedding jobs and, consequently, its importance will begin to wane.



Source: InfoFree

PGIA Businesses in the Information Industry

One-hundred eighty-seven businesses in the PGIAs fall within the Information Industry (57 percent of Somerset County's 328 such businesses), which includes technology, printing, and other media-based businesses. While this industry contains the smallest number of businesses among Somerset County's major industries, it is nonetheless a significant contributor to the county's economy in terms of employment and wages.

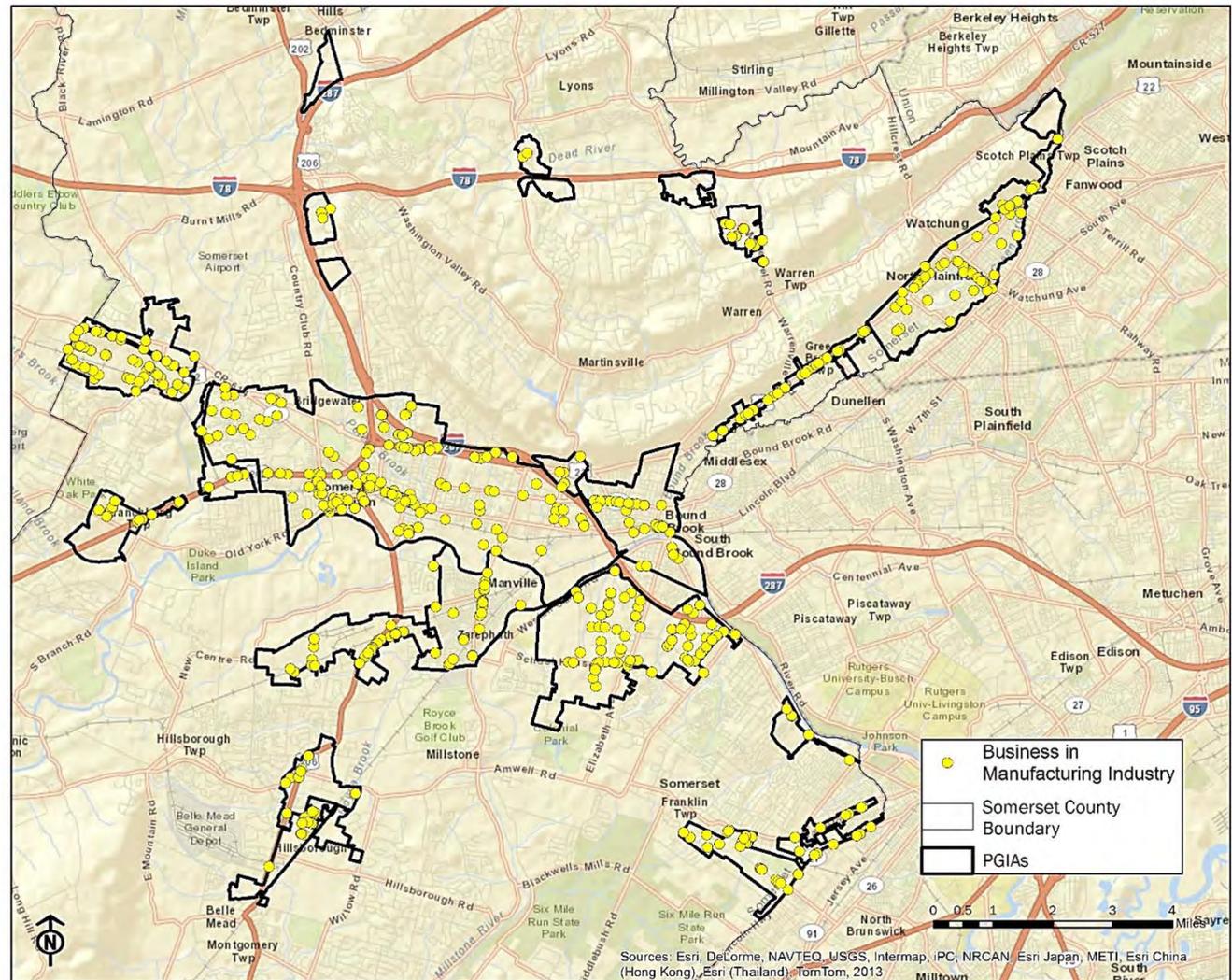


Source: InfoFree

PGIA Businesses in the Manufacturing Industry

There are 782 businesses in the PGIAs that are associated with the Manufacturing Industry (68 percent of Somerset County's 1,143 such businesses).

Among all large industry sectors, manufacturing exhibits the largest employment multiplier in Somerset County. This suggests that land-use policies which support the industry will likely have positive impacts on industry employment and real property tax revenues in Somerset County.

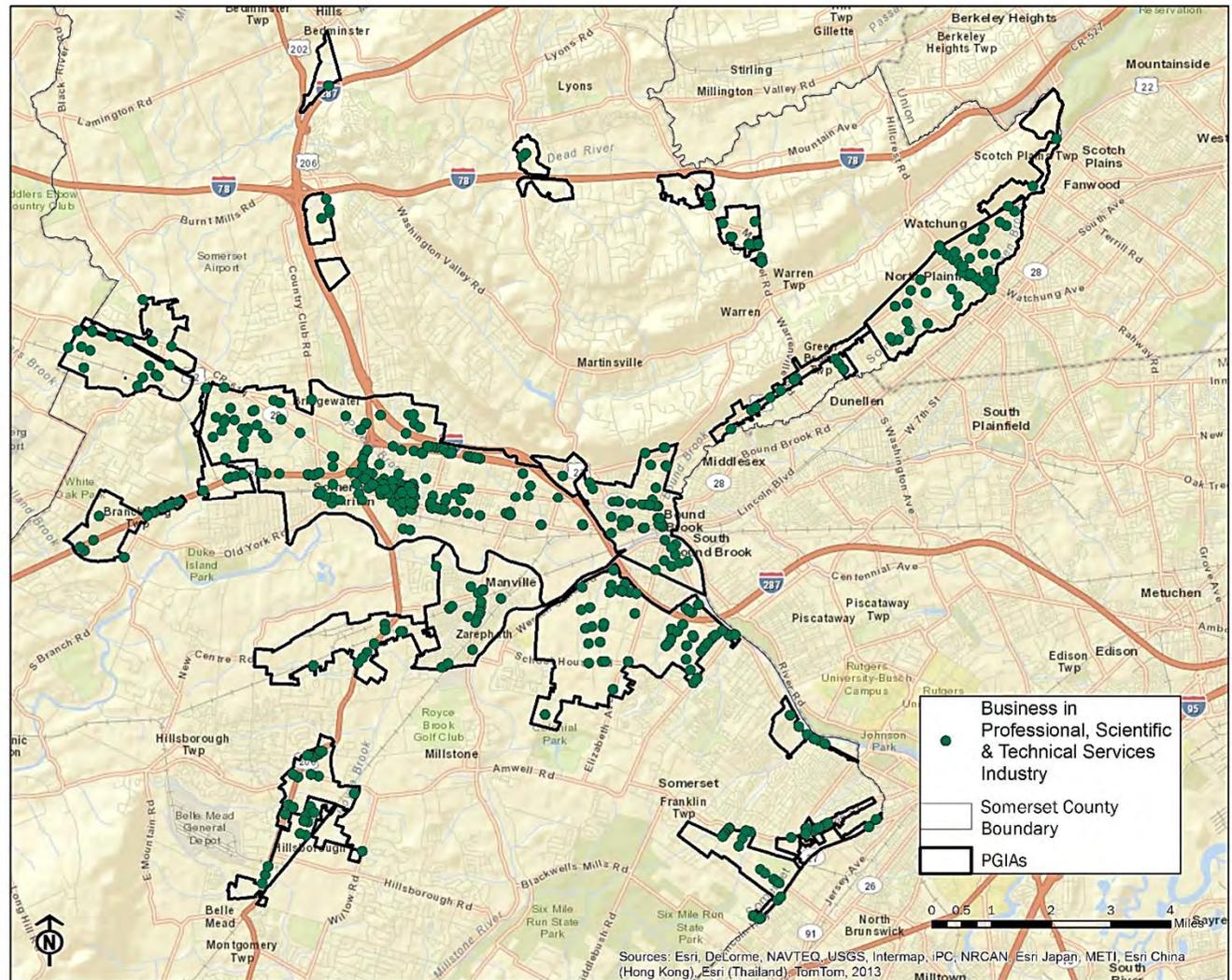


Source: InfoFree

PGIA Businesses in the Professional, Scientific, and Technical Services Industry

There are approximately 1,046 businesses within the county's PGIA's associated with the professional, scientific, and technical services industry (57 percent of Somerset County's 1,832 such businesses) -- representing the greatest number of businesses among the major industry sectors examined.

This industry is the most significant contributor to labor income in Somerset County, making it an important component of personal income as well as the tax base.



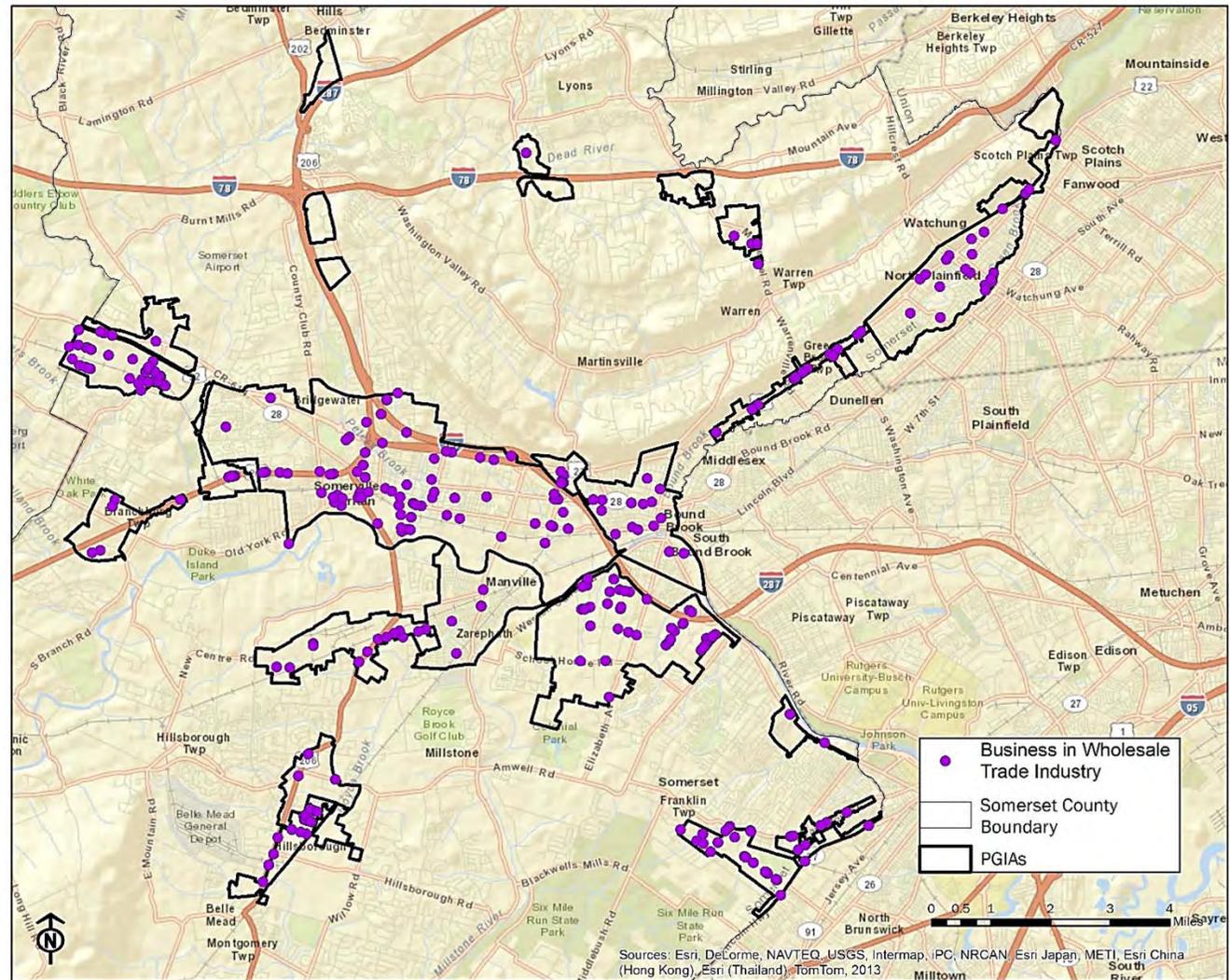
Source: InfoFree

PGIA Businesses in the Wholesale Trade Industry

There are 386 businesses in the PGIA's associated with the Wholesale Trade Industry (71 percent of Somerset County's 547 such businesses).

Somerset County's Wholesale Trade Industry provides a relatively high amount of labor income (and associated consumer expenditures) to Somerset County.

Further, the Wholesale Trade Industry is particularly dependent upon good transportation infrastructure in order to successfully compete.



Source: InfoFree

Takeaway: Industry Cluster Analysis

Relative to the State of New Jersey as whole, Somerset County has a strong employment base in many of the top statewide industry clusters including Finance and Insurance; Information Technology; and, particularly, Advanced Manufacturing. These are valuable economic characteristics, not only because the aforementioned industries dominate in total output, but also because they have the highest “backward-linkage” employment multipliers of all major industries in the county.

According to 2011 IMPLAN data for Somerset County, over half of the total value of goods and services produced in Somerset County currently come from service-oriented sectors such as the Finance and Insurance; Retail Trade; Professional, Scientific and Technical Services; and Manufacturing sectors.

While businesses in Somerset County’s top sectors are concentrated in the PGIAs, there is still a great deal of such commerce located outside of the PGIAs. Further analysis of these businesses would be required to reach meaningful conclusions as to what sorts of policies might benefit them.

A few additional points of note:

- Vulnerability of manufacturing: While manufacturing is the top industry by value added in Somerset County, there are vulnerabilities associated with it (in particular, an aging workforce and labor supply issues). Additionally, while manufacturing currently functions as the leading industry in terms of multiplier employment generation, the effects may begin to trend downward as manufacturing becomes increasingly capital-intensive.
- Importance of traded sector: The traded sector dominates Somerset County’s output, labor income, and total value added. Traded clusters provide goods and services outside of the local economy, thereby bringing in dollars from outside the county. While outside dollars are key to growing an economy, these traded sectors are also vulnerable to regional and global competition.

**Establishing Base
Line of Existing Land-
Use Conditions**

Introduction

Current land-use conditions and characteristics of Somerset County's PGAs, focusing on zoning; land-use types; dwelling unit counts, density, tenure rates, and vacancy rates; square footages and occupancy rates for flex space, retail, office, and industrial building; civic, educational, cultural, and affordable housing facilities; and housing age and condition, were examined.

Individual PGAs in Somerset County range in size from less than one-tenth of a square mile to over 12 square miles, and fit a range of descriptions, from commercial town centers to empty corporate campuses. The 24 PGAs are categorized by typologies taken from the *Somerset County Planning Board Draft Final County Investment Framework PGA and LPA Screening Criteria Results*. Various typologies include employment node, technology node, office node, industrial park, higher education facility, town center, redevelopment area, planning area 1 (PA1, as defined in the State Plan Policy Map), commercial corridor, industrial/commerce area, major industrial/commerce complex, regional center, transit village, and closed military facility. Although the character of the individual PGAs varies widely, the same baseline conditions are reported for each PGA in order to maintain consistency and facilitate comparison. Note that not all data may be relevant to each PGA.

This report provides snapshots of the data listed above for each PGA, as well as comparative rankings of attributes such as square footages of various land uses. These baseline conditions are relevant to growth and development potential in the PGAs: zoning and current land use will guide and inform what future development can occur. High vacancy rates may indicate land in need of rezoning or further investment. Housing density, conditions, and tenure indicate whether residential building is appropriately dense and where additional housing may be in demand. Affordable housing and social assets are important resources in areas of residential development. As such, the land-use conditions examined herein have implications on the suitability of increased growth and investment. This baseline analysis is a first step towards understanding which local land-use laws may need updating in order to facilitate the proper growth and character of the PGAs.

Glossary of Terms

Affordable housing assets: Major housing projects potentially available to low- and moderate-income eligible households; includes various types of housing developments that include low- and moderate-income housing as defined by the NJ Fair Housing Act.*

Civic, educational, and cultural assets: Community resources such as municipal buildings, schools, libraries, senior centers, fire and police stations, museums, and cultural organizations

Flex space: This type of space is only found in flex buildings (a type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. At least half of the rentable area of the building must be used as office space. Flex buildings typically have ceiling heights under 18', with light industrial zoning. Flex buildings have also been called Incubator, Tech and Showroom buildings in markets throughout the country). Flex space can be used as office, medical, industrial, warehouse, distribution, quasi-retail, or research and development space.**

Rentable building area (RBA): Expressed in square feet, this area includes the usable area and its associated share of the common areas. Typically rents are based on this area. It is the space the tenant will occupy in addition to the associated common areas of the building such as the lobby, hallways, bathrooms, equipment rooms, etc. There is no real difference between RBA and GLA (Gross Leasable Area) except that GLA is used when referring to retail properties while RBA is used for other commercial properties.**

Vacant available space: Space which is currently vacant and is currently being marketed as available space. Vacant space only speaks to the occupancy of a space without regard to whether there is a lease obligation tied to that space.**

Sources: *Major Affordable Housing Developments shapefile metadata, Somerset County Planning Division, April 2012
**CoStar Glossary

Data Sources

Somerset County provided the following county-wide data in GIS shapefile format:

- Zoning (December 2013), including attributes for zoning and land use
- Community facilities (February 2014), including data points for civic and educational assets
- Cultural centers (March 2014)
- Major affordable housing developments (March 31, 2014 DRAFT)

Dwelling unit counts, tenure rates, and vacancy rates (both 2010 and projected 2013) were gathered from Esri Community Analyst software.

Square footages and vacancy rates for flex space, retail, industrial, and office are from CoStar 2013 data.

Structure age and condition data as well as housing unit counts (at the census tract level) were obtained from American Community Survey 2008-2012 5-year estimates from the SELECTED HOUSING CHARACTERISTICS (DP04) data table. The following fields were used:

- total housing units
- year structure built
- lacking complete kitchen facilities
- lacking complete plumbing facilities

Methodology

Zoning and land use: The county-wide zoning layer provided by Somerset County was geo-processed by intersecting the zoning dataset with the PGIA boundary dataset. Acreages for zoning and land use within each PGIA were then calculated in ArcGIS. Acreages were then totaled, and percentages of each zone and land use were calculated, which were used to create pie charts.

Dwelling unit count, tenure, vacancy, and density: Dwelling unit counts (2010 and projected 2013) as well as tenure and vacancy rates were provided for each individual PGIA using Esri Community Analyst software. Due to high margins of error for data pertaining to areas not following census boundaries (such as the PGIAs), it cannot be certain that dwelling unit counts are one-hundred percent accurate.

In order to calculate dwelling unit density, the consultant multiplied the area of each PGIA by the percentage of residential land use in that PGIA to obtain residential acreage. Then, the number of dwelling units in the PGIA was divided by the residential acreage in the PGIA. Although Esri data showed positive dwelling unit counts for the Sanofi Aventis and Watchung Route 22 Corridor PGIAs, there is no residential land use in these PGIAs, resulting in a division by zero error. These data points have been replaced with null (“ - ”) as it is assumed that the Esri data is incorrect, and there are no dwelling units in these PGIAs (or if there are, the numbers are so small as to be negligible). While the calculated residential dwelling unit densities are useful for PGIAs with larger residential areas, those with very small residential areas may show a high dwelling unit density due to the mathematical results of dividing by a small area; even if Esri over-estimates the number of dwelling units slightly, this could result in a greatly overstated dwelling unit density in these PGIAs. As such, this statistic should be interpreted with care. As a reminder, additional details pertaining to Esri Community Analyst methodology are provided on pages 62-63.

Methodology

Square footages and vacancy rates (flex space, retail, office, industrial): CoStar data were geocoded by North Jersey Transportation Planning Authority and matched to PGIAs in ArcGIS. To mitigate potential geocoding inaccuracies associated with CoStar data, all data points within a 100-foot buffer of the PGIAs were included in the analysis. This method compensates for data points that are placed on street centerlines instead of within parcels falling within the PGIAs, and errs on the side of inclusiveness. After data were geocoded and pulled for individual PGIAs, data for rentable building area and vacant available square footage were totaled for each of the building types using Pivot tables. Building type data was consolidated for retail (sum of general retail, community center, lifestyle center, neighborhood center, power center, strip center, and super regional mall CoStar categories) and office (sum of office and office (neighborhood center) CoStar categories). Vacancy rates were calculated by dividing vacant available square footage by rentable building area.

Civic, educational, cultural, and affordable housing facilities: These data points were matched to PGIAs by selecting those falling within PGIA boundaries using ArcGIS.

Housing age and condition: As the American Community Survey provides information by census tract, the consultant was only able to examine this data at the tract level, and not by PGIA. After pulling census tract data for the fields listed on the previous page, the consultant produced thematic maps using census-tract data for kitchen and plumbing facilities and year structure was built. Percentages were calculated by dividing the number of housing units with particular characteristics in each census tract (lacking kitchen, lacking plumbing, year built) by the total number of housing units in that census tract. A map of the PGIA boundaries overlaying a county-wide census tract map is provided for a general understanding of housing structure age and condition in relation to PGIA boundaries.

Methodology: Esri Community Analyst

According to Esri, the Community Analyst software has “incorporated Census 2010 counts and geograph[ies] and evaluated and revised models” for 2013/2018 demographic updates. Further, “the demographic updates are...point estimates, representing July 1 of the current and forecast years....Forecasts are prepared initially for counties and block groups (BGs). From the county database, forecasts are aggregated to Core Based Statistical Areas (CBSAs), states, or higher levels. From the block group database, forecasts can be retrieved for census tracts; places; county subdivisions; ZIP codes; congressional districts (the 113th Congress); designated market areas (DMAs); or any user-defined site, circle, or polygon.”

While Community Analyst is a powerful tool for analyzing spatial data, a word of caution regarding use of projections is included in the methodology. In particular, Esri notes:

“Projections are necessarily derived from current events and past trends. The past and the present are known; the future must be extrapolated from this knowledge base. Even though projections represent the unknown, they are not uninformed. Guidelines for the development of projections also inform the use of those projections:

- The recent past provides a reasonable clue to the course of future events, especially if that information is tempered with a historical perspective.
- A stable rate of growth is easier to anticipate than rapid growth or decline.
- The damaging effects of natural disasters cannot be anticipated. Esri makes every effort to assess the impact of sudden, catastrophic events like strong storms, flooding, or wildfires.
- The risk inherent in forecasting is inversely related to the size of an area: the smaller the area, the greater the risk.
- The risk increases with the length of the projection interval. Any deviation of the projected trends from actual events is amplified over time.

Esri revises its forecasts annually to draw on the latest data. However, this data can be enhanced with personal knowledge of an area to provide the qualitative, anecdotal detail that is not captured in a national database.”

While projections and forecasts for the specific PGIA areas were able to be analyzed, it is crucial to remember that the data are just that: projections and forecasts, and as such, should be used and interpreted cautiously. As noted above, data pertaining to smaller geographies are riskier to project and forecast; as a number of the PGIAs are small, this point is of especial importance.

It should be reiterated that given the relatively small size and irregularity of the PGIA geographies, the degree of statistical error with respect to extrapolating dwelling unit metrics is likely quite high. Further, as the accuracy of dwelling unit metrics within the PGIAs is less than ideal, we believe that less emphasis should be placed on these metrics within the PGIA boundaries.

Source: Methodology Statement: 2013/2018 Esri US Demographic Updates

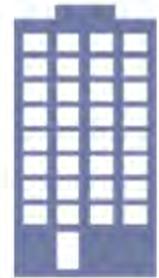
Key Findings: Existing Land-Use Conditions

Zoning and land use in support of PGIA objectives

Much of the zoning and land use in the PGIAs is supportive of Somerset County's growth area goals (density, growth, and investment). These land uses include office, industrial, commercial, residential (including high-density residential), and mixed-use. The greatest amount of land in the PGIAs is commercial, at 19 percent.

Flex space and office vacancy

Vacancy rates for flex and office space in the PGIAs hover between 18 and 20 percent. This indicates potential for new businesses to use the space, either as-is or in a repurposed format.



Aging housing stock

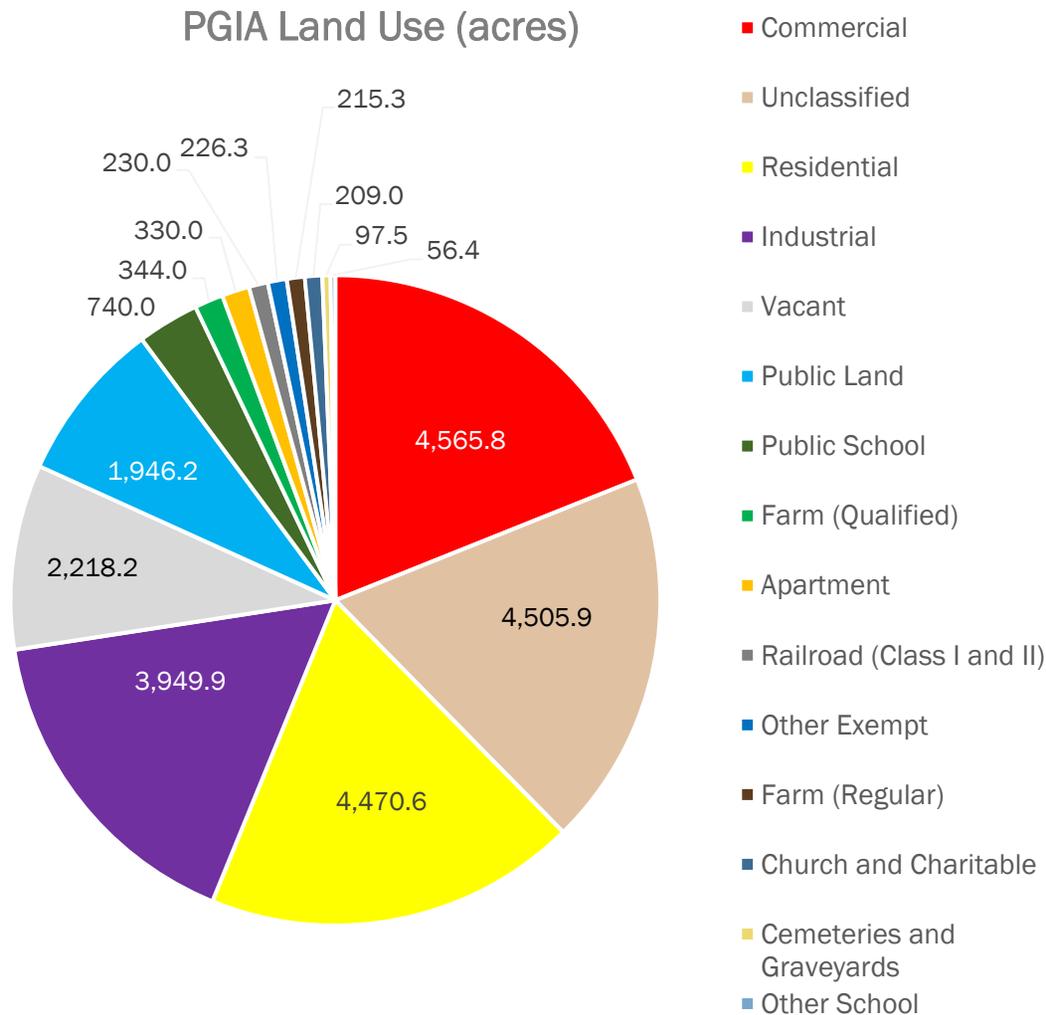
Most of the housing units in the PGIAs were built before 1960. The vast majority of these have kitchen and plumbing facilities, though there are small pockets of units lacking such amenities.

Cultural, civic, educational, and affordable housing facilities

Many of the "town center" PGIAs feature a range of cultural, civic, educational, and affordable or multi-family housing facilities. These features are useful assets in densely populated areas.



Summary: Zoning and Use Types

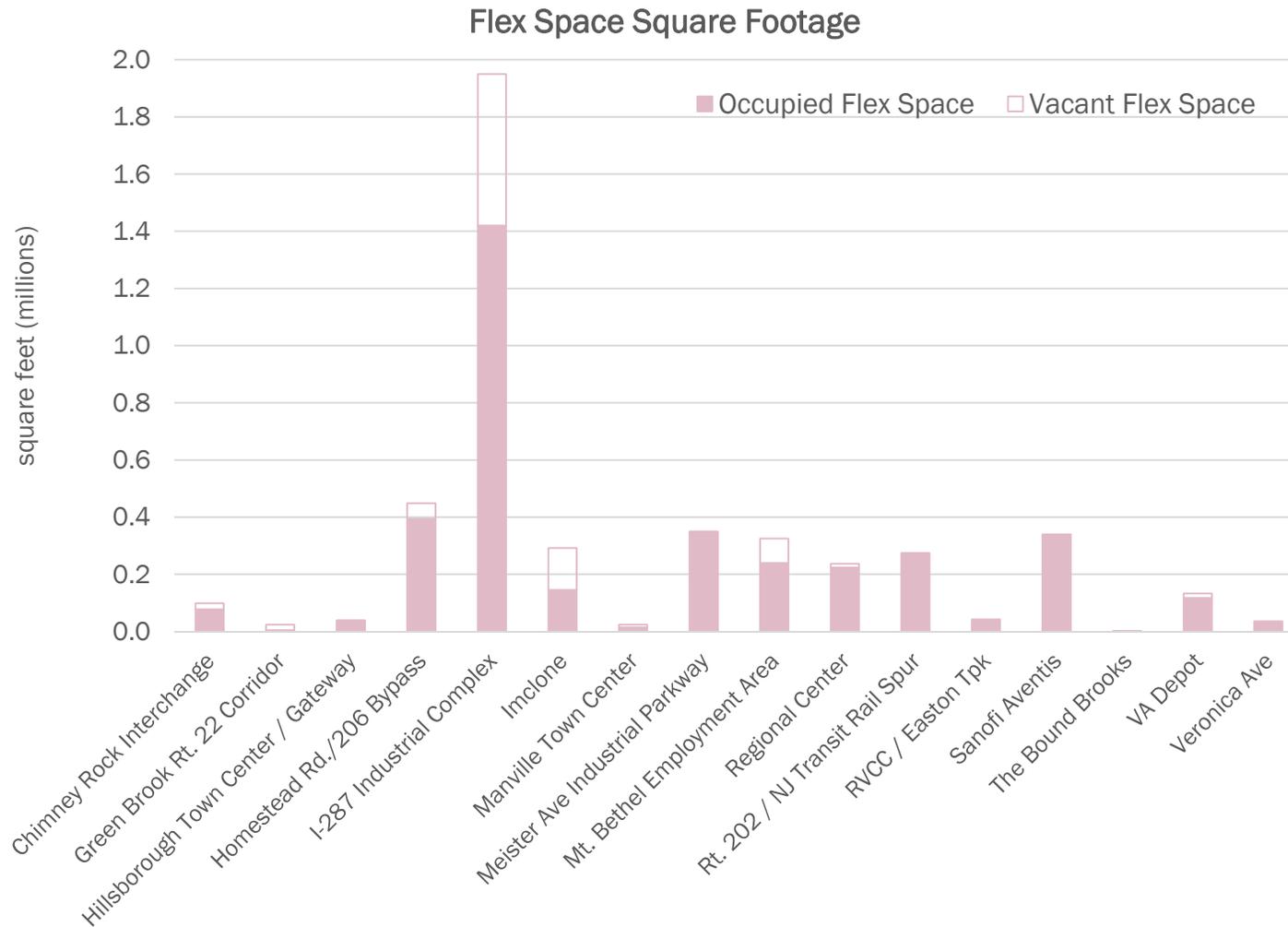


As is appropriate for areas designated for growth and investment, major land uses in the PGIAs include commercial, residential, and industrial. There is also a large amount of unclassified land (partly comprised of right-of-way), as well as a considerable amount of land classified as “vacant” (which may provide opportunity for growth or redevelopment). Unclassified and vacant land should be examined further for development potential.

There are over 150 different zoning designations within the PGIAs. Notable amounts of land are zoned for various residential uses (ranging from six-acre residential environmental protection, to multi-family affordable, to age-restricted developments), commercial (including office and office/residential districts), mixed-use, and industrial (including light manufacturing). In general, these types of zones are appropriate in the PGIAs, given the goal of development and growth in these areas. Further zoning and land use breakdowns by PGIA are provided on the following pages.

Source: Somerset County GIS

Summary: Flex Space



There is a total of just over 4.6 million rentable square feet (SF) of flex space in the PGIAs, with 0.9 million SF of this (19.6 percent) vacant. I-287 Industrial Complex has the greatest amount of flex space (just under 2 million SF), as well as the largest amount of vacant flex space (0.5 million SF). The large amounts of vacant flex space in several of the PGIAs present opportunity for growth, or may be indicative of over-zoning for this type of use.

Numerical square footage values can be found in Appendix F

Source: CoStar

Summary: Retail Space

There is a total of over 13 million rentable SF of retail space in the PGIAs, with 1.1 million SF (nine percent) vacant. The Regional Center has the greatest amount of retail square footage (4.7 million SF), and Route 202/NJ TRANSIT Rail Spur has largest amount of vacant retail space (0.2 million SF). Generally, the PGIAs have a healthy retail occupancy rate.

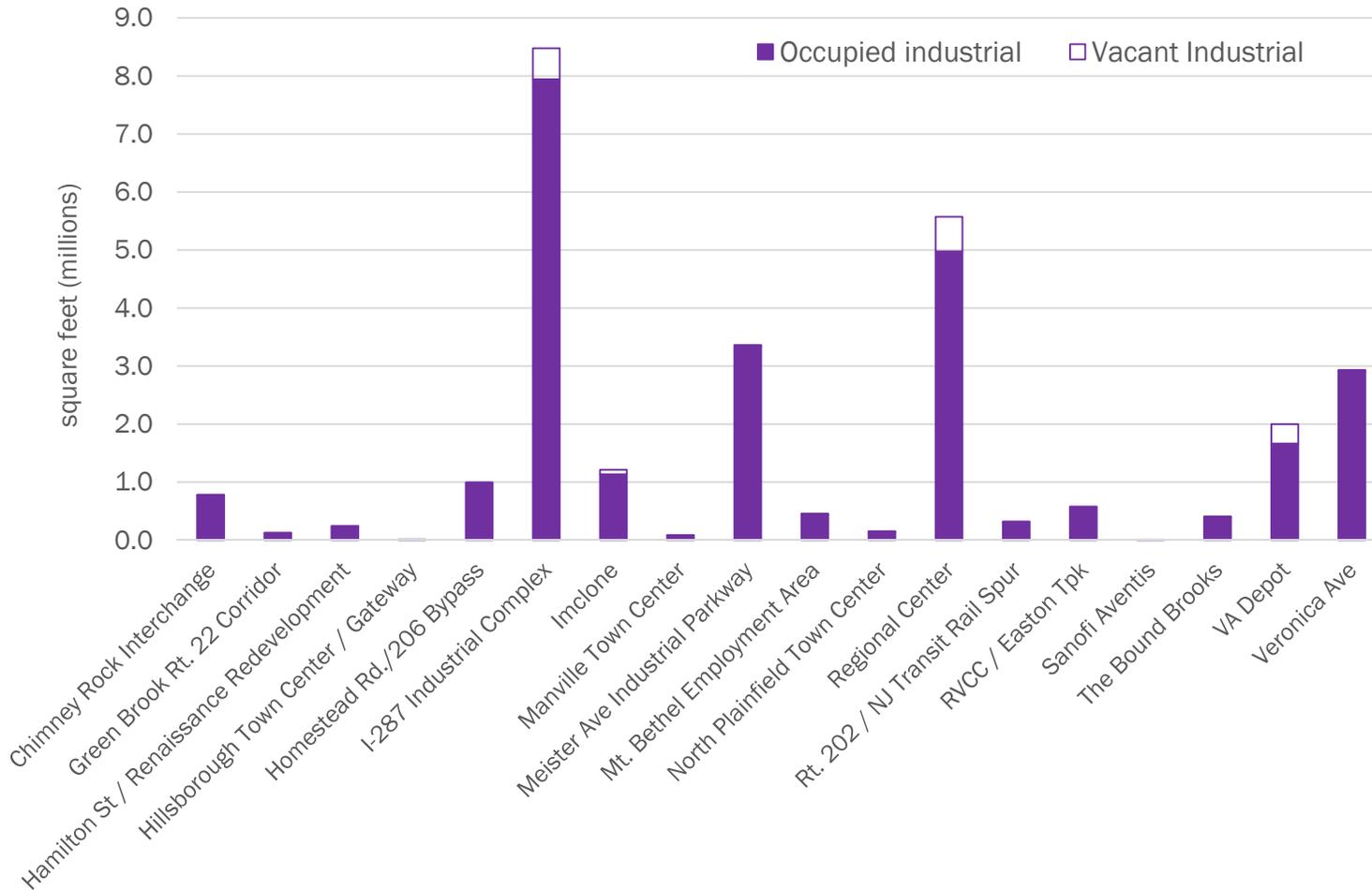


Numerical square footage values can be found in Appendix F

Source: CoStar

Summary: Industrial Space

Industrial Square Footage

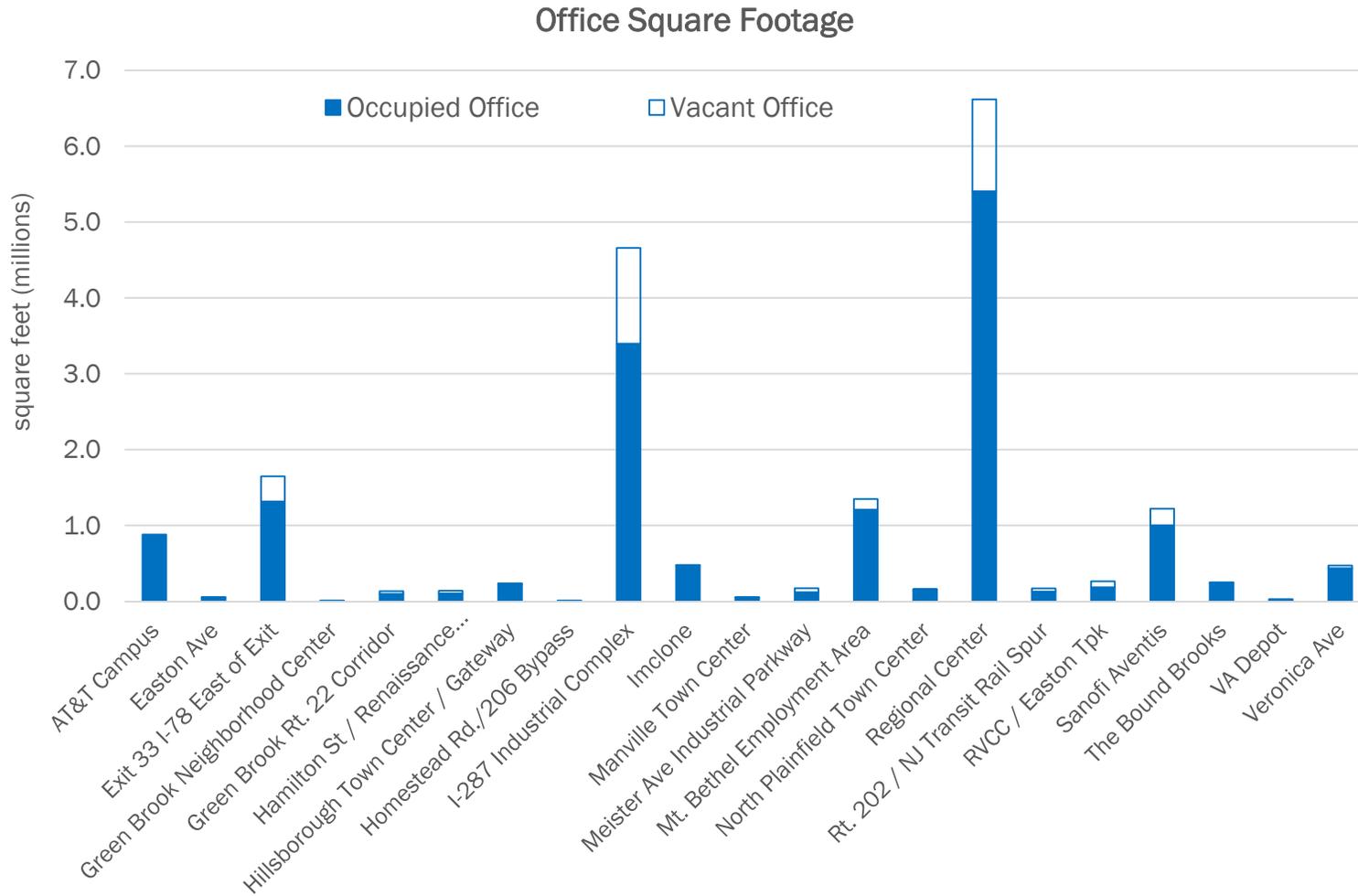


There is approximately 27.7 million rentable SF of industrial space in the PGAs, with 1.7 million SF (six percent) vacant. While I-287 Industrial Complex has the greatest amount of industrial square footage (8.5 million SF), Regional Center has the largest amount of vacant industrial square footage (almost 600,000 SF). At the time of writing, Sanofi Aventis has the highest percentage of vacant industrial space (100 percent vacant). Of the four land use types examined, industrial has the lowest vacancy rate, indicating that industrial use is in demand.

Numerical square footage values can be found in Appendix F

Source: CoStar

Summary: Office Space

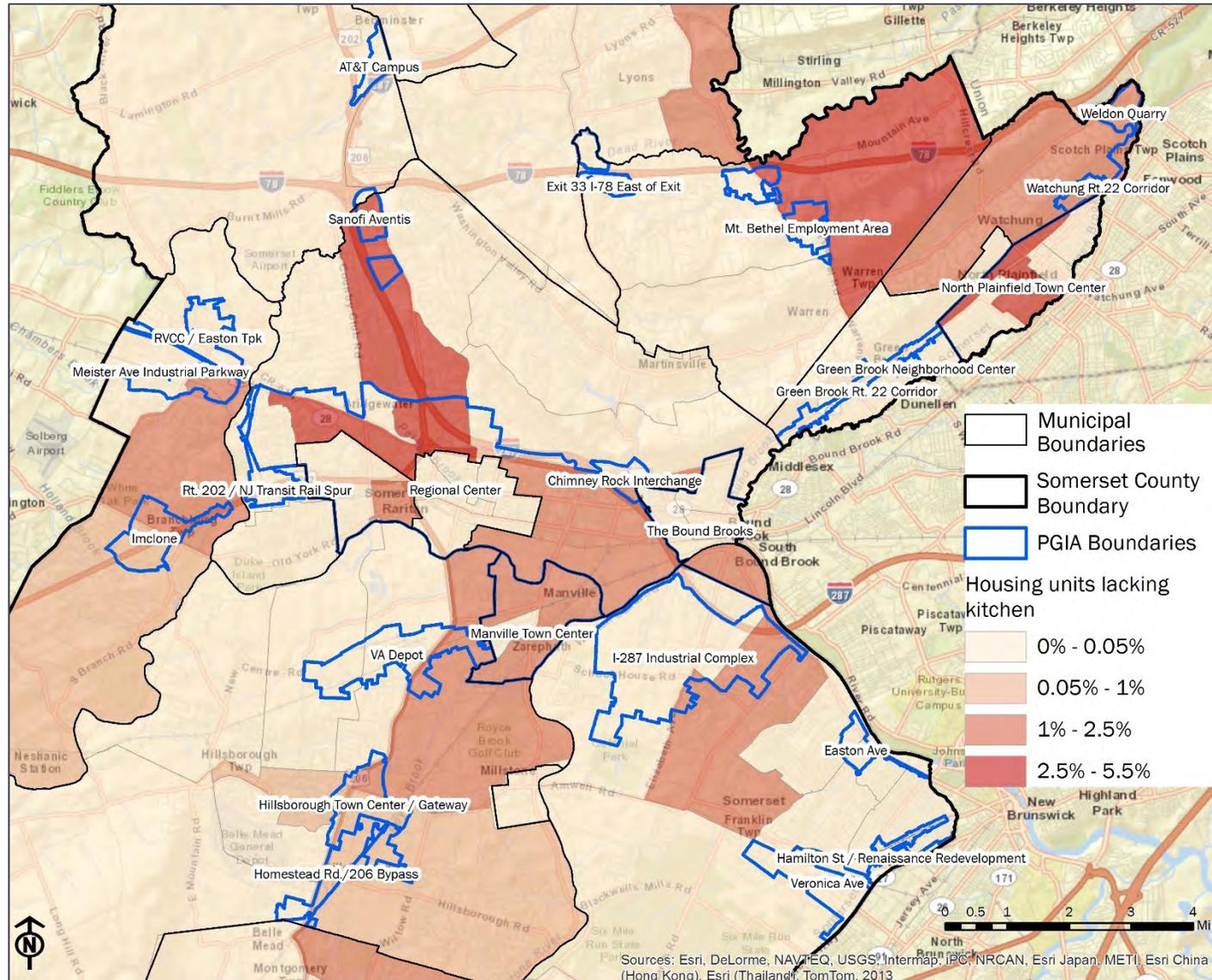


There is a total of 19.0 million rentable SF of office space in the PGIAs, with 3.5 million SF (18 percent) vacant. The Regional Center has the greatest amount of rentable office square footage (6.6 million SF), and I-287 Industrial Complex has the largest amount of vacant office square footage (1.3 million SF). This high vacancy rate may indicate a mismatch between the type of office space that is available versus what is in demand in the PGIAs.

Numerical square footage values can be found in Appendix F

Source: CoStar

Existing Conditions: Structure Condition

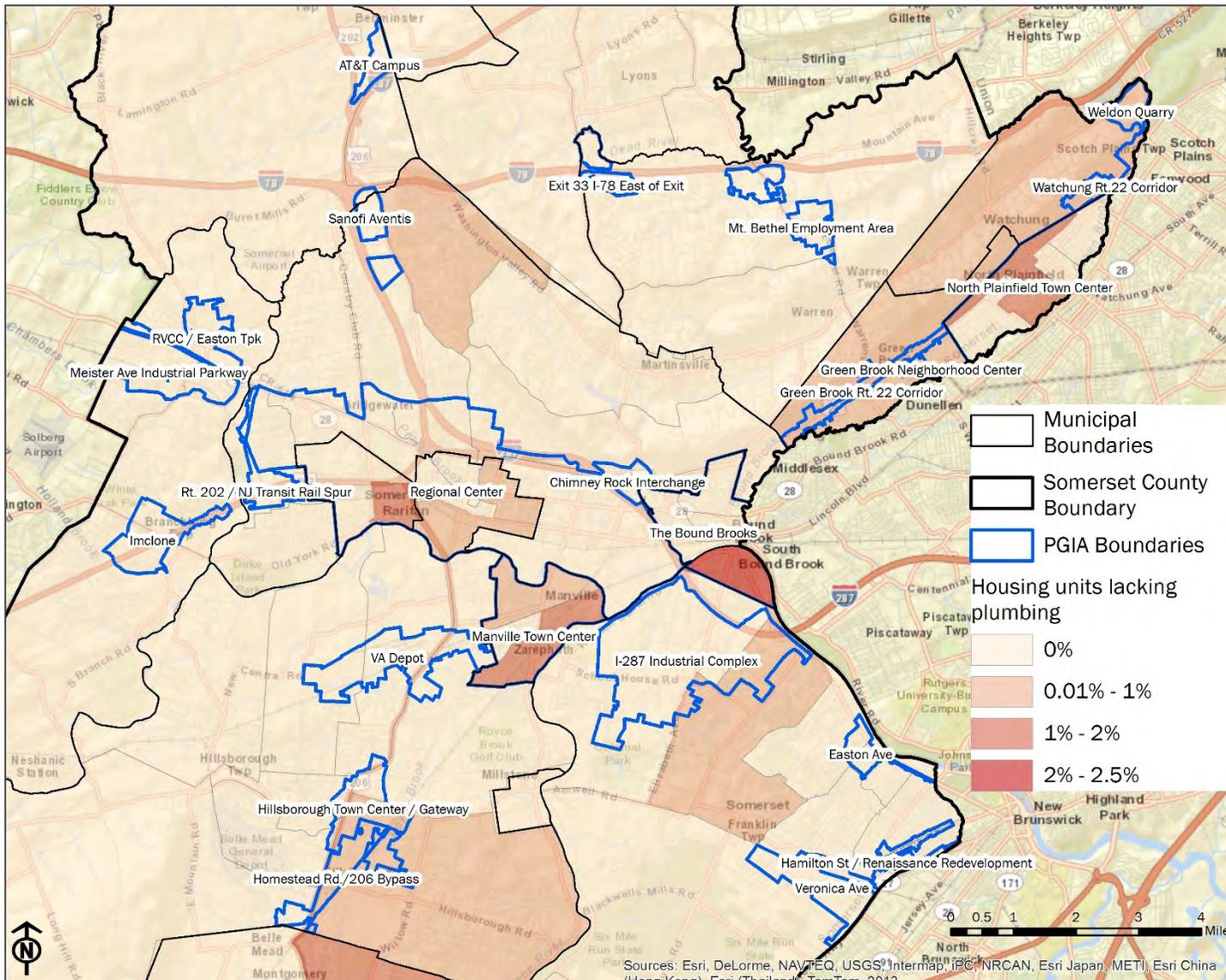


To analyze housing structure condition, the consultant used American Community Survey data on percentage of housing units lacking kitchen or plumbing facilities, as well as the age of housing units. The census tract with the highest percentage of houses without kitchens is located in Bridgewater Township (part of the Regional Center PGIA), with 5.2 percent of housing units without kitchen facilities.

The majority of census tracts in Somerset County have negligible (0 to 0.05 percent) housing units that lack kitchen facilities, although some of the PGIAs feature areas with higher percentages.

Source: US Census Bureau; Esri

Existing Conditions: Structure Condition (cont.)

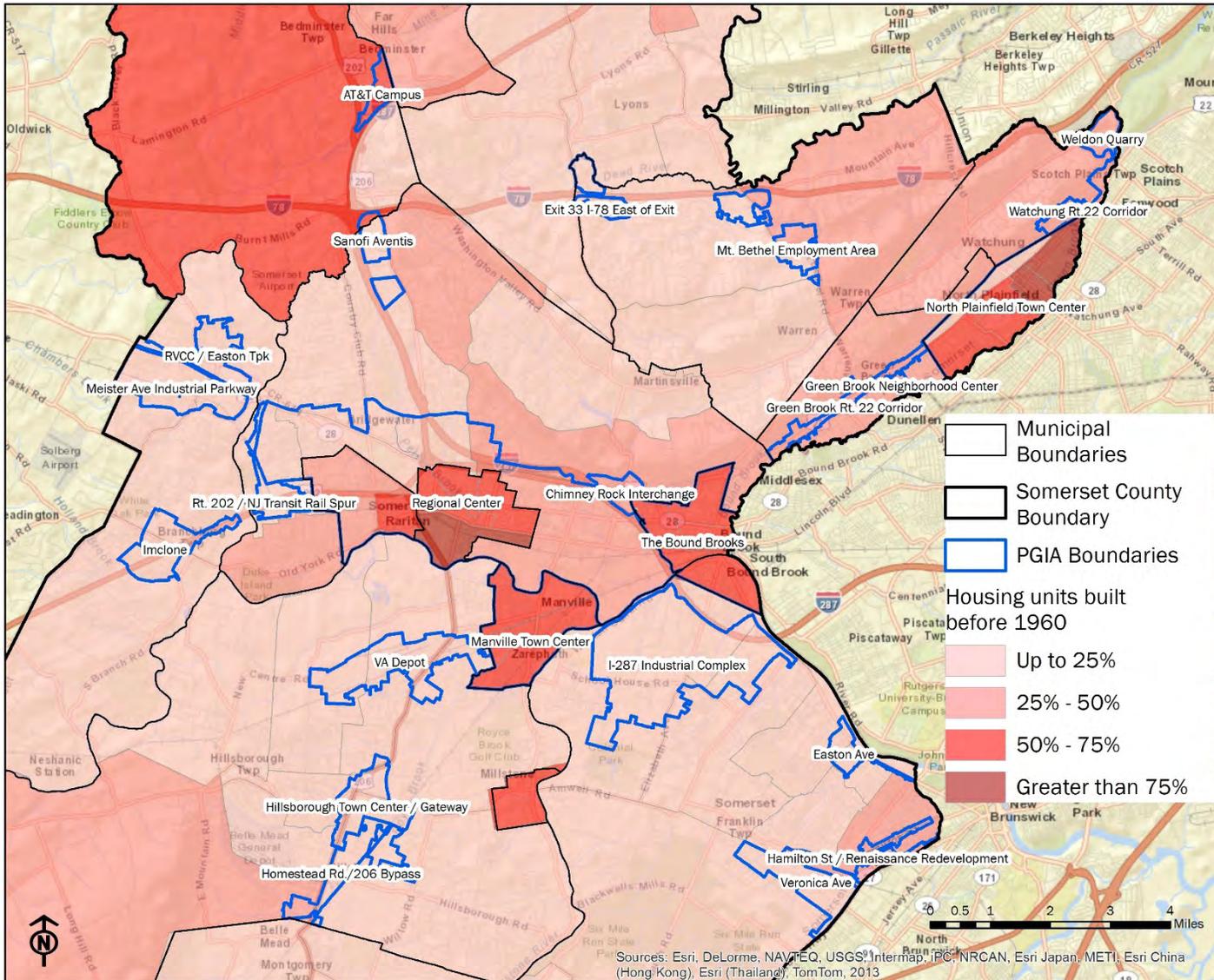


Fewer housing units in Somerset County lack plumbing than kitchen facilities. The majority of census tracts have negligible (0 percent, or less than 0.01 percent) of units without plumbing. However, some PGIAs contain areas with up to 2.5 percent of units without plumbing (in South Bound Brook), as well as one to two percent in parts of Manville Town Center, the Regional Center, and North Plainfield Town Center.

These low percentages of units lacking kitchen and plumbing facilities indicate that housing in the PGIAs is generally adequate in these respects.

Source: US Census Bureau; Esri

Existing Conditions: Structure Age



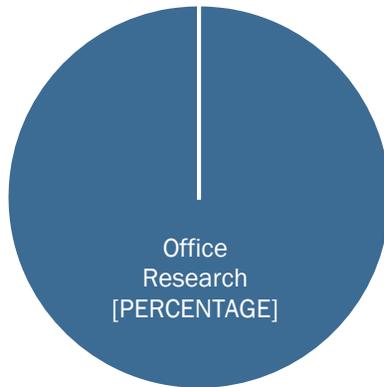
The map at left shows the percentage of housing units per census tract that were built before 1960. Older housing stock such as this may be reaching obsolescence due to wear and tear as well as evolving consumer tastes. There are high concentrations of older units in the Regional Center and North Plainfield Town Center PGIA's, and well as in Manville Town Center and the Bound Brooks. It may be necessary to renovate or replace older housing stock in order to keep or attract new residents.

Source: US Census Bureau; Esri

**Base Line of Existing
Land-Use Conditions:
PGIA Profiles**

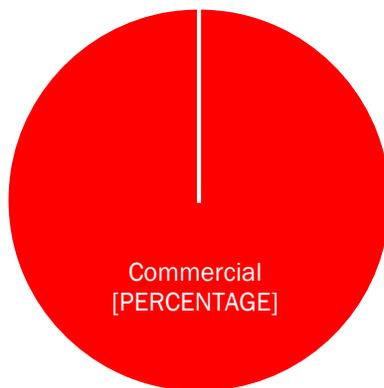
Existing Land-Use Conditions: AT&T Campus

Zoning



There are no civic, educational, cultural, or housing facilities of note in the AT&T Campus PGIA. This PGIA is entirely composed of office space.

Land Use



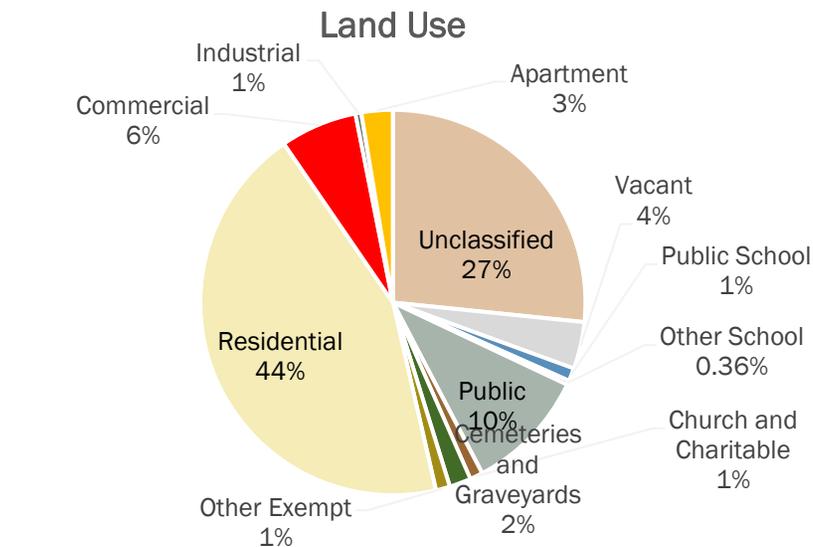
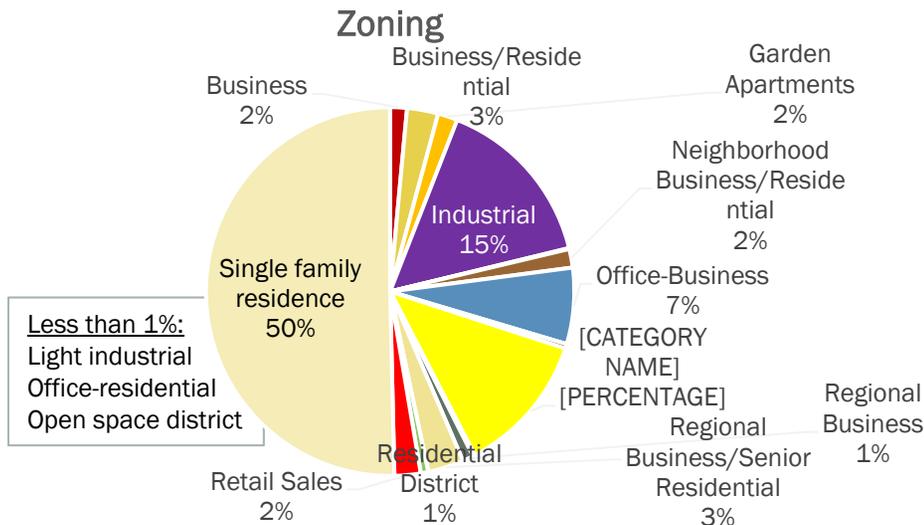
2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
0	0	--

	2010	2013 Projected
Owner-Occupied Housing (%):	--	--
Renter-Occupied Housing (%):	--	--
Housing Vacancy Rate (%):	--	--

	Rentable sf	Vacancy Rate
Office	879,000	0.0%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

Existing Land-Use Conditions: The Bound Brooks



Civic and educational assets: Daycare center/nursery, seven emergency response facilities (fire companies and rescue squads), library, municipal building and police station (for each of Bound Brook and South Bound Brook), eight schools (including pre-K centers), and one high school

Cultural assets: Brook Art Center, Ukrainian Orthodox cultural center, museum, and theological seminary

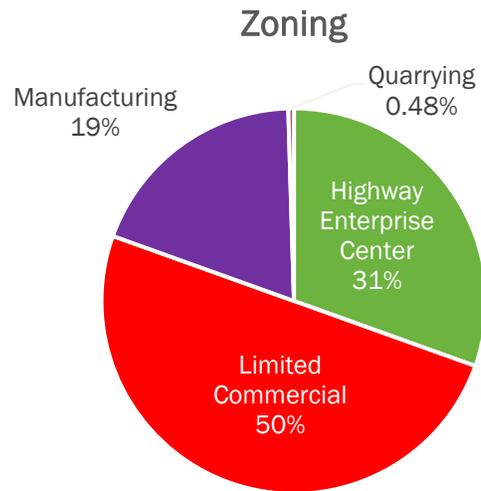
2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
5,670	5,645	7.74

	2010	2013 Projected
Owner-Occupied Housing (%)	50.2	47.5
Renter-Occupied Housing (%)	43.4	46.3
Housing Vacancy Rate (%)	6.4	6.1

	Rentable sf	Vacancy Rate
Flex Space	1,450	96.55%
Retail	714,237	9.72%
Industrial	410,135	4.68%
Office	248,911	2.88%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

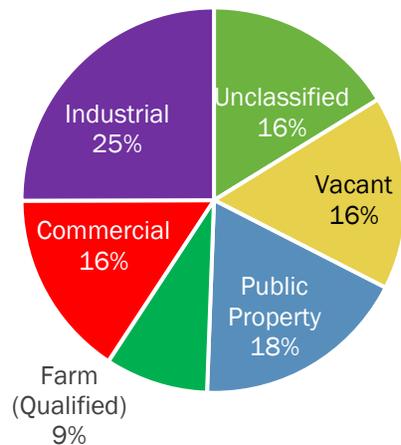
Existing Land-Use Conditions: Chimney Rock Interchange



There are no civic, educational, cultural, or housing facilities of note in this PGIA.

2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
0	0	--

Land Use

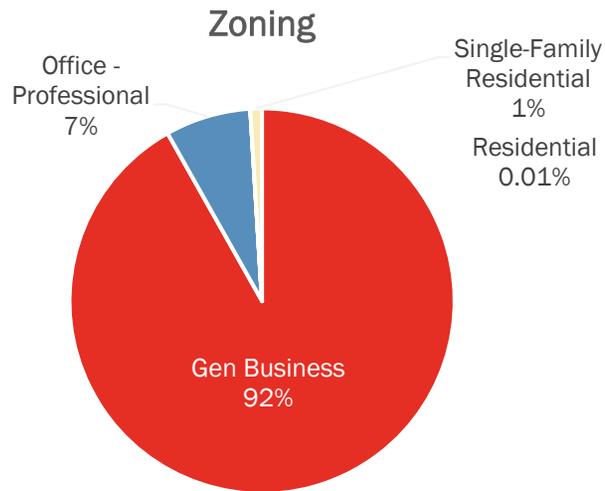


	2010	2013 Projected
Owner-Occupied Housing (%)	--	--
Renter-Occupied Housing (%)	--	--
Housing Vacancy Rate (%)	--	--

	Rentable sf	Vacancy Rate
Flex Space	99,200	22.58%
Industrial	783,530	2.75%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

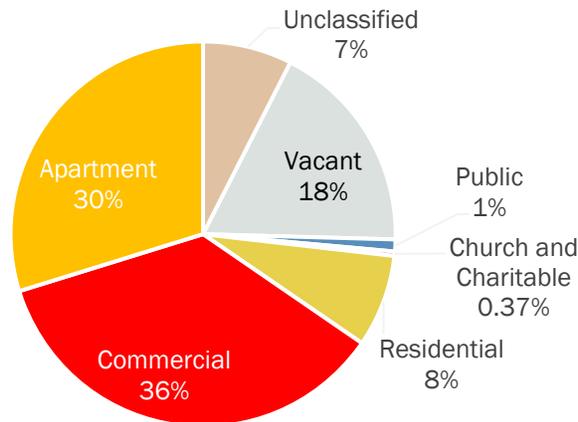
Existing Land-Use Conditions: Easton Avenue Corridor



Civic and educational assets: Nursery school, daycare center

Affordable housing assets: One major affordable housing development: Quail Brook East

Land Use



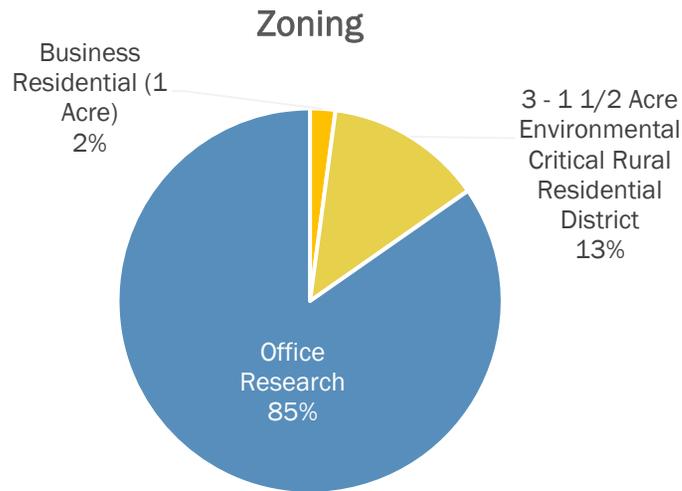
2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
1,240	1,221	15.0

	2010	2013 Projected
Owner-Occupied Housing (%)	52.6	47.7
Renter-Occupied Housing (%)	43.7	45.6
Housing Vacancy Rate (%)	3.7	6.7

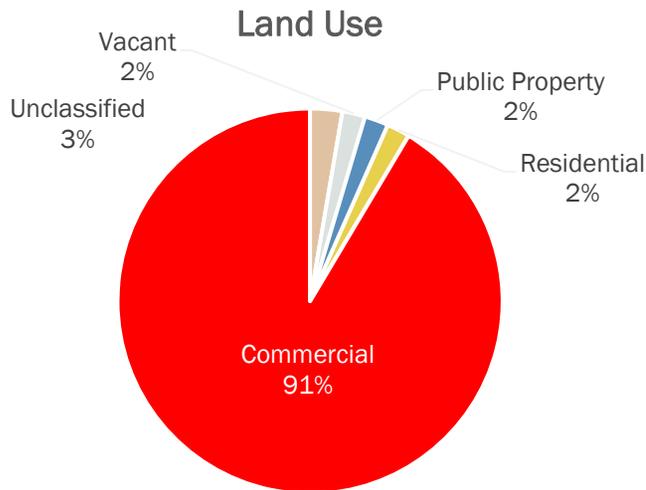
	Rentable sf	Vacancy Rate
Retail	518,188	18.00%
Office	55,713	12.39%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

Existing Land-Use Conditions: Exit 33 I-78



There are no civic, educational, cultural, or housing facilities of note in this PGIA.



2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
0	0	--

	2010	2013 Projected
Owner-Occupied Housing (%)	--	--
Renter-Occupied Housing (%)	--	--
Housing Vacancy Rate (%)	--	--

	Rentable sf	Vacancy Rate
Retail	3,849	0.00%
Office	1,647,883	20.16%

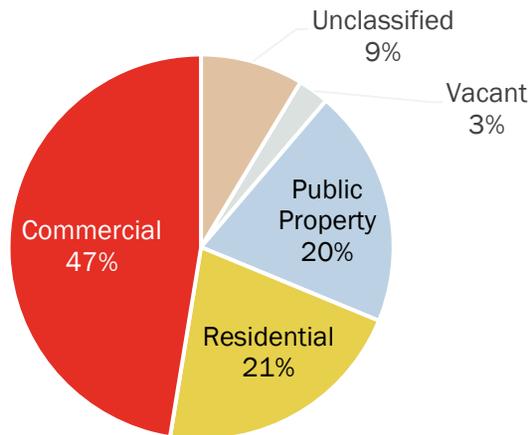
Source: US Census Bureau; Esri; Somerset County GIS; CoStar

Existing Land-Use Conditions: Green Brook Neighborhood Center



Affordable housing assets: Proposed major affordable housing development: Cygna, Inc. Mixed Use Development

Land Use



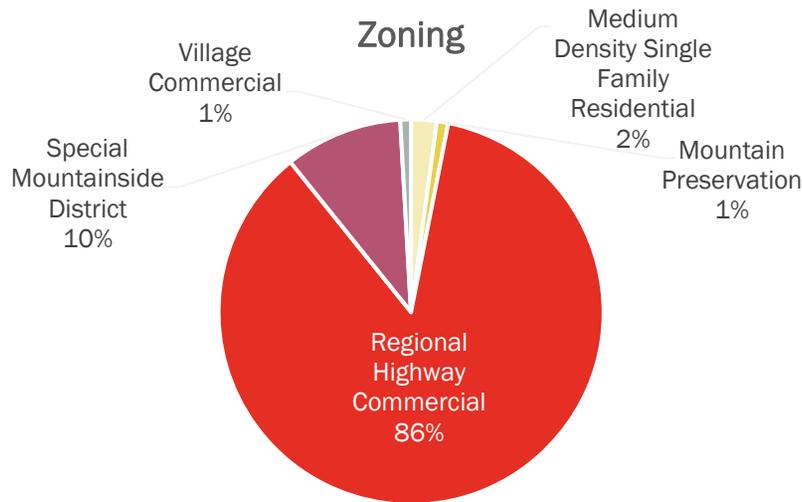
2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
13	13	1.09

	2010	2013 Projected
Owner-Occupied Housing (%)	84.6	84.6
Renter-Occupied Housing (%)	7.7	7.7
Housing Vacancy Rate (%)	7.7	7.7

	Rentable sf	Vacancy Rate
Retail	35,748	33.57%
Office	10,100	0.00%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

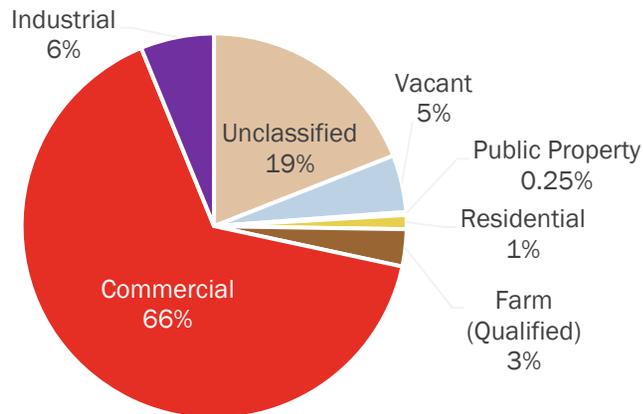
Existing Land-Use Conditions: Green Brook Route 22 Corridor



Affordable housing assets: One proposed major affordable housing development: King Court in Greenbrook

2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
110	110	34.0

Land Use

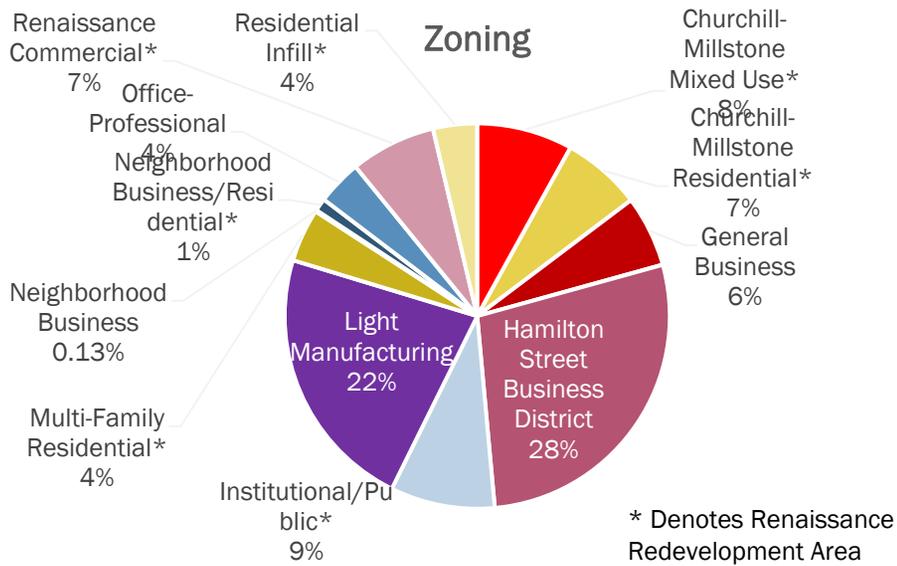


	2010	2013 Projected
Owner-Occupied Housing (%)	84.5	84.5
Renter-Occupied Housing (%)	10.0	10.9
Housing Vacancy Rate (%)	5.5	4.5

	Rentable sf	Vacancy Rate
Flex Space	24,000	83.33%
Retail	888,990	17.13%
Industrial	129,120	8.52%
Office	133,301	29.73%

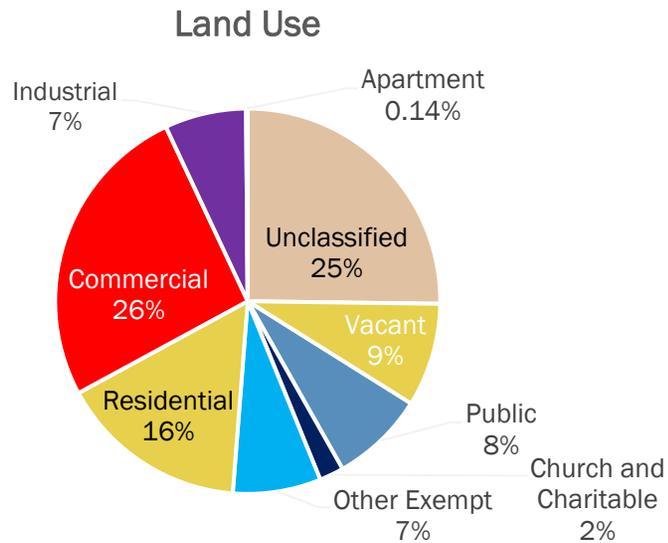
Source: US Census Bureau; Esri; Somerset County GIS; CoStar

Existing Land-Use Conditions: Hamilton St/Renaissance Redevelopment



Civic and educational assets: Three daycare centers and one fire emergency response facility

Affordable housing assets: Two completed and four proposed major affordable housing developments. One of the completed developments is age-restricted.



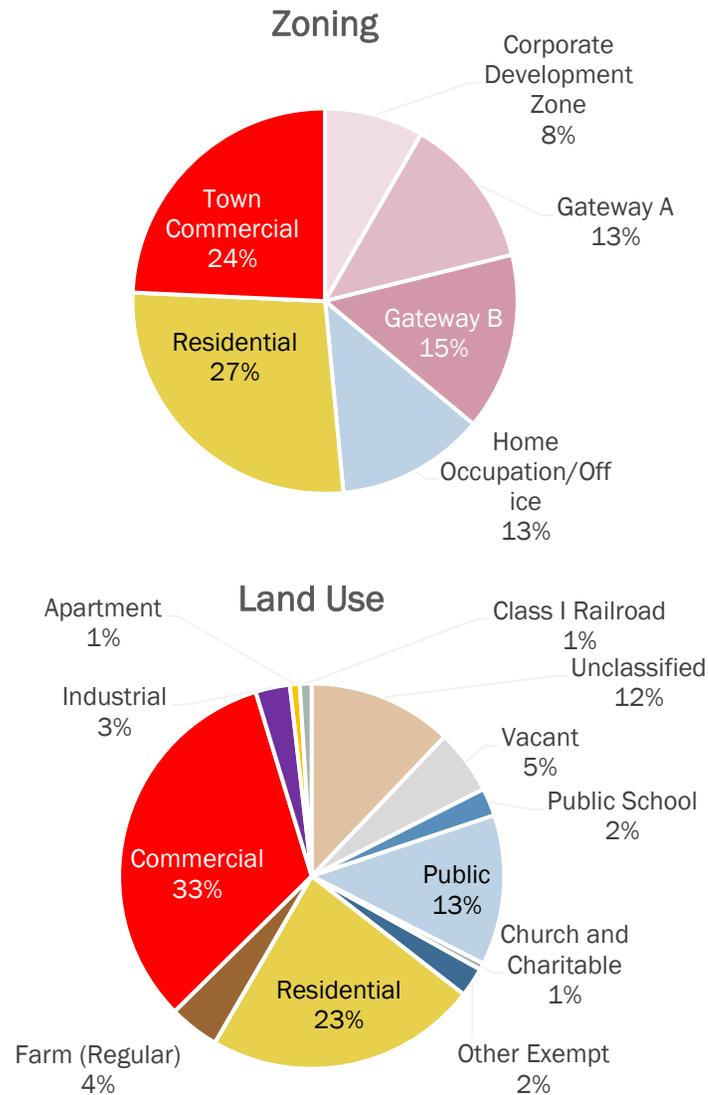
2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
559	575	10.93

	2010	2013 Projected
Owner-Occupied Housing (%)	44.2	41.7
Renter-Occupied Housing (%)	43.6	48.7
Housing Vacancy Rate (%)	12.2	9.6

	Rentable sf	Vacancy Rate
Retail	529,864	3.46%
Industrial	243,701	0.00%
Office	137,604	25.87%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

Existing Land-Use Conditions: Hillsborough Town Center/Gateway



Civic and educational assets: Elementary school, volunteer fire company

Affordable housing assets: Two major affordable housing projects (both rental and age-restricted)

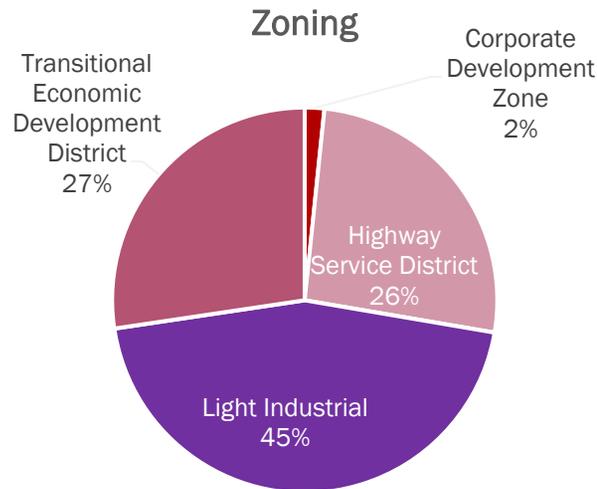
2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
576	594	4.01

	2010	2013 Projected
Owner-Occupied Housing (%)	81.9	79.1
Renter-Occupied Housing (%)	12.8	14.6
Housing Vacancy Rate (%)	5.2	6.2

	Rentable sf	Vacancy Rate
Flex Space	39,568	0.00%
Retail	545,655	8.60%
Industrial	12,000	0.00%
Office	236,121	4.10%

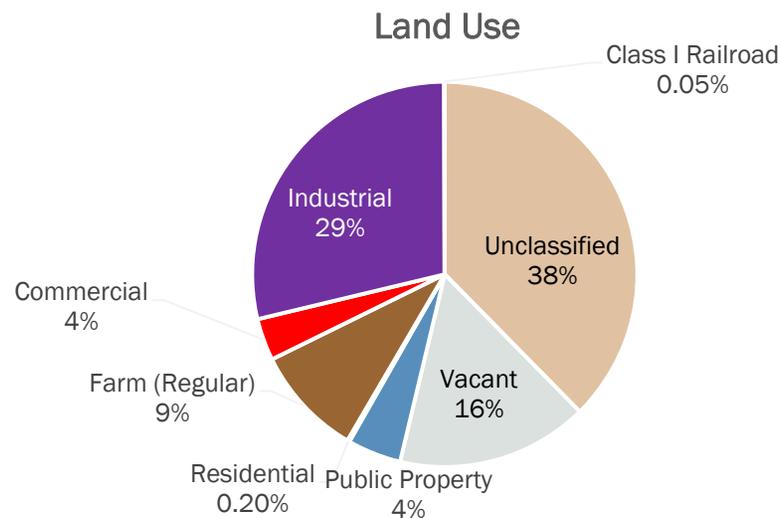
Source: US Census Bureau; Esri; Somerset County GIS; CoStar

Existing Land-Use Conditions: Homestead Rd./Rt. 206 Bypass



Cultural and educational assets: K-12 school that includes a nursery

2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
43	43	34.5

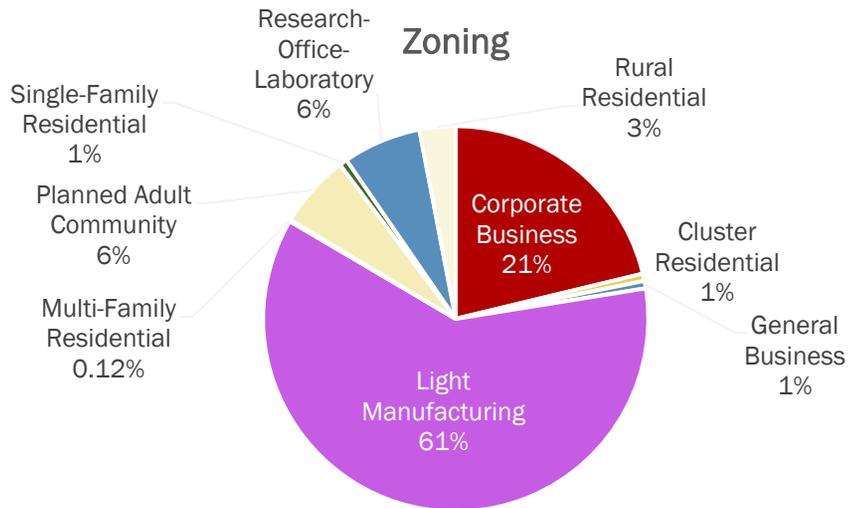


	2010	2013 Projected
Owner-Occupied Housing (%)	93.0	90.7
Renter-Occupied Housing (%)	4.7	7.0
Housing Vacancy Rate (%)	2.3	2.3

	Rentable sf	Vacancy Rate
Flex Space	448,736	12.28%
Retail	15,448	0.00%
Industrial	994,009	0.28%
Office	10,300	0.00%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

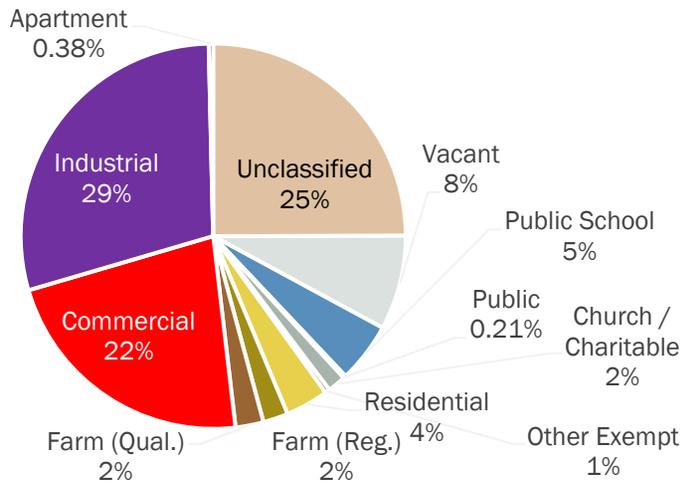
Existing Land-Use Conditions: I-287 Industrial Complex



Cultural and educational assets: Five schools, library, seminary, daycare center, and two emergency response facilities (fire company and first aid)

Affordable housing assets: One completed and two proposed affordable housing projects

Land Use



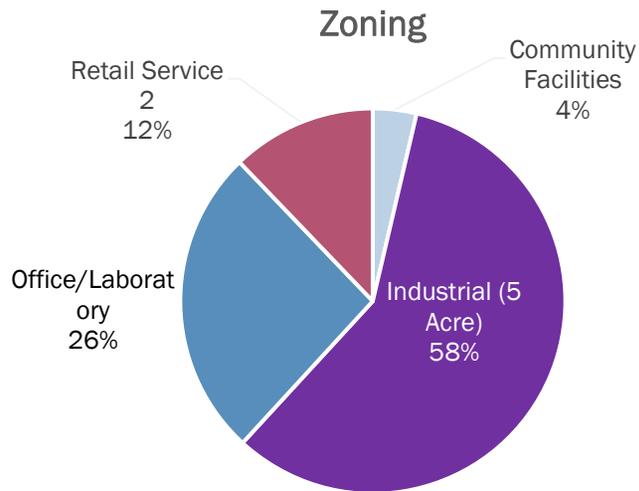
2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
432	511	3.69

	2010	2013 Projected
Owner-Occupied Housing (%)	56.9	67.5
Renter-Occupied Housing (%)	12.5	18.0
Housing Vacancy Rate (%)	30.6	14.3

	Rentable sf	Vacancy Rate
Flex Space	1,949,764	27.20%
Retail	341,017	25.92%
Industrial	8,477,702	6.29%
Office	4,657,873	27.13%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

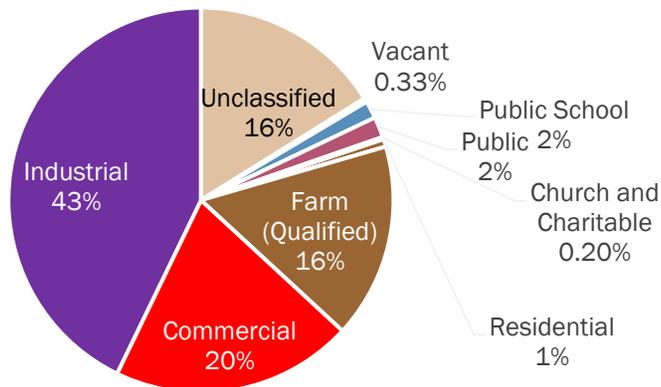
Existing Land-Use Conditions: Imclone



Civic and educational assets: Two schools, police station, municipal building, volunteer fire company

Affordable housing assets: Affordable housing development: River Trace at Branchburg

Land Use



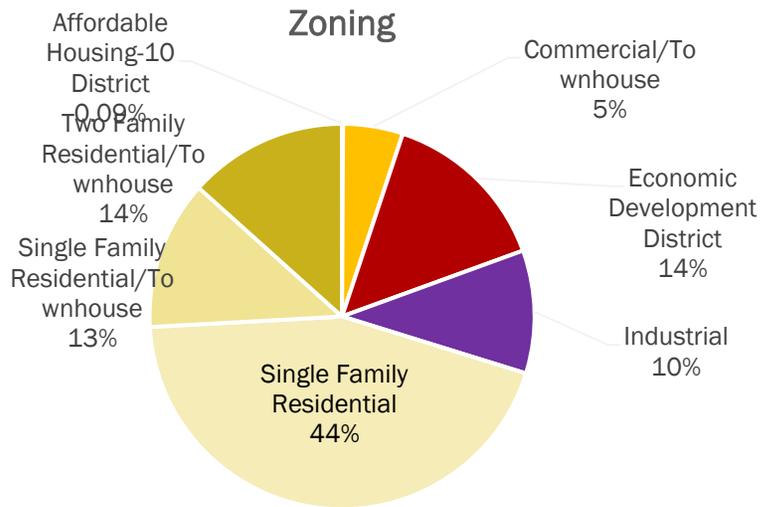
2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
362	361	58.0

	2010	2013 Projected
Owner-Occupied Housing (%)	78.5	73.4
Renter-Occupied Housing (%)	19.6	22.2
Housing Vacancy Rate (%)	1.9	4.7

	Rentable sf	Vacancy Rate
Flex Space	292,149	50.50%
Retail	89,728	2.11%
Industrial	1,213,872	6.55%
Office	478,181	0.81%

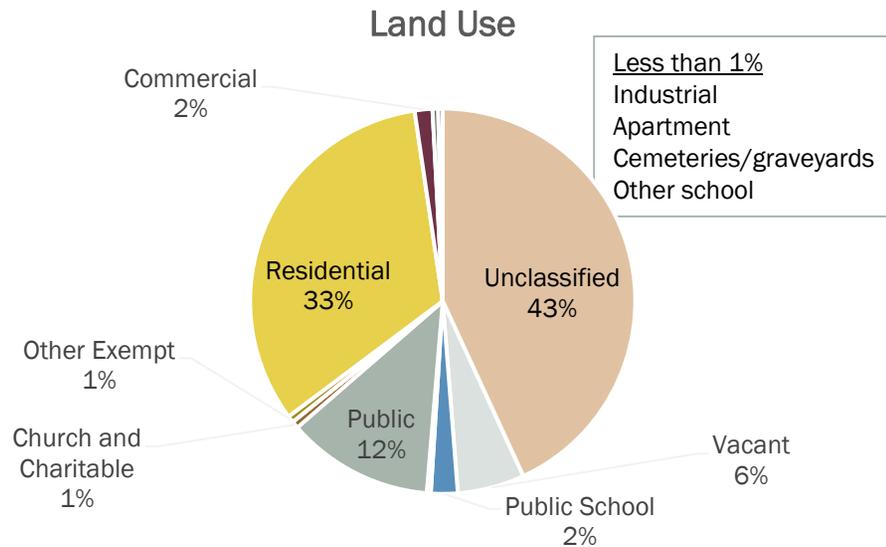
Source: US Census Bureau; Esri; Somerset County GIS; CoStar

Existing Land-Use Conditions: Manville Town Center



Civic and educational assets: Three fire companies, first aid and rescue squad, library, municipal building, police station, senior center, six schools (including one high school)

2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
4,277	4,301	8.27

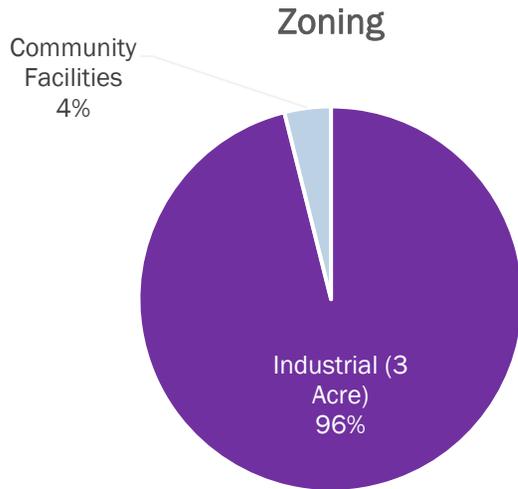


	2010	2013 Projected
Owner-Occupied Housing (%)	63.3	60.8
Renter-Occupied Housing (%)	30.6	33.3
Housing Vacancy Rate (%)	6.1	6.0

	Rentable sf	Vacancy Rate
Flex Space	23,832	43.43%
Retail	487,963	5.53%
Industrial	86,445	3.93%
Office	55,094	12.56%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

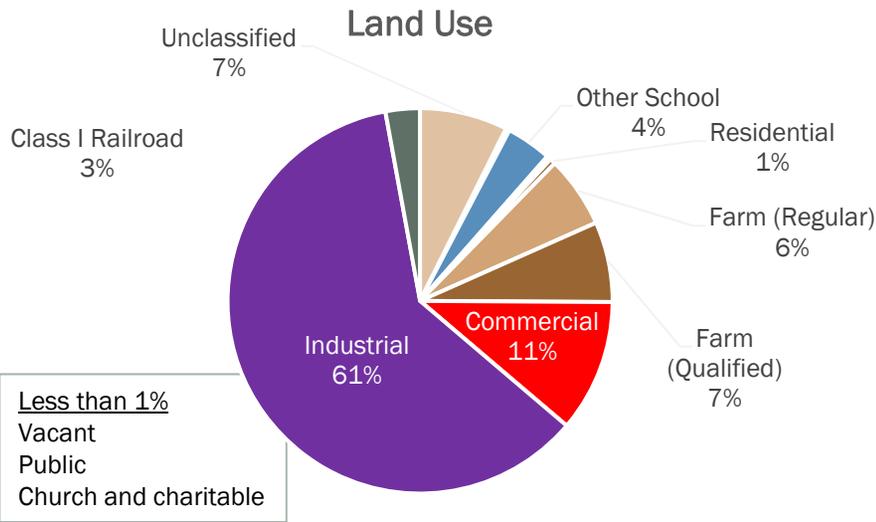
Existing Land-Use Conditions: Meister Ave Industrial Parkway



Educational assets: Special needs school

Affordable housing assets: Two proposed affordable housing projects

2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
328	361	35.82

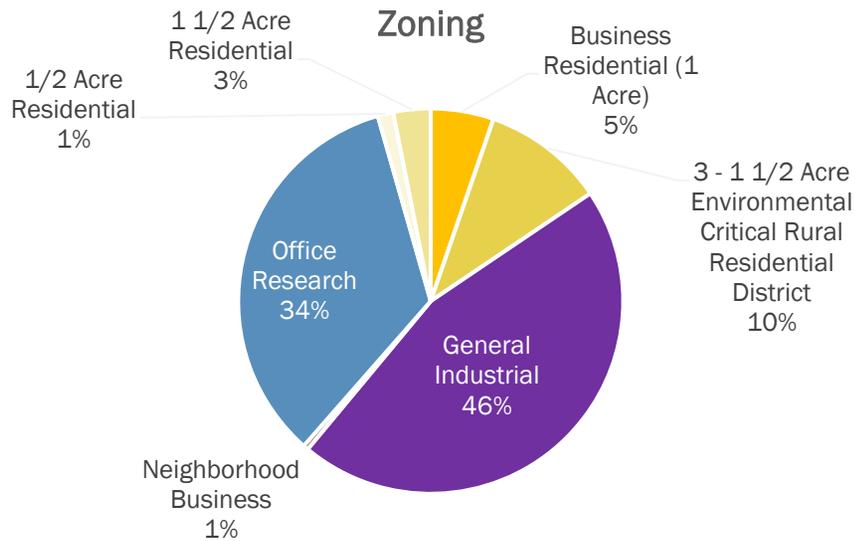


	2010	2013 Projected
Owner-Occupied Housing (%)	89.9	87.0
Renter-Occupied Housing (%)	7.3	8.3
Housing Vacancy Rate (%)	2.7	4.7

	Rentable sf	Vacancy Rate
Flex Space	350,400	0.86%
Retail	22,434	0.00%
Industrial	3,362,055	0.54%
Office	170,789	31.23%

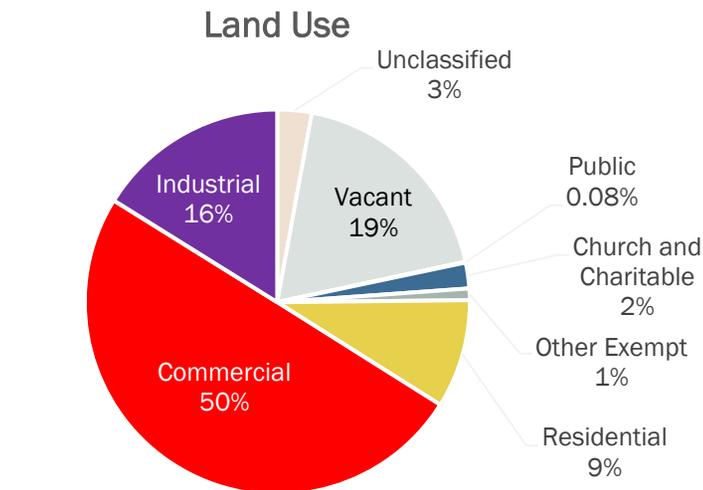
Source: US Census Bureau; Esri; Somerset County GIS; CoStar

Existing Land-Use Conditions: Mt. Bethel Employment Area



Civic and educational assets: Daycare center with a nursery

Affordable housing assets: Proposed affordable housing development at Mt. Bethel Village



2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
7	7	0.15

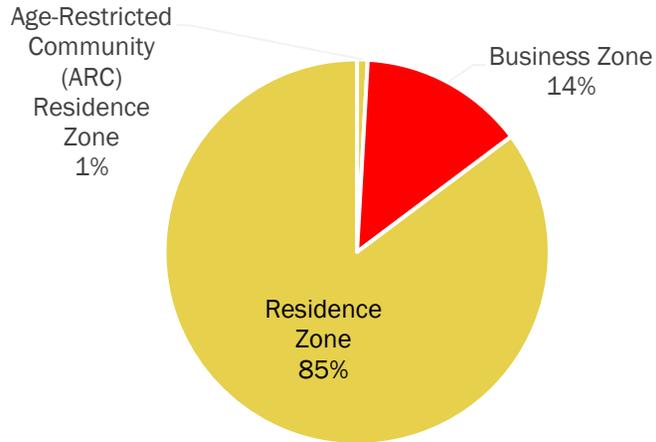
	2010	2013 Projected
Owner-Occupied Housing (%)	71.4	71.4
Renter-Occupied Housing (%)	14.3	14.3
Housing Vacancy Rate (%)	14.3	14.3

	Rentable sf	Vacancy Rate
Flex Space	324,912	26.44%
Retail	12,612	0.00%
Industrial	459,087	3.05%
Office	1,346,971	10.34%

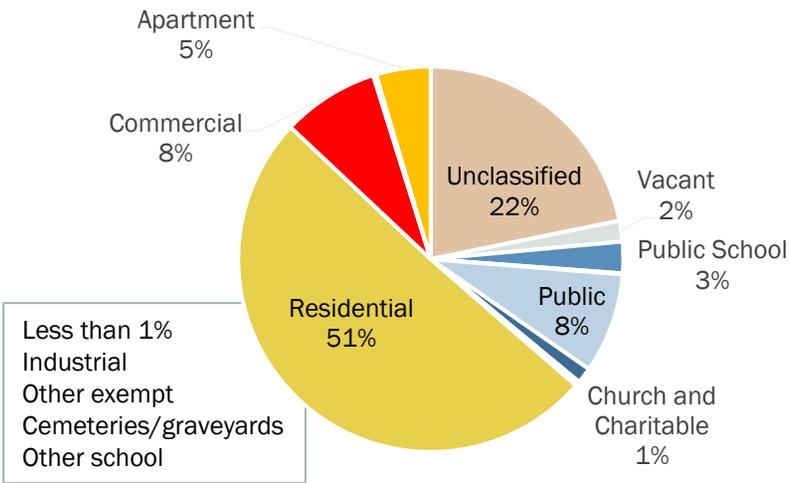
Source: US Census Bureau; Esri; Somerset County GIS; CoStar

Existing Land-Use Conditions: North Plainfield Town Center

Zoning



Land Use



Civic assets: Library, police station, municipal building, fire company, seven schools (including a special education school)

Cultural assets: A German cultural organization, Vermeule Art Center, Firemen’s Museum, and the Fleetwood Museum of Art & Photographica

2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
7,843	7,875	7.76

	2010	2013 Projected
Owner-Occupied Housing (%)	53.7	51.6
Renter-Occupied Housing (%)	41.2	44.2
Housing Vacancy Rate (%)	5.1	4.3

	Rentable sf	Vacancy Rate (%)
Retail	1,073,196	12.97%
Industrial	154,926	9.04%
Office	159,873	3.51%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

Existing Land-Use Conditions: Somerset County Regional Center (1)

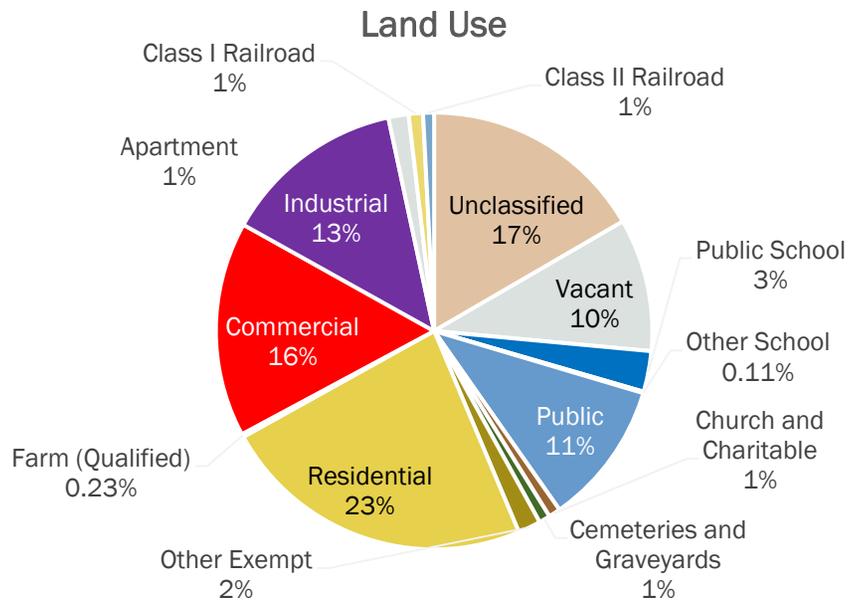
Civic and educational assets: A YMCA, six daycare centers, 14 emergency response facilities, a hospital, three libraries, three municipal buildings, three police stations, 14 schools (including a vocational and technical school), and a senior center

Affordable housing assets: Thirteen completed affordable housing projects, nine proposed projects

2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
14,193	14,335	7.40

	2010	2013 Projected
Owner-Occupied Housing (%)	58.0	56.0
Renter-Occupied Housing (%)	36.3	39.2
Housing Vacancy Rate (%)	5.7	4.8

	Rentable sf	Vacancy Rate
Flex Space	237,000	5.82%
Retail	4,688,863	3.42%
Industrial	5,572,712	10.72%
Office	6,617,894	18.32%



Source: US Census Bureau; Esri; Somerset County GIS; CoStar

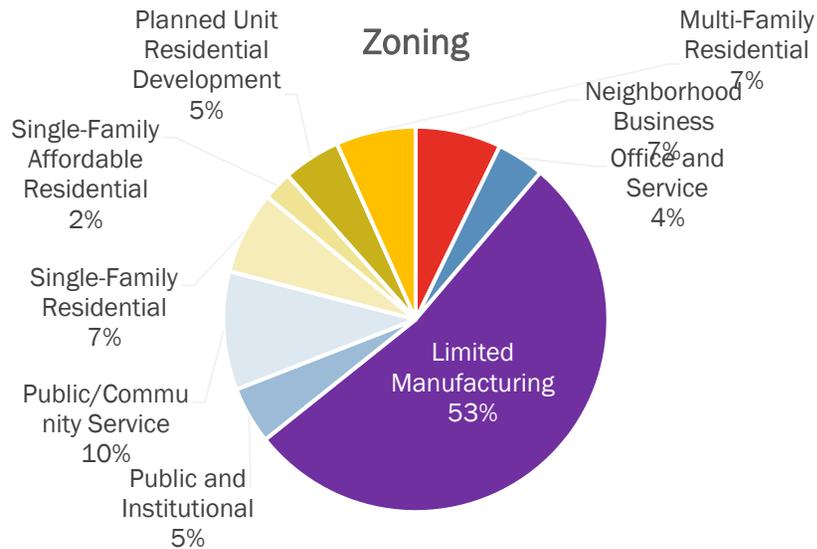
Existing Land-Use Conditions: Somerset County Regional Center (2)

Cultural assets: Theatre at Somerset County Vocational & Technical High School, Raritan Valley Arts Association & Somerset County Library Gallery, Somerset County Cultural & Heritage Commission Art Gallery, student gallery at 40 N. Bridge, Somerville Fire Museum, Van Veghten House, and Wallace House & Old Parsonage

Zoning			
Single-Family Residential	24.94%	Governmental Uses District	0.85%
General Manufacturing	15.73%	General Commercial & Manufacturing	0.83%
Multi-Family Residential	3.99%	Office Building District	0.77%
Limited Industrial District	3.95%	Inclusionary Residential District	0.62%
Single-Family Affordable Residential	3.49%	Low Density Residential District	0.51%
Office and Service	2.83%	Medical Park District	0.49%
Medium Density Residential District	2.83%	Senior Citizen Med. Density Resident.	0.49%
Limited Manufacturing	2.83%	Railroad	0.47%
Bridgewater Regional Center	2.55%	Industrial Park District	0.43%
Manufacturing	2.47%	Neighborhood Business-Residential	0.35%
Planned Retail Commercial & Public Devt.	2.36%	Light Manufacturing District	0.30%
Industrial District	2.17%	Office Lodging	0.27%
Medium High Density Residential District	2.16%	Senior Citizen Residential + "COAH"	0.25%
Golf Course Enterprise	2.10%	Hospital District	0.24%
Shopping Center District	2.06%	Senior Citizen High Density Resident.	0.19%
Planned Unit Residential Development	2.03%	County Government District	0.18%
Professional Office-Residential District	1.69%	Business Service District	0.18%
Medium Low Density Residential District	1.62%	Highway Enterprise Center	0.13%
Highway Interchange Commercial	1.36%	Townhouse/Garden Apt. Density Dist.	0.13%
Limited Manufacturing (Small Lot)	1.30%	Open Space/Park	0.12%
General Commercial	1.21%	Public and Institutional	0.10%
Central Business District	1.12%	Limited Service Commercial	0.09%
Neighborhood Business	1.08%	Multiple-Dwelling Unit	0.09%
Highway Business District	1.03%	Public/Community Service	0.07%
Regional Retail Business	1.02%	Senior Citizens Housing District	0.04%
Single-Family and Multiple Dwelling Res.	0.92%	Transit Business Center	0.03%
Garden Apartment District	0.91%		

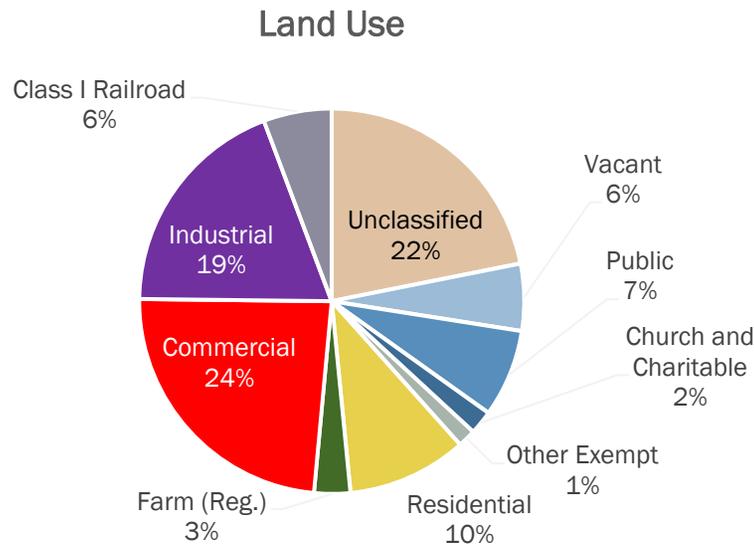
Source: US Census Bureau; Esri; Somerset County GIS; CoStar

Existing Land-Use Conditions: Route 202/NJ TRANSIT Rail Spur



Civic assets: Fire company

2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
233	248	6.80

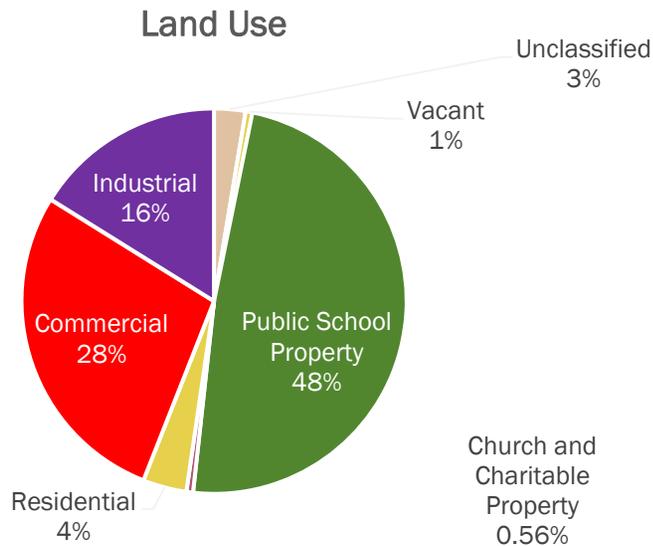
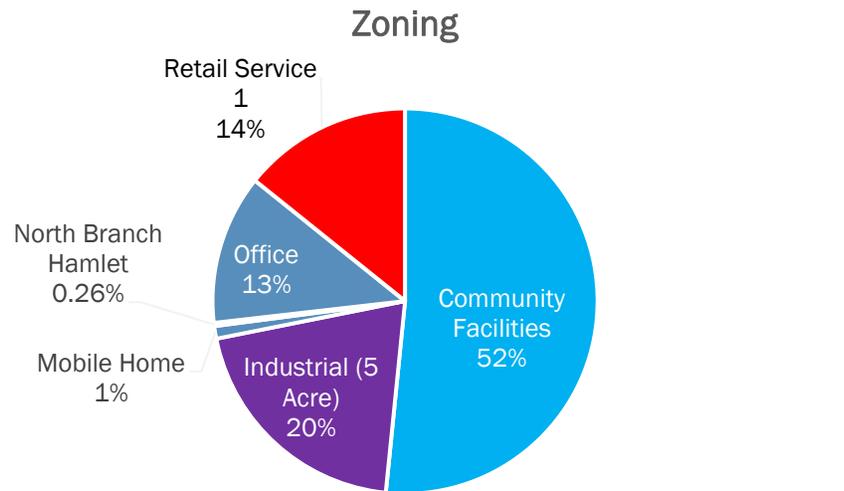


	2010	2013 Projected
Owner-Occupied Housing (%)	92.3	90.3
Renter-Occupied Housing (%)	4.3	4.8
Housing Vacancy Rate (%)	3.4	4.8

	Rentable sf	Vacancy Rate
Flex Space	274,500	0.00%
Retail	495,244	42.03%
Industrial	321,000	0.00%
Office	169,400	24.60%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

Existing Land-Use Conditions: RVCC/Easton Turnpike



Civic, cultural, and educational assets: Daycare center, pre-K through kindergarten, fire company, Raritan Valley Community College (RVCC), RVCC library, RVCC art gallery

Affordable housing assets: Proposed major affordable housing development at Fox Hollow

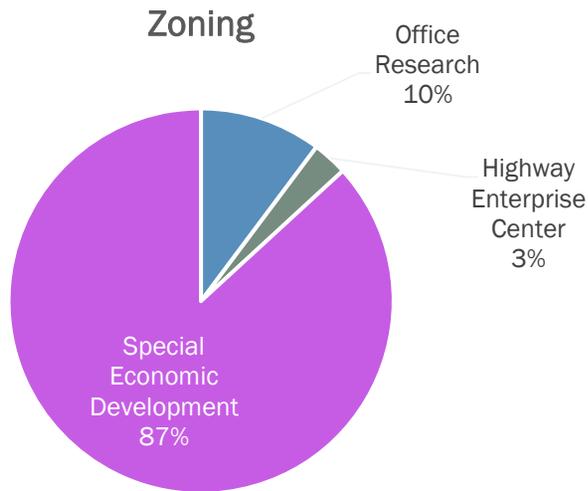
2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
99	99	5.26

	2010	2013 Projected
Owner-Occupied Housing (%)	66.7	68.7
Renter-Occupied Housing (%)	13.1	16.2
Housing Vacancy Rate (%)	20.2	15.2

	Rentable sf	Vacancy Rate
Flex Space	42,600	0.00%
Retail	238,593	0.94%
Industrial	579,158	0.00%
Office	264,007	31.75%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

Existing Land-Use Conditions: Sanofi Aventis

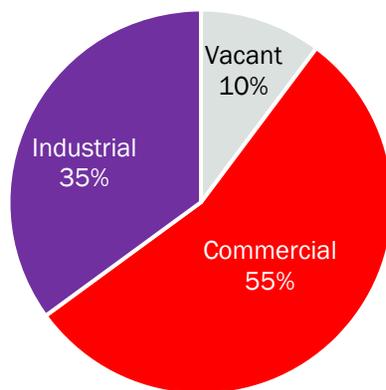


There are no civic, educational, cultural, or housing facilities of note in this PGIA.

2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
-	-	-

Although Esri data indicates that there are dwelling units in this PGIA, further study of the PGIA indicates that there are none; as such, dwelling unit statistics were removed for this PGIA

Land Use

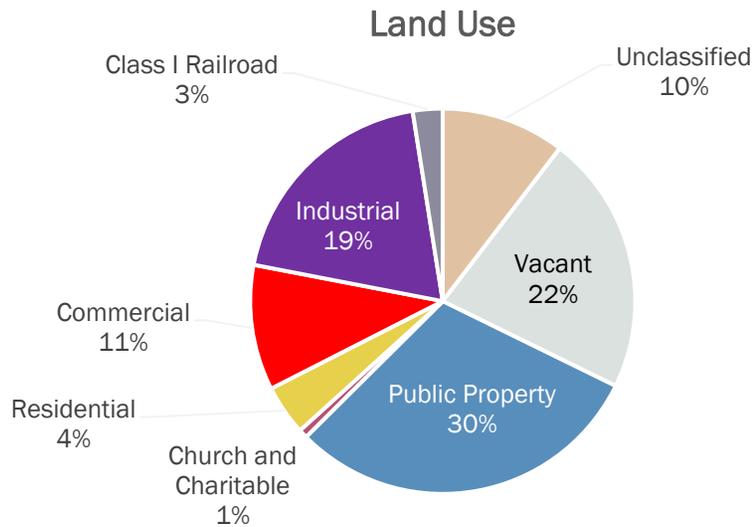
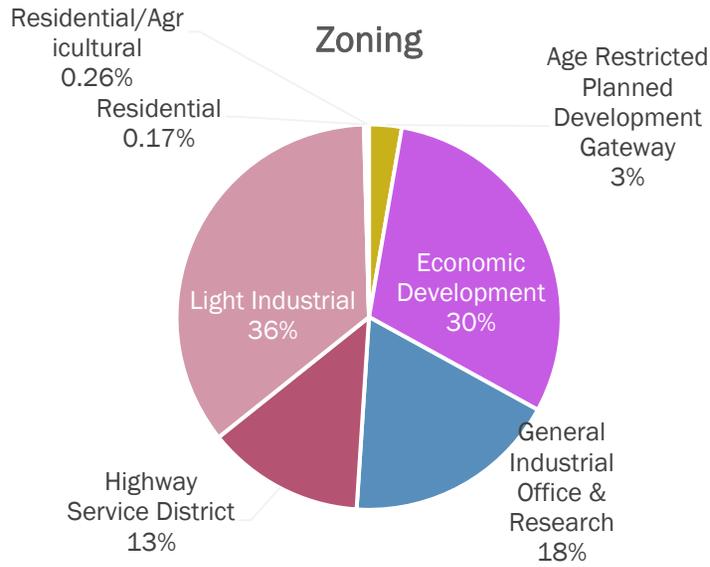


	2010	2013 Projected
Owner-Occupied Housing (%)	-	-
Renter-Occupied Housing (%)	-	-
Housing Vacancy Rate (%)	-	-

	Rentable sf	Vacancy Rate
Flex Space	339,930	0.00%
Industrial	9,300	100%
Office	1,220,464	18.25%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

Existing Land-Use Conditions: VA Depot



Civic and educational assets: The Somerset County Emergency Service Training Academy

Affordable housing assets: Two proposed affordable housing projects (both rental): Gateway at Sunnymede and Green Village Preserve

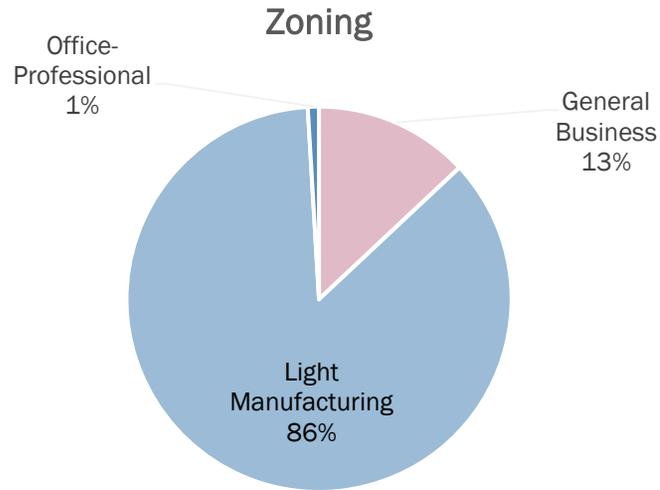
2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
147	158	3.28

	2010	2013 Projected
Owner-Occupied Housing (%)	80.3	78.5
Renter-Occupied Housing (%)	12.2	14.6
Housing Vacancy Rate (%)	7.5	7.0

	Rentable sf	Vacancy Rate
Flex Space	132,774	12.22%
Retail	62,464	0.00%
Industrial	2,001,327	16.83%
Office	27,100	0.00%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

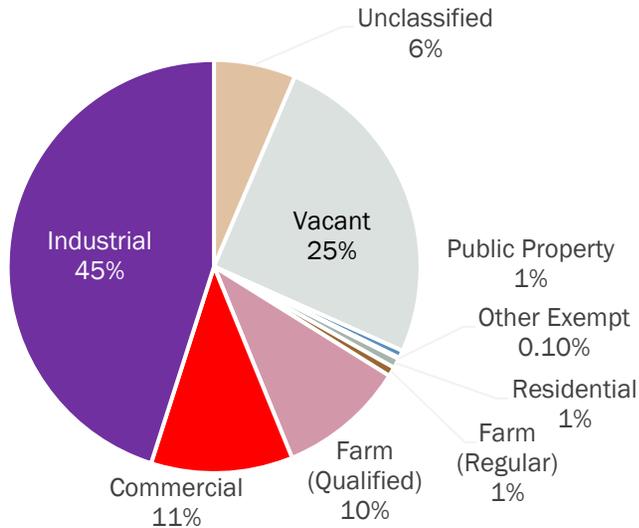
Existing Land-Use Conditions: Veronica Avenue



There are no civic, educational, cultural, or housing facilities of note in this PGIA.

2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
53	53	8.10

Land Use

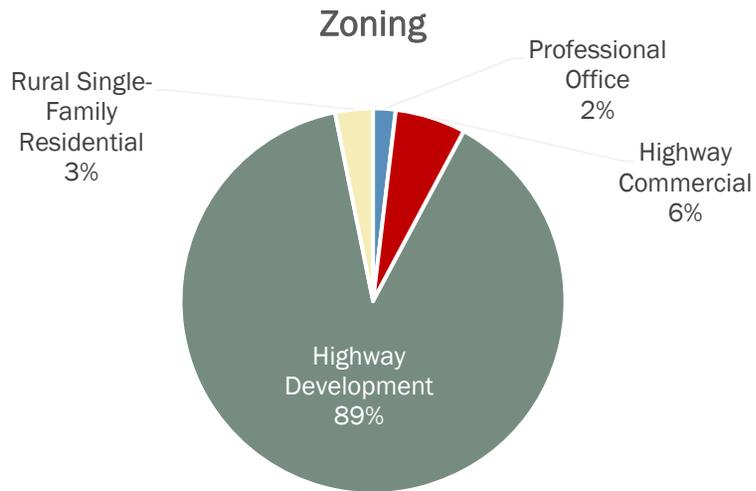


	2010	2013 Projected
Owner-Occupied Housing (%)	62.3	58.5
Renter-Occupied Housing (%)	37.7	41.5
Housing Vacancy Rate (%)	0.0	0.0

	Rentable sf	Vacancy Rate
Flex Space	35,645	0.00%
Retail	175,986	9.47%
Industrial	2,934,762	0.80%
Office	470,331	8.08%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

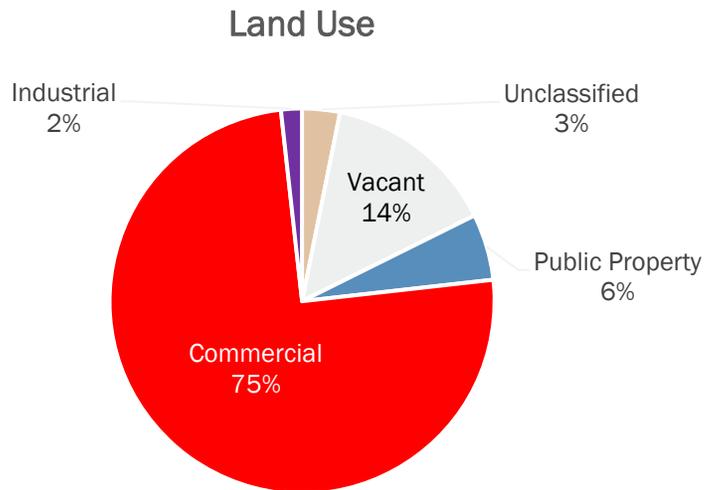
Existing Land-Use Conditions: Watchung Route 22 Corridor



Affordable housing assets: Two proposed affordable housing projects (both rental)

2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
-	-	-

Although Esri data indicates that there are dwelling units in this PGIA, further study of the PGIA indicates that there are none; as such, dwelling unit statistics were removed for this PGIA



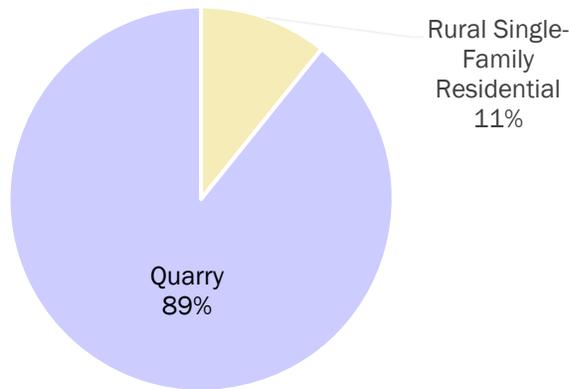
	2010	2013 Projected
Owner-Occupied Housing (%)	-	-
Renter-Occupied Housing (%)	-	-
Housing Vacancy Rate (%)	-	-

	Rentable sf	Vacancy Rate (%)
Retail	2,072,282	4.42

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

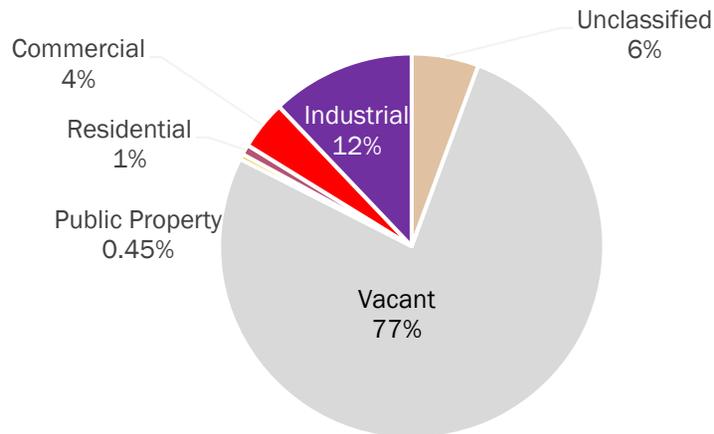
Existing Land-Use Conditions: Weldon Quarry

Zoning



There are no civic, educational, cultural, or housing facilities of note in this PGIA.

Land Use



2010 Dwelling Units (DU)	2013 Projected Dwelling Units	2010 Development Density (DU/acre)
4	4	1.94

	2010	2013 Projected
Owner-Occupied Housing (%)	50.0	50.0
Renter-Occupied Housing (%)	25.0	25.0
Housing Vacancy Rate (%)	25.0	25.0

	Rentable sf	Vacancy Rate
Retail	15,000	0.00%

Source: US Census Bureau; Esri; Somerset County GIS; CoStar

Takeaway: Existing Land-Use Conditions

The preceding analysis provides an understanding of current land-use conditions in Somerset County's Priority Growth Investment Areas, offering a step towards understanding options for further growth and development. The following are points of particular importance:

- Proper zoning and land use: In order to facilitate growth and development, local municipalities must implement appropriate zoning. Overall, the PGIAs are composed of appropriate zoning based on current PGIA typology. Commercial, mixed-use, and high-density housing is found in the town center typology PGIAs, and industrial and flex-space zoning in the industrial node typology PGIAs. A more in-depth analysis of zoning and permitted densities is discussed in the Land Use Policies report. There is a large amount of land classified as "vacant" in the PGIAs (approximately 2,218 acres, or nine percent of PGIA land). This land should be studied further to see how it can best be utilized to further PGIA objectives for density and development.
- Housing density and stock: In town center PGIAs and PGIAs with large amounts of residential land, dwelling unit concentrations are generally dense enough to support mass transportation and concentrations of jobs, services, and infrastructure. In PGIAs with large amounts of dwelling units (over 1,000), densities range from close to eight dwelling units per acre (the Bound Brooks, Manville Town Center, North Plainfield Town Center, and Regional Center) to up to 15 units per acre (Easton Avenue Corridor). Housing vacancy rates in these areas generally fall between five and six percent, indicating a somewhat, but not overly, tight housing market. The lower 2010 housing vacancy rate (3.7 percent) in the Easton Avenue Corridor PGIA may signal a need for more housing in that area. Low vacancy rates may indicate that a market for additional housing exists.

For PGIAs in which residential density is a goal, a range of housing options is essential to accommodate a diverse mix of people. Housing tenure percentages vary throughout the PGIAs, and a relatively high percentage of renter-occupied housing in some of the PGIAs indicates that a variety of housing types are available. While the vast majority of dwelling units have kitchen and plumbing facilities, older housing stock will likely need to be refurbished in the coming years.

Takeaway: Existing Land-Use Conditions

- Flex, retail, industrial, and office space: Vacancy rates for flex (19.6 percent) and office (18 percent) space in the PGIAs are relatively high. This may indicate a need for measures to attract new businesses that can utilize this space, or that the flex and office space available does not match the needs of area businesses. Some of this flex and office stock may require repurposing or demolition to make better use of the land.

Vacancy rates vary widely between PGIAs and land uses. While high vacancy rates signal lost opportunity (including tax revenues, rents, and jobs), very low vacancy rates may indicate a surplus of demand and create risk of inflated rents. Those PGIAs with high vacancy rates for one building type, and low vacancy rates of another, may offer potential for repurposing vacant buildings for uses that are in greater demand.

Particularly high vacancy rates (in PGIAs with substantial amounts of the indicated building type) exist in the Chimney Rock Interchange (flex space), Easton Avenue Corridor (retail), Exit 33 I-78 (office), Green Brook Neighborhood Center (retail), Green Brook Route 22 Corridor (flex space, retail, and office), I-287 Industrial Complex (flex space, retail, and office), Imclone (flex space), Regional Center (office), Route 202/NJ TRANSIT Rail Spur (retail and office), RVCC/Easton Turnpike (office), and Sanofi Aventis (office and industrial) PGIAs. Some of these PGIAs have very low vacancy rates of other building types, potentially indicating opportunity to adapt vacancies for other uses. The flex space vacancy rate in the Chimney Rock Interchange PGIA, for example, is 23 percent, while the industrial vacancy rate is closer to three percent; this may present an opportunity to use some of the flex space for industrial uses. While some repurposing may be inappropriate given the nature of surrounding land uses and characteristics, (for example, converting office space to industrial) other conversions may be more easily done (such as flex space used for light industry). Other notable mismatches occur in the Route 202/NJ TRANSIT Rail Spur PGIA (retail and office vacancy rates of 42 and 25 percent respectively, and zero percent vacancy for flex and industrial space), and RVCC/Easton Turnpike (32 percent office vacancy rate, and less than one percent retail, industrial, and flex space vacancies). In general, the following PGIAs have very low vacancy rates: AT&T Campus, the Bound Brooks, Hillsborough Town Center/Gateway, Veronica Avenue, and Weldon Quarry. This is an indication that land in these PGIAs is likely in high demand.

Takeaway: Existing Land-Use Conditions

- Local assets: There are a number of civic, cultural, educational, and affordable housing assets in the PGIAs that support a diverse population and contribute to quality of life. These assets should be supported and capitalized on when possible.

Those PGIAs with high vacancy rates may be in need of modified land use policies as well as additional investment (for example, provision of additional or upgraded infrastructure and repurposing of underutilized land and buildings). These PGIAs will likely be supportive of additional growth. However, further study of the land use policies currently in place (the focus of the following chapter) is needed in order to understand what sort of growth is currently allowed.

Real Estate Supply/Demand Analysis



Glossary of Terms

Asking Rental Rate /Sale Price As stated by the broker or property owner, the rate per square foot for a particular space being marketed for lease or for sale.

Triple Net Lease (Net-Net-Net or NNN) - A lease agreement on a property where the tenant or lessee agrees to pay all real estate taxes, building insurance, and maintenance (the three "Nets") on the property in addition to any normal fees that are expected under the agreement (rent, utilities, etc.). In such a lease, the tenant or lessee is responsible for all costs associated with the repair and maintenance of any common area

Gross leasable area (GLA) The total floor area designed for tenant occupancy and exclusive use, including basements, mezzanines, and upper floors, and it is measured from the center line of joint partitions and from outside wall faces. GLA is that area on which tenants pay rent; it is the area that produces income.

Net Absorption The net change in occupied space in a given market between the current measurement period and the last measurement period. Net absorption can be either positive or negative and must include decreases as well as increases in inventory levels.

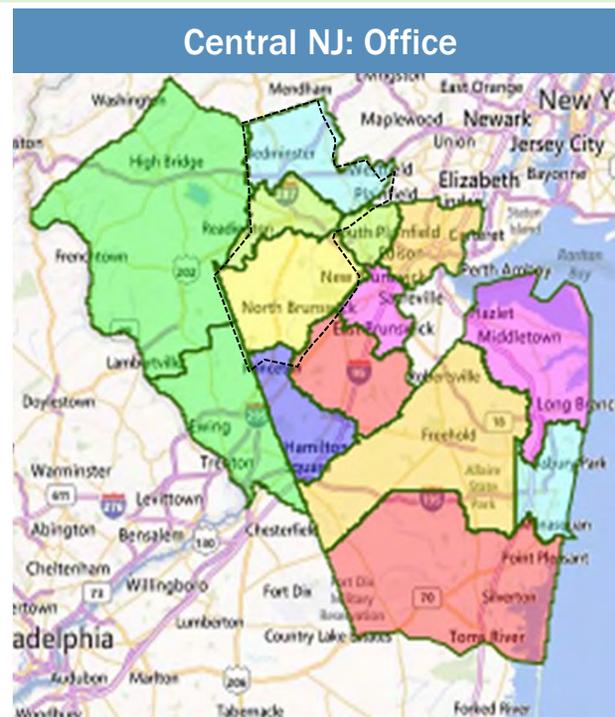
Retail Subcategories

- **Nonstore Retailers** - Establishments engaged in the direct sale (i.e., nonstore) of products, such as home heating oil dealers and newspaper delivery are included in this subsector.
- **Free-Standing Building** - Stand-alone building, often be tucked away in a neighborhood location or right off a busy highway.
- **Street Retail** - Retail space located in the commercial downtown area of a small town.
- **Retail Pad** - Vacant or underutilized land designated for retail use.
- **Vehicle Related** - Auto-oriented retail use.
- **Neighborhood Center** (30,000 to 150,000 sf) - Convenience shopping for consumers in the immediate three-mile trade area or neighborhood. At least one anchor tenant (often a supermarket or a drugstore).
- **Community Center** (125,000-350,000 sf) - General merchandise or convenience-oriented offerings. Wider range of apparel and other soft goods offerings than neighborhood centers.
- **Power Center** (250,000-600,000 sf) - Category-dominant anchors, including discount department stores, off-price stores, wholesale clubs, with only a few small tenants. Generally comprised of three or more Big Box style structures.
- **Regional Center** (400,000-800,000 sf) - General merchandise or fashion-oriented offerings. Typically, enclosed with inward-facing stores connected by a common walkway. Parking surrounds the outside perimeter.
- **Super-Regional Center** (800,000+ sf) - Similar in concept to regional malls, but offering more variety and assortment.
- **Value-Retail Center** - Centers or discount outlets with off-price focus.
- **Lifestyle/Specialty Center**: Indicates that the center is comprised of upscale national-chain specialty stores with dining and entertainment, usually in an outdoor setting.

Study Areas: Somerset and Central New Jersey Submarkets

Study areas for “Somerset County” and the “State of New Jersey” follow political jurisdictions, while boundaries for “Central New Jersey,” according to Reis, vary by real estate type (e.g. apartment versus office). In general, the Central New Jersey metro area includes Somerset, Mercer, Middlesex, and Monmouth counties. Hunterdon County and portions of Monmouth and Union counties are sometimes included or omitted within this metro area. Loopnet data for the metro area refers to the larger New York-Northern New Jersey-Long Island, NY-NJ-PA Combined Statistical Area (CSA), as defined by the U.S. Census and illustrated on the following page.

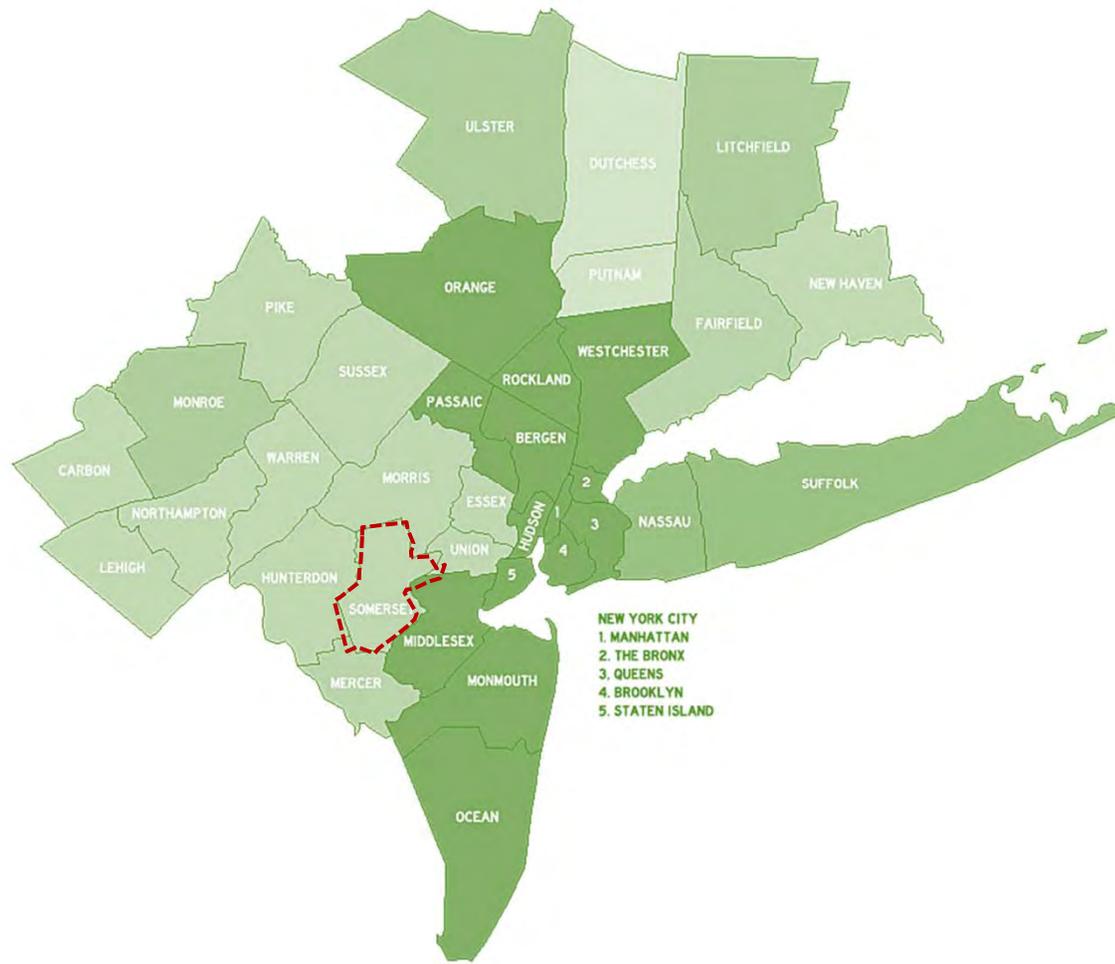
Aggregated tables of properties for sale, land for sale, and the development pipeline are provided in Appendices G, H, and I.



Source: Reis

Study Areas: NY-NJ-PA Metro

New York-Northern New Jersey-Long Island,
NY-NJ-PA Combined Statistical Area (CSA)



Source: Wikipedia

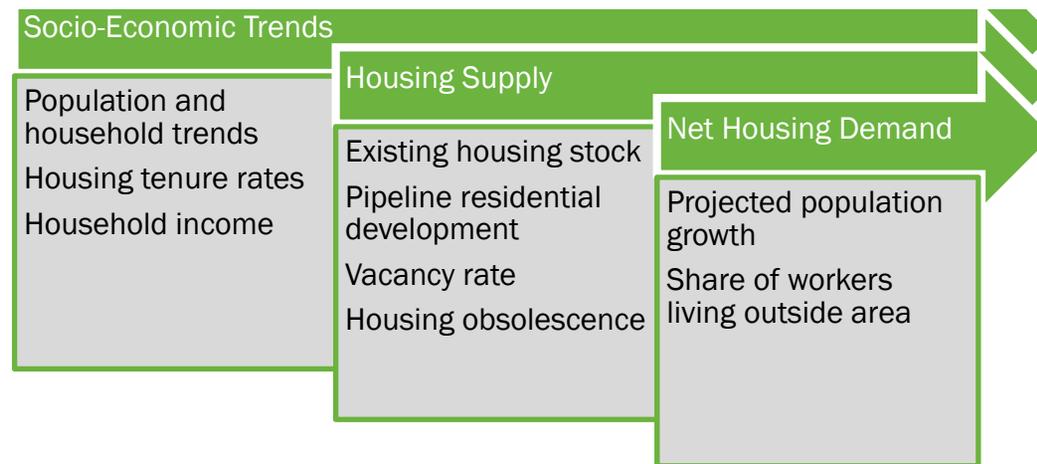
Residential Supply/Demand Analysis



Methodology:

Key Steps for Residential Demand

Various residential data sources to conduct a residential supply/demand analysis for Somerset County were utilized. Data provided by Loopnet, Zillow, and Reis were the principal sources for data on existing and projected residential trends for Somerset County, and the Central New Jersey metro, state, and nation, for comparative purposes. Somerset County provided data on proposed housing projects in the permitting pipeline as of October 2013. This “point-in-time” data is subject to ongoing change. Local capture and growth assumptions (e.g., population growth, pent-up worker demand, etc.) to calculate net housing demand were based on locally identified socio-economic trends and housing supply observed within the county and are outlined in more detail below and in the following section. Proprietary modelling techniques (with assumptions explained in subsequent sections) to calculate and break down net housing unit demand by occupancy, bedroom type, and general household income categories were utilized.



Key Findings: Residential

8,500 units

There are 8,500 new housing units currently under construction or in some stage of permitting within Somerset County. Reis projects that 711 new multifamily units will be constructed over the next four years, based on construction permit trend data.



Strong yet loosening rental housing market

According to data provided by Zillow, median asking rents per square foot within Somerset County have increased since 2011, although they remain consistently lower than the state. Although Reis estimates that vacancy rates within Somerset County will continue to remain higher than in the Central New Jersey metro, steady increases in effective monthly multifamily rents combined with relatively strong growth in non-family households (principal demand driver for rental units) suggest a strong yet loosening apartment market as new inventory is built.



Between 25,300 to 32,500 new housing units

According to the residential supply/demand analysis, which considers both a flat growth and a weak growth scenario, there will be an estimated demand for between 25,300 (flat growth) to 32,500 (weak growth) new housing units within Somerset County by 2028— largely due to pent-up worker demand. Assuming 25 percent of this demand is for rental units, this represents a demand for between 6,300 to 8,100 new rental units.



Residential Activity

As of March 2014, there were 2,037 single family homes, 251 condo/apartments, and 55 multifamily properties for sale within Somerset County, according to data provided by Zillow. According to March 2014 data provided by Loopnet.com, there were also 58 total acres of residential land for sale with an average asking price of \$111,358 per acre. Furthermore, there were over 8,500 new housing units under construction or in some stage of permitting, based on Somerset County planning records as of October 2013.

Residential Land for Sale: Somerset County, March 2014

Properties	Total Acres	Average Price	Price per Acre
12	58	\$510,133	\$111,358

Source: Loopnet.

Development Pipeline: Somerset County

Location	Housing Units
Bedminster	2
Bernards	151
Bernardsville	55
Bound Brook	390
Branchburg	775
Bridgewater	401
Far Hills	32
Franklin	2,255
Green Brook	262
Hillsborough	1,629
Manville	5
Montgomery	1,068
Raritan	480
Somerville	25
Watchung	356
Millstone	97
North Plainfield	6
Peapack Gladstone	115
Rocky Hill	34
Warren	367
Grand Total	8,505

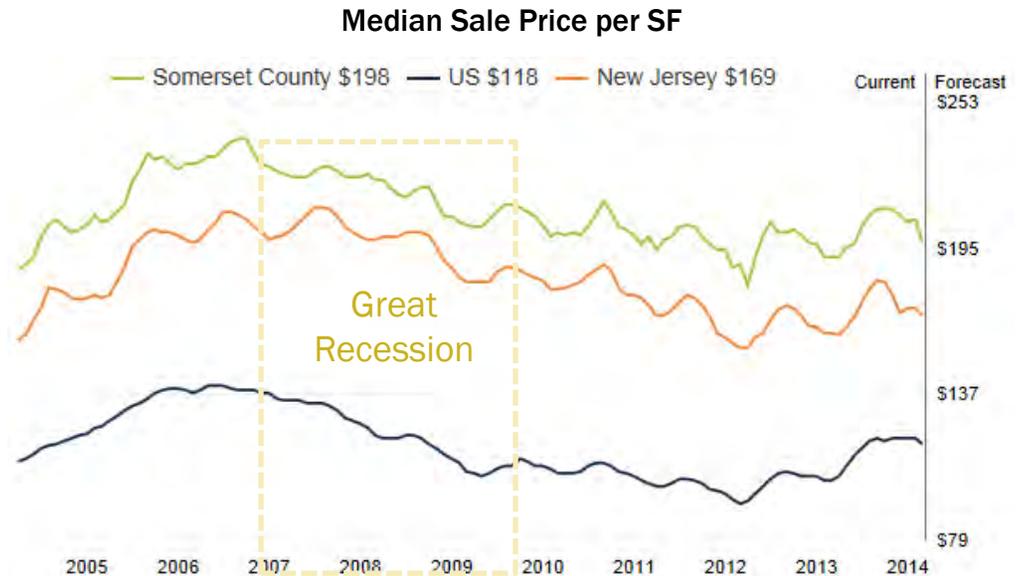
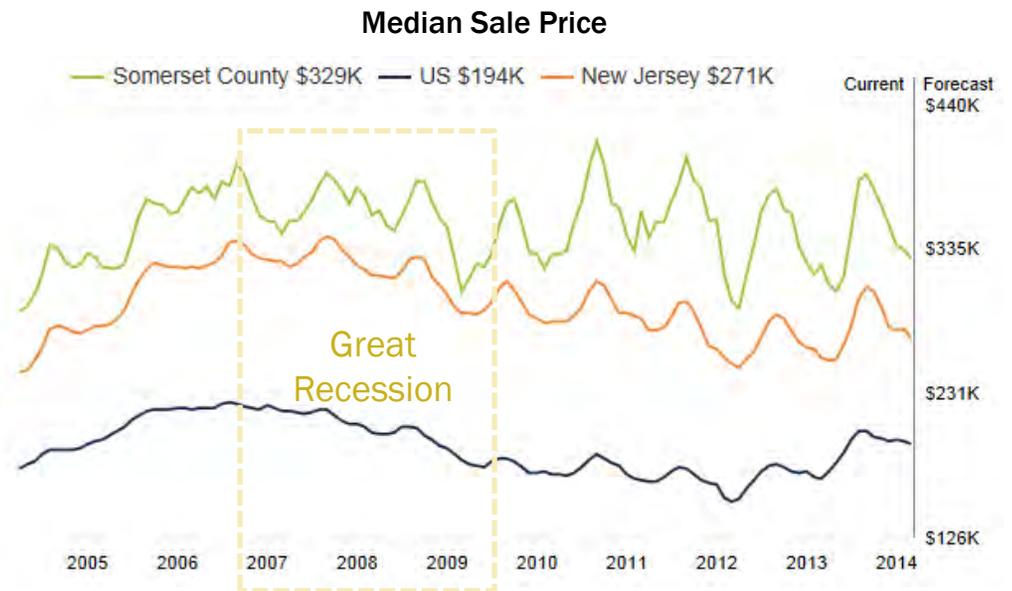
Note: Data is for proposed housing projects in the permitting pipeline as of October 2013. This "point-in-time" data is subject to ongoing change.

Source: Somerset County

Residential Sale Trends

According to trend data provided by Zillow, both the median sale price and median sale price per square foot in Somerset County have remained consistently higher than the state and nation in recent years—suggesting a relatively strong housing market. As of February 2014, the median sale price for homes within Somerset County was \$329,000, compared to \$271,000 for the state and \$194,000 for the nation.

On a square foot basis, median sale prices within Somerset County are still below the highs exhibited before the bursting of the housing bubble in December 2007, which marked the beginning of the Great Recession. The decline in the median sale price was largely due to the increase in households which either could not qualify for a mortgage or preferred to rent rather than own. Other factors include the decline in family households, changes in consumer preferences, and a drag on the market caused by significant foreclosures.



Source: Zillow

Residential Sale Trends

According to data provided by Zillow, as of February 2014, the median sale price in Somerset County ranged from \$333,000 for single family residences to \$260,000 for condo properties. Median sale prices for both property types were higher than the state, and most other adjacent counties. Overall, the median sale price for single family homes in Somerset County has fluctuated but remained relatively steady since 2010 (the end of the Great Recession). While the median sale price for condos initially plummeted from 2010 to 2011, it has since rebounded.

Residential Sale Price Trends by Type

	Single Family	Condo	All Homes
Hunterdon County	\$346,583	\$141,000	\$329,500
Mercer County	\$215,450	\$173,875	\$213,525
Middlesex County	\$261,250	\$199,250	\$256,875
Morris County	\$386,250	\$262,650	\$377,800
Somerset County	\$333,375	\$260,705	\$329,335
Union County	\$274,400	\$242,800	\$272,950
New Jersey	\$275,000	\$231,500	\$271,500

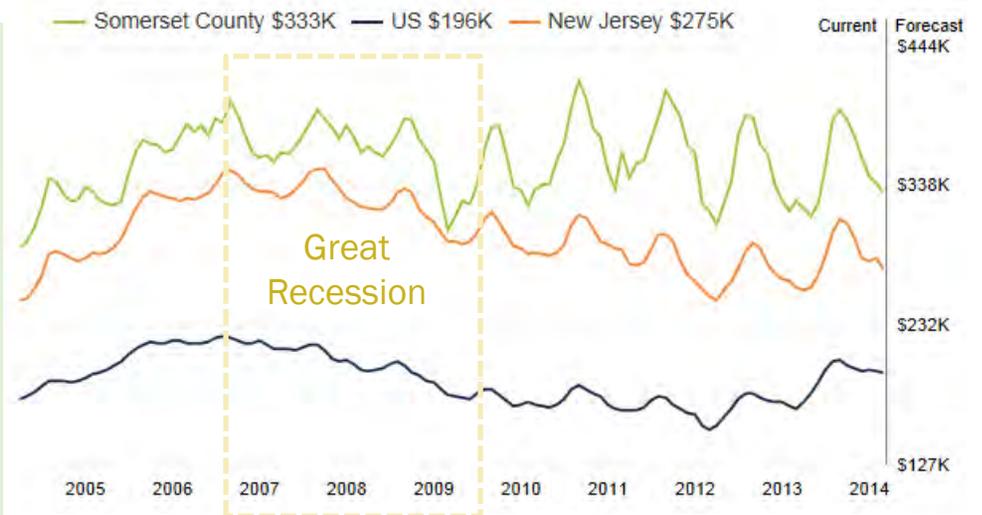
Period Ending:

Feb-14

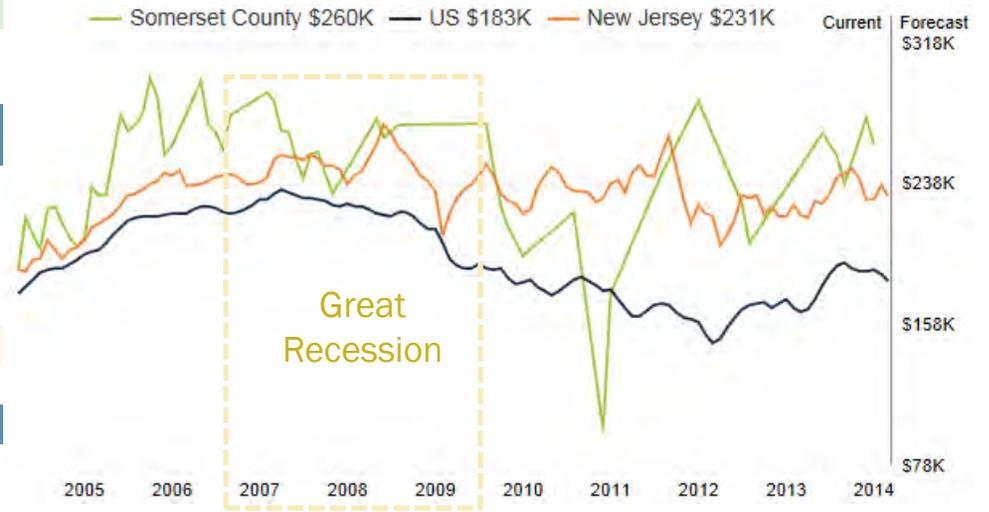
Feb-14

Source: Zillow, 2014.

Median Sale Price: Single Family



Median Sale Price: Condo



Source: Zillow

Residential Rental Trends

As of February 2014, the average asking rent per square foot for both single and multi-family (condo/coop and duplex/triplex) homes within Somerset County was \$1.37, compared to \$1.47 within the state, according to data provided by Zillow. While the median sale price within Somerset County saw a three percent year-over-year increase, the median asking rent per square foot decreased by three percent. Overall, median asking rents within Somerset County have increased since 2011, while remaining consistently lower than the state overall—indicating a less strong, albeit strengthening, single and multi-family rental market.

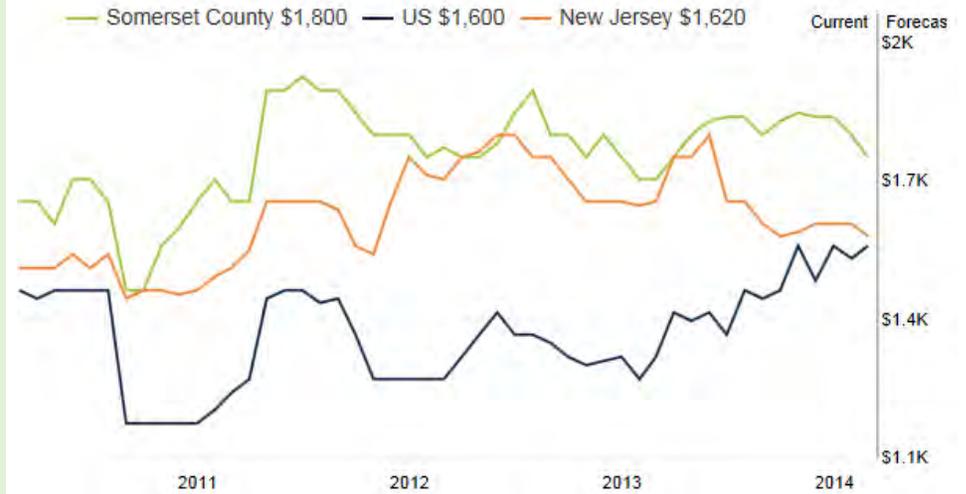
Residential Sale and Rental Price Trends

County	Median Sale per SF		Asking Rent per SF	
	Y-o-Y	Value	Y-o-Y	Value
Hunterdon County	4%	\$165	5%	\$1.30
Mercer County	-2%	\$142	-1%	\$1.25
Middlesex County	10%	\$178	-6%	\$1.38
Morris County	1%	\$204	-3%	\$1.53
Somerset County	3%	\$198	-3%	\$1.37
Union County	-23%	\$165	-2%	\$1.52
New Jersey	4%	\$169	-2%	\$1.47

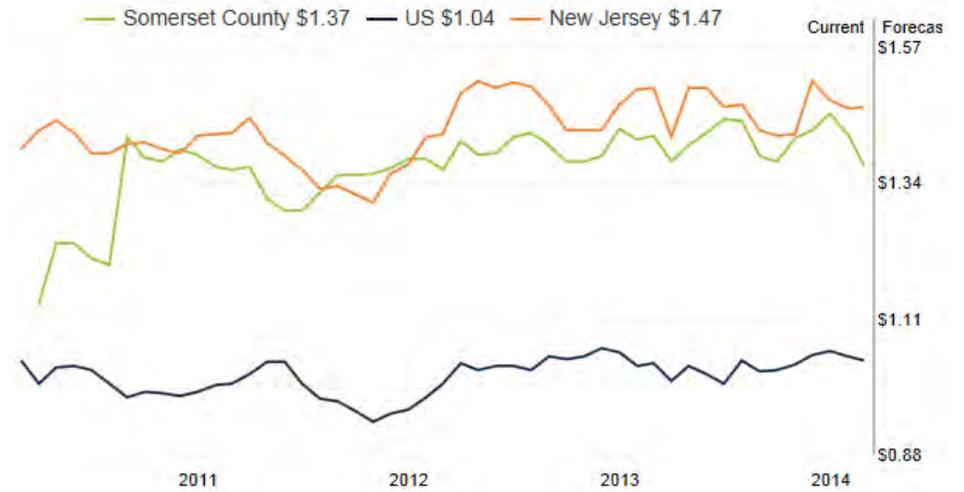
Period Ending Feb-14 Feb-14

Source: Zillow, 2014.

Median Asking Rent



Median Asking Rent Price per SF



Source: Zillow

Foreclosure Trends

As of February 2014, 1.35 single family homes and 6.03 condos per 10,000 were foreclosed within Somerset County. While the rates of foreclosures for both single family residences and condos are much lower than the nation, overall, the rate of foreclosure for condos was much higher within Somerset County than the state. These trends suggest that foreclosures will continue to be a factor impacting home values in the next several years, especially for condos.

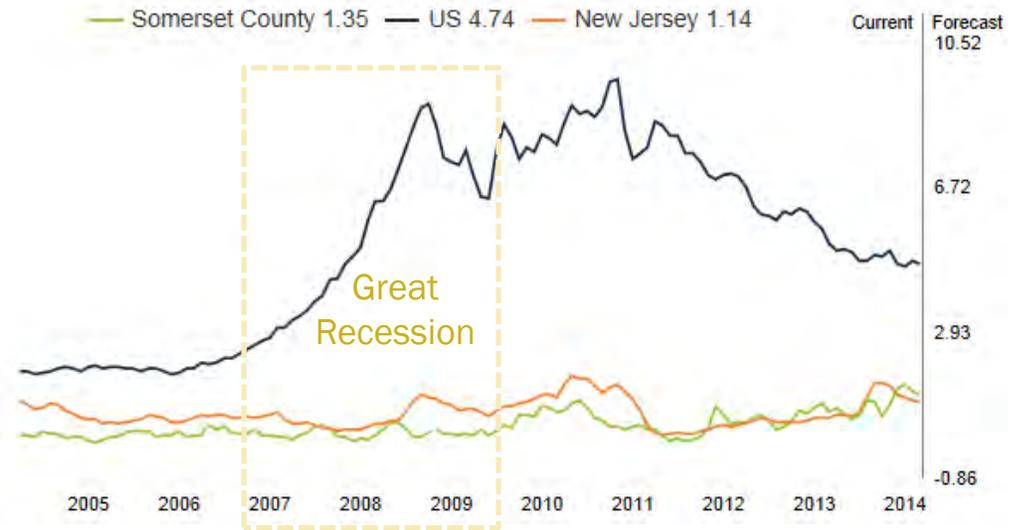
Homes foreclosed (per 10,000)

County	Single Family	Condo
Hunterdon County	0.17	9.69
Mercer County	0.43	1.56
Middlesex County	0.63	1.37
Morris County	0.35	1.64
Somerset County	1.35	6.03
Union County	1.68	3.39
New Jersey	1.14	1.72
United States	4.96	6.78

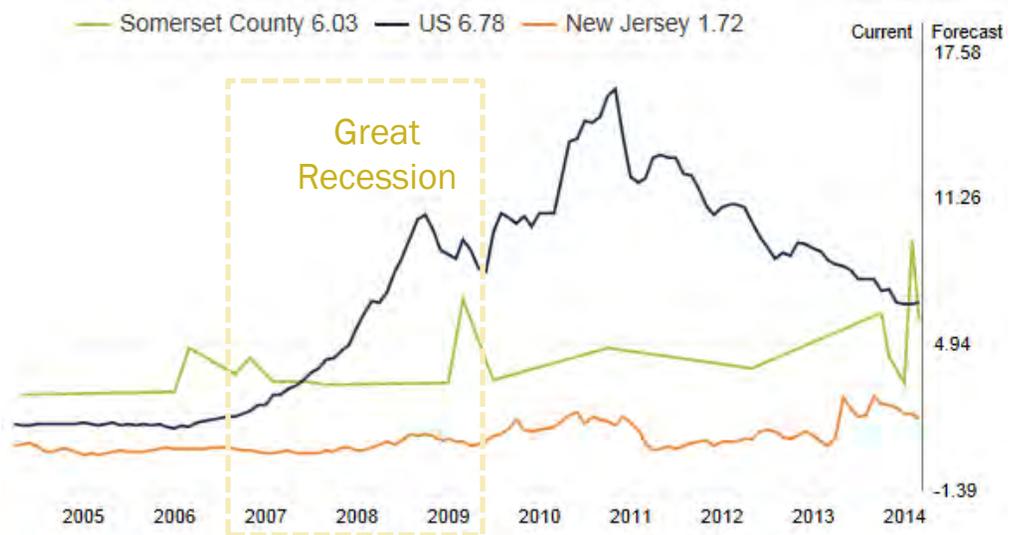
Period Ending Feb-14 Feb-14

Source: Zillow, 2014.

Foreclosure Resale: Single Family Homes



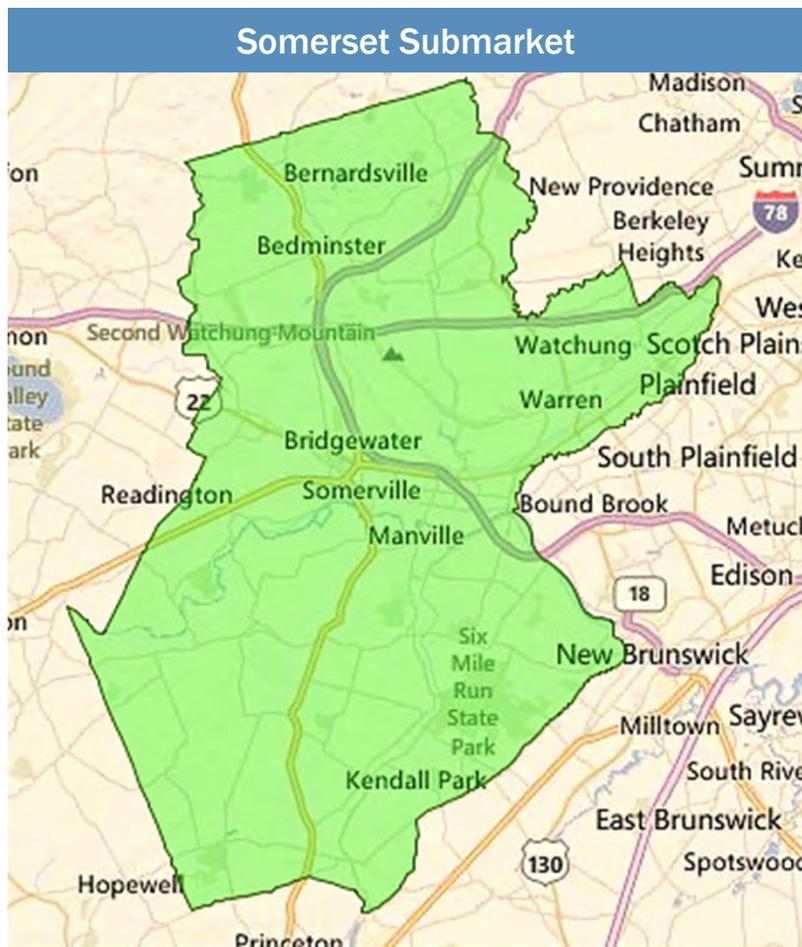
Foreclosure Resale: Condos



Source: Zillow

Apartment Market Boundaries

Reis defines the “Central New Jersey Apartment Submarket” as containing Somerset, Mercer, Monmouth, Middlesex and Ocean counties. The Somerset Submarket boundary follows county boundaries.

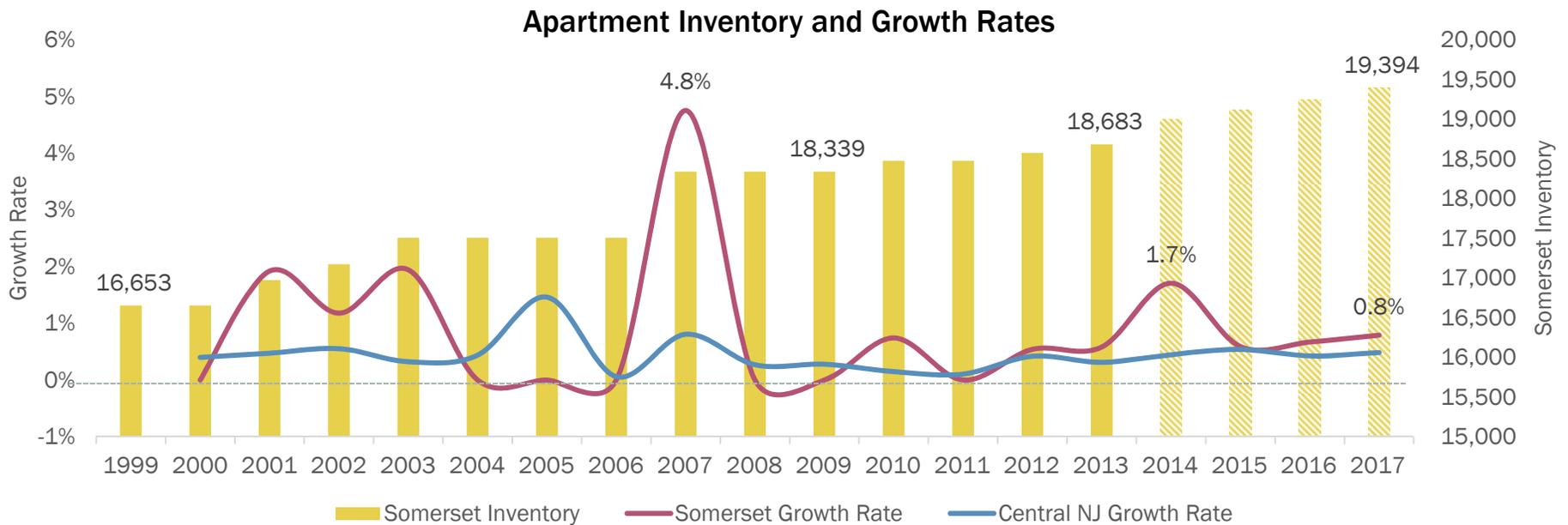


Source: Reis, Bing Maps



Multifamily Inventory Trends and Projections

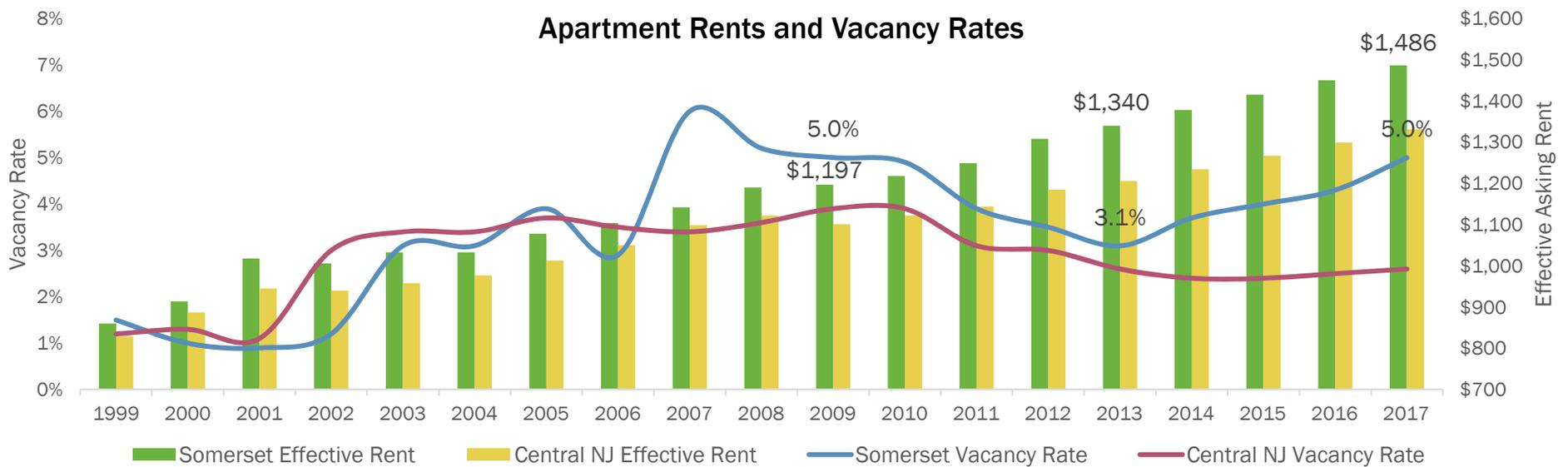
From 2009 to 2013, 344 multifamily units were constructed within the Somerset submarket—with the total inventory growing by 1.9 percent over the four year period, faster than the Central New Jersey Metro (one percent). Reis estimates that the inventory of multi-family units within the Somerset submarket will continue to increase at a faster rate within the county than the Central New Jersey metro area. By 2017, Reis estimates that another 711 units will be completed within Somerset, with the total inventory expected to grow by 3.8 percent over the four year period (compared to 1.9 percent for the metro area).



Source: Reis

Multi-Family Trends & Projections

However, and notwithstanding the hundreds of new units anticipated over the next four years, Reis projects steady increases in effective monthly multi-family rents through 2017, for both Somerset County and the Metro area. These rental increases will, ultimately, factor into the wages and salaries paid to local workers. From 2009 to 2013, vacancy rates within the submarket decreased by nearly two percentage points, while effective monthly rents increased by 11.9 percent – both signs of a tightening inventory and growing pent-up demand for additional multi-family rental units. By 2017, Reis predicts that vacancy rates will increase to five percent—a sign of a loosening apartment market.



Source: Reis

Methodology: Residential Supply-Demand Analysis

Selection of Population and Household Growth Scenario

A weak growth scenario based on 2017 projections for population and households was examined. While population and household growth trends could increase at a more robust pace through 2017, absent a large influx of large employers to the area, such a trend is not likely.

Estimation and subtraction of physically obsolescent housing units in the market area

Housing units, like most things, wear out over time. Dependent upon the age of the local housing stock and the manner of care applied to it, generally, the annual housing obsolescence rate can range from 0.5 percent annually (solidly built homes that are well cared for) to as high as two percent annually (older housing stock which has seen little preventative maintenance over the years).

Estimation of pent-up housing demand by Somerset County workers currently living outside of Somerset County

Typically, some percentage of workers who commute to places of employment at considerable distances from their homes desire living arrangements closer to their place of employment. For reasons of inadequate housing stock (type, price, location, etc.) currently near their place of employment, these workers do not enter the local housing market and, therefore, are said to represent pent-up demand for local housing.

Methodology: Residential Supply-Demand Analysis

Estimation of demand for owner-occupied versus renter-occupied units

Analysis and projection of demand for owner- versus renter-occupied housing units is based on a number of factors within a given market area. These include:

- Current ratio of owner-occupied to renter-occupied units
- Household income levels and trends
- Household type (e.g., family versus non-family households) and trends
- Population age trends
- Current and forecasted financial conditions (employment outlook, mortgage rates, ease of mortgage qualification, etc.)

Estimation of demand for one-, two-, and three-bedroom unit types

The estimation of one-, two-, and three-bedroom units as a percentage of all housing units, whether the housing type is for-sale or for-rent, involves many of the same factors identified under the estimation of demand for owner-occupied versus renter-occupied units, as well as an examination of current market trends for various bedroom-unit mixes.

Estimation of the natural vacancy rate

A housing market's natural vacancy rate is a function of such factors as whether or not the area is a seasonal tourist destination (higher vacancy rates during the off-season) or whether the area is well established and desirable (typically associated with relatively low vacancy rates). Every housing market has some degree of vacancy, as households are constantly in motion. Nationally and regionally, stable and generally well-maintained housing markets exhibit vacancy rates ranging from three to six percent.

Detailed Methodology: Flat Growth Scenario

Key Assumptions Underpinning the Flat Growth Scenario

Net Household Formation Increases by 0.5 Percent per Annum from 2013 to 2028

This assumption is based on increased in-migration from the surrounding area and increased immigration in response to local area job growth.

An additional 10,000 new housing units will be built from 2013 to 2028

This assumption is based on residential development in the pipeline, assumes an even distribution over each time frame.

Number Employed within Somerset County Increases from 167,786 in 2013 to 207,611 by 2028

This estimate is based on a modest average annual growth rate of 1.4 percent over 2013 base employment.

Five Percent of Those Working in Somerset County but Living Elsewhere Represent Pent-Up Demand

Based on an assumption that approximately one-in-twenty workers would trade their commute if there were adequate housing choice in Somerset County.

Five percent of Somerset County's Current Housing Stock is Physically Obsolescent and Unmarketable

Some of Somerset County's rental housing stock is more than 40 years old, increasing the incidence of physical obsolescence.

Detailed Methodology: Flat Growth Scenario

Key Assumptions Underpinning the Flat Growth Scenario (cont.)

One Percent of Remaining Somerset County Housing Stock Becomes Obsolescent Annually

All housing stock gradually wears out over time and, on average, one out of every 100 units becomes obsolescent annually.

Twenty-five percent of New Unit Demand will be for Rental Housing

This is based on current and likely future socio-economic characteristics of the area and tight mortgage credit standards, limiting the number of creditworthy borrowers, particularly younger families and first-time home buyers, from entering the housing market.

100 percent of New Unit Demand will be for Households making less than \$75,000 per year

In order for the Somerset County to maintain a competitive economic position in the region, there needs to be more housing affordable to those occupations which will be in highest demand. Currently, Somerset County offers relatively little housing affordable to households making less than \$75,000 per year—the types of households who will be offering their labor to the businesses and institutions where employment growth is projected to occur (e.g., Healthcare and Social Assistance, Retail, and Accommodation and Food Services). Based on the number of older boomers who will want/have to downsize over the next ten years, there will likely be plenty of surplus housing for those households making \$75,000 and greater.

Somerset County will Maintain an Annual Housing Vacancy Rate of Approximately Five Percent

The naturally occurring annual vacancy rate will likely remain around this level, based on existing and projected conditions.

Supply and Demand Analysis: Growth Scenarios

	Flat Growth (0.5 percent)	Weak Growth (1 percent)
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...by 2018 there would be

Households:	125,049	128,128
Net Marketable Housing Units:	120,966	122,031
Pent-Up Worker Demand in Units:	3,085	3,085
Annual Average Number of Vacant Units:	6,048	6,102
Estimated Net Housing Unit Demand:	13,217	15,284

...by 2023 there would be

Households:	130,707	137,164
Net Marketable Housing Units:	120,887	123,005
Pent-Up Worker Demand in Units:	3,312	3,312
Annual Average Number of Vacant Units:	6,044	6,150
Estimated Net Housing Unit Demand:	19,176	23,621

...by 2028 there would be

Households:	136,507	146,661
Net Marketable Housing Units:	120,807	123,968
Pent-Up Worker Demand in Units:	3,556	3,556
Annual Average Number of Vacant Units:	6,040	6,198
Estimated Net Housing Unit Demand:	25,297	32,447

As shown previously, an estimated 8,500 new housing units are already in the development pipeline within Somerset County. This model assumes that approximately 10,000 new units will be built by 2028.

Despite this new inventory growth, between 25,300 to 32,500 new housing units will be in demand within Somerset County by 2028. Approximately a fifth of the demand for new units is due to pent-up worker demand, while much of the remaining demand will come from projected new household formation and replacement of physically obsolescent residential units.

Housing Supply and Demand Analysis: Flat Growth Scenario

Somerset County

	2013	2018	2023	2028
Scenario: Flat Annual Growth				
Population	328,795	337,097	345,610	354,337
Households	119,531	125,049	130,707	136,507
Owner Households	89,648	93,787	98,030	102,381
Renter Households	29,883	31,262	32,677	34,127
Employed within Somerset County (full- and part-time estimate)	167,786	180,130	193,383	207,611
Total Workers Living Outside of Somerset County	57,472	61,701	66,241	71,114
Existing Housing Units	124,783	124,783	124,783	124,783
Physically Obsolescent Units (estimate based on field observations and age of stock)	6,239	6,317	6,396	6,476
New Units Delivered (based on report estimates)	2,500	2,500	2,500	2,500
Net Marketable Housing Units	121,044	120,966	120,887	120,807
Pent-Up Housing Unit Demand Estimate	2,874	3,085	3,312	3,556
Households	119,531	125,049	130,707	136,507
Estimated Total Housing Unit Demand	122,405	128,134	134,019	140,063
Add Average Number of Naturally Occuring Vacant Units	6,052	6,048	6,044	6,040
<i>Net Housing Unit Demand (Excess Units)</i>	7,413	13,217	19,176	25,297
Replacement Demand	1,560	1,513	1,512	1,511
Household Growth and Pent-Up Worker Demand	5,853	11,704	17,664	23,785
Demand - Owner-Occupied (75%)	5,560	9,913	14,382	18,972
Demand - Rental (25%)	1,853	3,304	4,794	6,324
Demand - One Bedroom (20%)	1,483	2,643	3,835	5,059
Demand - Two Bedroom (60%)	4,448	7,930	11,506	15,178
Demand - Three Bedroom or Greater (20%)	1,483	2,643	3,835	5,059
Demand - HH Income \$75,000 and Greater (0%)	-	-	-	-
Demand - HH Income \$40,000 to \$74,999 (70%)	5,189	9,252	13,424	17,708
Demand - HH Income \$39,999 and Less (30%)	2,224	3,965	5,753	7,589

Housing Supply and Demand Analysis: Weak Growth Scenario

Somerset County

	2013	2018	2023	2028
Scenario: Weak Annual Growth				
Population	328,795	345,567	363,194	381,721
Households	119,531	128,128	137,164	146,661
Owner Households	89,648	96,096	102,873	109,996
Renter Households	29,883	32,032	34,291	36,665
Employed within Somerset County (full- and part-time estimate)	167,786	180,130	193,383	207,611
Total Workers Living Outside of Somerset County	57,472	61,701	66,241	71,114
Existing Housing Units	124,783	124,783	124,783	124,783
Physically Obsolescent Units (estimate based on field observations and age of stock)	6,239	6,317	6,396	6,476
New Units Delivered (based on report estimates)	2,500	2,500	2,500	2,500
Net Marketable Housing Units	121,044	122,031	123,005	123,968
Pent-Up Housing Unit Demand Estimate	2,874	3,085	3,312	3,556
Households	119,531	128,128	137,164	146,661
Estimated Total Housing Unit Demand	122,405	131,213	140,476	150,217
Add Average Number of Naturally Occuring Vacant Units	6,052	6,102	6,150	6,198
<i>Net Housing Unit Demand (Excess Units)</i>	7,413	15,284	23,621	32,447
Replacement Demand	1,560	1,513	1,525	1,538
Household Growth and Pent-Up Worker Demand	5,853	13,771	22,096	30,910
Demand - Owner-Occupied (75%)	5,560	11,463	17,716	24,335
Demand - Rental (25%)	1,853	3,821	5,905	8,112
Demand - One Bedroom (20%)	1,483	3,057	4,724	6,489
Demand - Two Bedroom (60%)	4,448	9,170	14,173	19,468
Demand - Three Bedroom or Greater (20%)	1,483	3,057	4,724	6,489
Demand - HH Income \$75,000 and Greater (0%)	-	-	-	-
Demand - HH Income \$40,000 to \$74,999 (70%)	5,189	10,699	16,535	22,713
Demand - HH Income \$39,999 and Less (30%)	2,224	4,585	7,086	9,734

Projected Growth Scenarios

In 2013, the estimated net housing demand within Somerset County was approximately 7,400 units - largely the result of existing pent-up worker demand. Assuming a flat population growth (0.5 percent) estimated for the county, and a total of 10,000 new housing units delivered to market, housing demand from local workers commuting from outside the county, as well as replacement demand for physically obsolescent housing units would result in a demand for nearly 25,300 housing units by 2028. In comparison, a more optimistic weak population growth scenario (1 percent), assuming the same new 10,000 units delivered to market, would result in an approximate demand for 32,700 units by 2028. Assuming 25 percent of this demand is for rental units, this represent a demand for between 6,300 to 8,100 new rental units.

Net Housing Unit Demand by Occupancy Type



Takeaway: Residential Real Estate Trends

Although some residential demand will be met by the 8,500 new housing units either currently under construction or in some stage of permitting within Somerset County, there will still be need for several thousand more units of primarily small multi-family rental units. These affordable multifamily units will help accommodate older boomers looking to downsize and the workforce necessary to support projected employment growth over the next 15 years. The development of these units, which will be contingent upon local zoning, will also contribute to a good deal of economic activity within the county – in terms of direct job creation (construction and design related) as well as indirect (ancillary purchases made by newly formed households).

Second, much of the housing demand identified pertains to workforce housing and, as such, should be considered an economic development imperative, in the same way that infrastructure is considered. Indeed, without adequately located and affordably priced housing (for sale and rental) for workers across income and occupational levels, the county's employers will, ultimately, face upward pressure on wages and salaries offered and paid – an outcome best avoided, if possible.

Further, the county should encourage municipalities to facilitate, through local zoning, the creation of more affordably priced for-sale and rental housing close to employment centers. While there will be the inevitable push back against such efforts, county and local government representatives should be prepared to demonstrate how the economic and social benefits of such development (including fiscal benefits) outweigh the perceived costs of such development – this will require continual education of local officials and residents, alike.

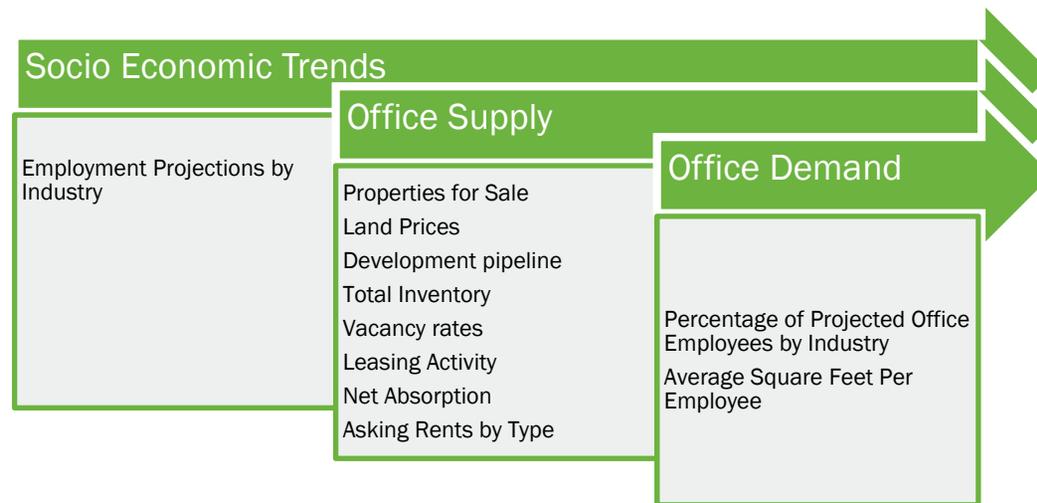
Office Supply-Demand Analysis



Methodology:

Key Steps for Deriving Office Demand

Various residential data sources to conduct an office supply/demand analysis for Somerset County were utilized. Cushman & Wakefield and Reis provided data on existing and projected office trends for Somerset County, Somerset office submarkets, and the Central New Jersey metro. Data on authorized office space for Somerset County as of January-August 2013 was provided by the New Jersey Department of Community Affairs. Proprietary modelling techniques to calculate office demand based on socio economic trends (e.g., projected employment growth by sector) observed for Somerset County and the nation (e.g., percent office workers by industry, office space by worker, etc.) were utilized. The real estate metrics used in the office supply/demand analysis are outlined below and in more detail in the following section.



Key Findings: Office

More than 25 out of 100 Square Feet is Vacant

While overall vacancy in the metro area remained below 20 percent, the vacancy rate within Somerset County rose to 26.6 percent (almost seven points higher than the metro area) by second quarter 2013, according to data provided by Cushman & Wakefield.

Increase of \$1.30 per square foot for Class A space

While, on average, lease rates for office space within the submarket decreased by less than one percent over the past year, rental rates for Class A office space increased by 4.4 percent for both the submarket and the metro area, equivalent to an increase of \$1.30 per square foot within the submarket.

Existing inventory should more than satisfy new demand

The projected demand for approximately 937,000 square feet of office space in Somerset County by 2028 (based on anticipated office use and employment growth), will be more than satisfied by the existing inventory of 4.6 million square feet of vacant office space within the county. However, while much of the available office space in Somerset County is large format, conventional corporate office space, small format office space of 2,000 to 5,000 square feet would best meet the needs of the growing professional, scientific, and technical service firms (e.g., law firms, accounting firms, architectural and engineering firms) that the county would like to attract.

Office Trends

Somerset County's office submarket represents a large share of Central New Jersey's large corporate office parks. As demand for large corporate office park space has waned over the last two decades (and will continue to do so), Somerset County has felt the brunt more so than other sub-markets in Central New Jersey. According to Cushman & Wakefield, second quarter 2013 vacancy rates for Somerset County are 4.5 percent higher than vacancy rates identified for second quarter 2012.* Although 1.9 million square feet of office space was leased within the metro area in 2013, the Somerset Office Submarket saw a year-over-year decrease in leasing activity of more than 71 percent. While, on average, rental rates for office space within the submarket decreased by less than one percent over the past year, rental rates for Class A office space increased by 4.4 percent for both the submarket and metro area – an indication that Class A properties are still in demand.

	Somerset County		Central NJ	
Total Inventory	2012 (2Q)	17,325,341		77,397,923
	2013 (2Q)	17,262,445		79,489,236
	Chg.	 -0.4%		2.7%
Overall Vacancy Rate	2012 (2Q)	22.1%		19.4%
	2013 (2Q)	26.6%		19.7%
	Chg.	 20.4%		1.5%
YTD Leasing Activity	2012 (2Q)	737,453		1,649,483
	2013 (2Q)	213,287		1,985,373
	Chg.	 -71.1%		20.4%
YTD Direct Net Absorption	2012 (2Q)	184,922		269,793
	2013 (2Q)	(252,751)		218,656
	Chg.	 -236.7%		-19.0%
Gross Asking Rent (All Classes)	2012 (2Q)	\$26.46		\$23.78
	2013 (2Q)	\$26.28		\$24.09
	Chg.	 -0.7%		1.3%
Gross Asking Rent (Class A)	2012 (2Q)	\$29.48		\$25.64
	2013 (2Q)	\$30.79		\$26.77
				

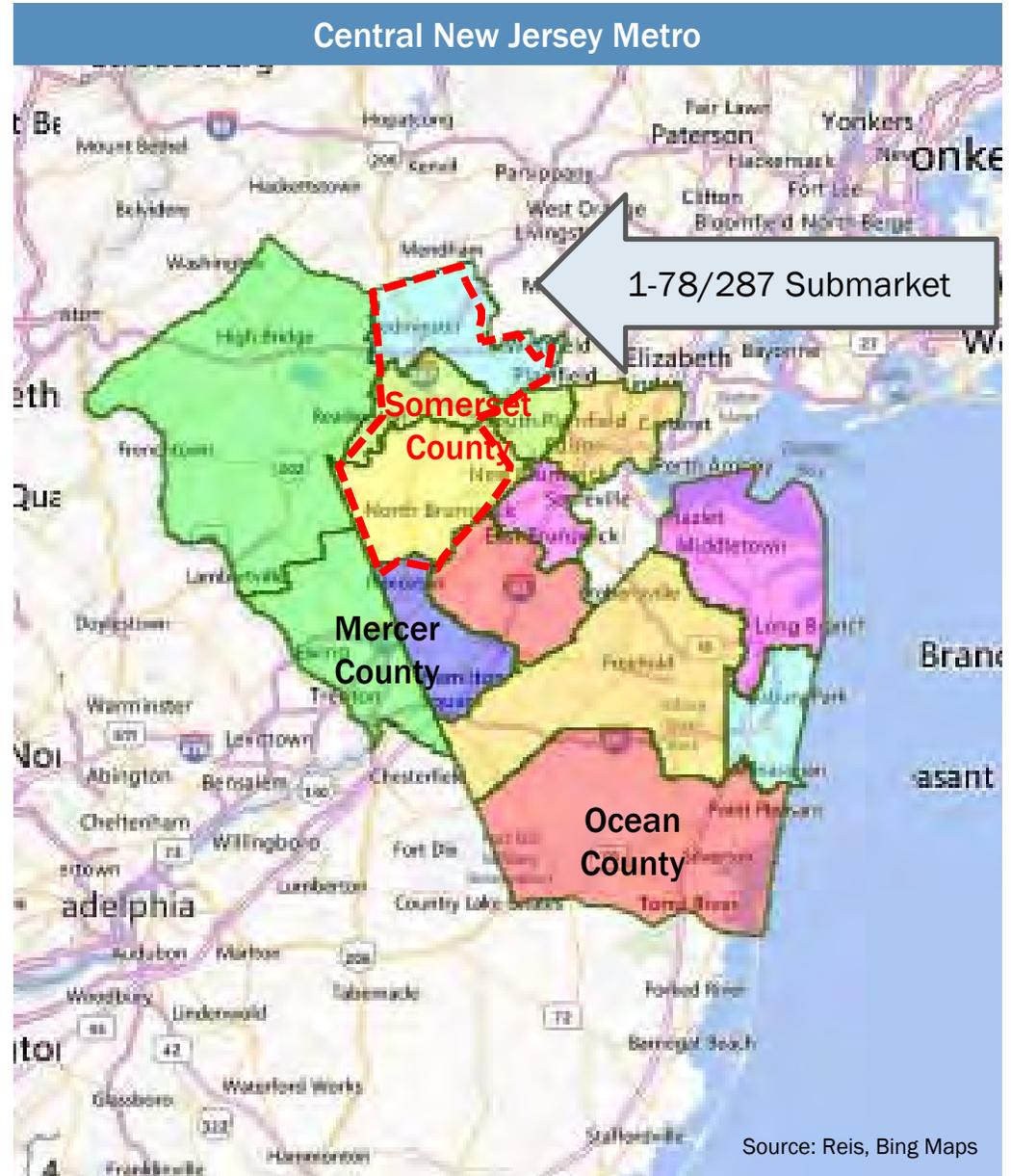
*The methodology used by C&W concerning vacancy is based on space which will become available for occupancy within the three-month period following the current quarter.

Source: Cushman & Wakefield

Office Market Boundaries

Reis defines the Central New Jersey Submarket (hereinafter “Metro”), as containing Somerset, Hunterdon, Mercer, Monmouth, and portions of Middlesex and Ocean counties.

For purposes of comparison, the metro area is also compared to the State of New Jersey as well as the I-78/287 Submarket (hereinafter “Submarket”). The I-78/287 Submarket is located in the northern most portion of Somerset County, containing Bernardsville, Bedminster, and Green Brook townships.



Office Inventory

According to data provided by Cushman & Wakefield, the Somerset Submarket had a total of 17.3 million square feet of office space as of the second quarter 2013, with 26.6 percent (approximately 4.6 million square feet) of this space currently vacant. While overall vacancy in the metro area was just under below 20 percent, the vacancy rate within the submarket was 26.6 percent (almost seven points higher than the Central New Jersey metro area). As of second quarter 2013, approximately 213,300 square feet of office space had been leased within the county, although no new office space had been built. Average asking rates for office space within Somerset County are higher than the metro area, with an average of \$26.28 per square foot for all office space and \$30.79 for Class A office space.

Central New Jersey, Q2 2013*

Submarket	Inventory	Overall Vacancy Rate	Direct Vacancy Rate	YTD Leasing Activity	YTD		Direct Net Absorption	Overall Net Absorption	Gross Rental Rate**	
					Under Construction	Completions			All Classes	Class A
Hunterdon County	1,439,305	17.6%	17.6%	45,769	0	0	27,914	36,406	\$22.00	\$19.39
Mercer County	16,189,334	11.7%	10.6%	352,939	147,368	250,000	272,348	222,821	\$26.60	\$32.41
Middlesex County	24,282,007	18.5%	17.4%	983,402	0	0	158,662	159,267	\$24.41	\$29.54
Monmouth County	12,780,017	26.6%	26.2%	189,150	0	0	19,364	(16,196)	\$19.49	\$18.98
Somerset County	17,262,445	26.6%	23.1%	213,287	0	0	(252,751)	(172,703)	\$26.28	\$30.79
Union County	7,536,128	13.4%	10.7%	200,826	0	0	(6,881)	(42,163)	\$24.37	\$27.75
Central New Jersey	79,489,236	19.7%	18.0%	1,985,373	147,368	250,000	218,656	187,432	\$24.09	\$26.77

* Vacancy rates listed by Cushman & Wakefield are based on unoccupied space becoming available for occupancy within the subsequent quarter, and thus, does not necessarily reflect all vacant space within the sub-market.

**Asking Price/ SF/ Year

Source: Cushman & Wakefield, Inc.

Office Building Permits: Somerset County

According to data provided by the New Jersey Department of Community Affairs, there is approximately 82,346 square feet of office space authorized to be built or expanded within Somerset County, as of August 2013.

The majority (85 percent) of the authorized office space is located in Franklin Township, followed by Raritan Borough (7,061 total square feet) and North Plainfield Borough (5,184 total square feet).

The relatively limited amount of office space building permit activity, indicated by the adjacent table, is further validation that the Somerset County Office Sub-Market has more than ample supply to meet demand.

Office Space Authorized by Building Permits: Somerset County, January-August 2013

Municipality	New construction (SF)	Additions (SF)	Total (SF)
Bedminster Township	-	-	-
Bernards Township	-	-	-
Bernardsville Borough	-	-	-
Bound Brook Borough	-	-	-
Branchburg Township	-	1	1
Bridgewater Township	-	-	-
Far Hills Borough	-	-	-
Franklin Township	70,100	-	70,100
Green Brook Township	-	-	-
Hillsborough Township	-	-	-
Manville Borough	-	-	-
Millstone Borough	-	-	-
Montgomery Township	-	-	-
North Plainfield Borough	3,840	1,344	5,184
Peapack and Gladstone Borough	-	-	-
Raritan Borough	7,061	-	7,061
Rocky Hill Borough	-	-	-
Somerville Borough	-	-	-
South Bound Brook Boro	-	-	-
Warren Township	-	-	-
Watchung Borough	-	-	-
Grand Total	81,001	1,345	82,346

Source: New Jersey Department of Community Affairs

Office Sale Trends: Somerset County

According to October 2013 data provided by Loopnet.com, there are 32 acres of land (includes both vacant and underutilized) zoned for office and over 154,000 square feet of existing office space for sale within Somerset County. On average, the asking price for office space is \$214 per square foot, with prices ranging from a high of \$257 per square foot for conventional corporate type office building space to a low of \$169 per square foot for condominium office space. According to Site Selection magazine (a national trade publication for corporate real estate site selectors), in the second quarter of 2013, Advance Realty and CrossHarbor Capital Partners acquired the former Sanofi US Research and Development Campus, located along 1041 Route 202/206 in Bridgewater Crossing. Branded the New Jersey Center of Excellence, the 16-building campus has almost 1.2 million square feet of lab and office space on 110 acres. Currently, some space has been rented to Ashland Chemical and a pharmaceutical company.

Office Land for Sale: Somerset County, October 2013

Property Type	Parcels	Total Acres	Average Price	Price per Acre
Office	5	32	\$1,025,000	\$160,222

Office Properties for Sale: Somerset County, October 2013

Property Type*	Properties	Building SF	Average Price	Price per SF
Medical Office	2	2,649	\$321,633	\$242
Office Building	14	101,147	\$595,362	\$257
Office Condo	12	31,132	\$313,000	\$169
Office-Warehouse	4	19,400	\$749,750	\$187
Grand Total	32	154,328	\$494,165	\$214

Source: Loopnet.com

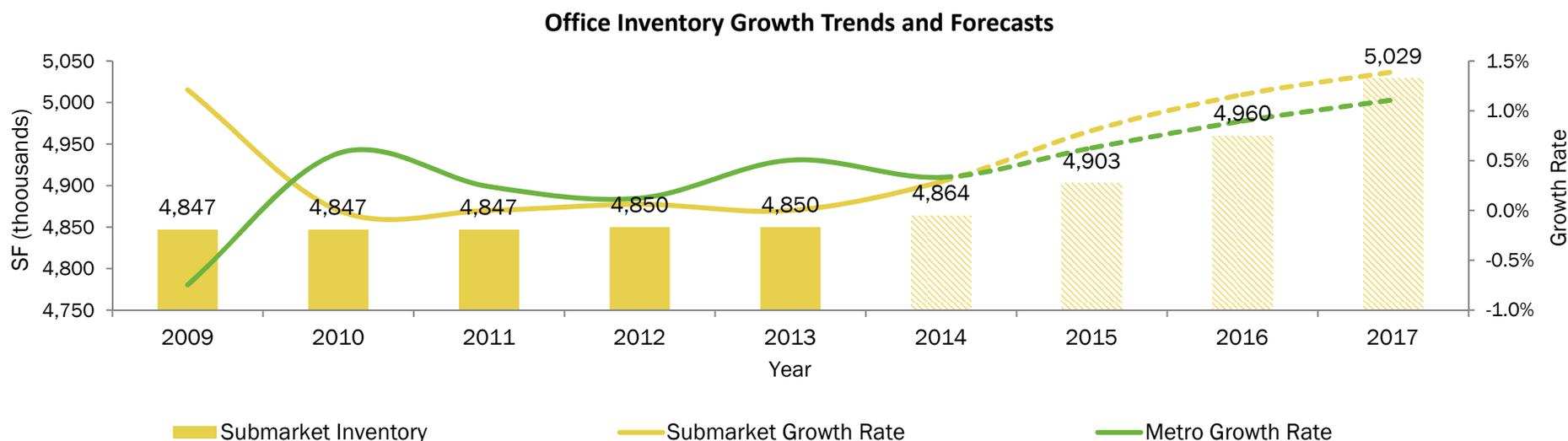


Sanofi's former R&D campus in Bridgewater

Source: Site Selection Magazine, May 2013.

Office Inventory Trends and Forecasts

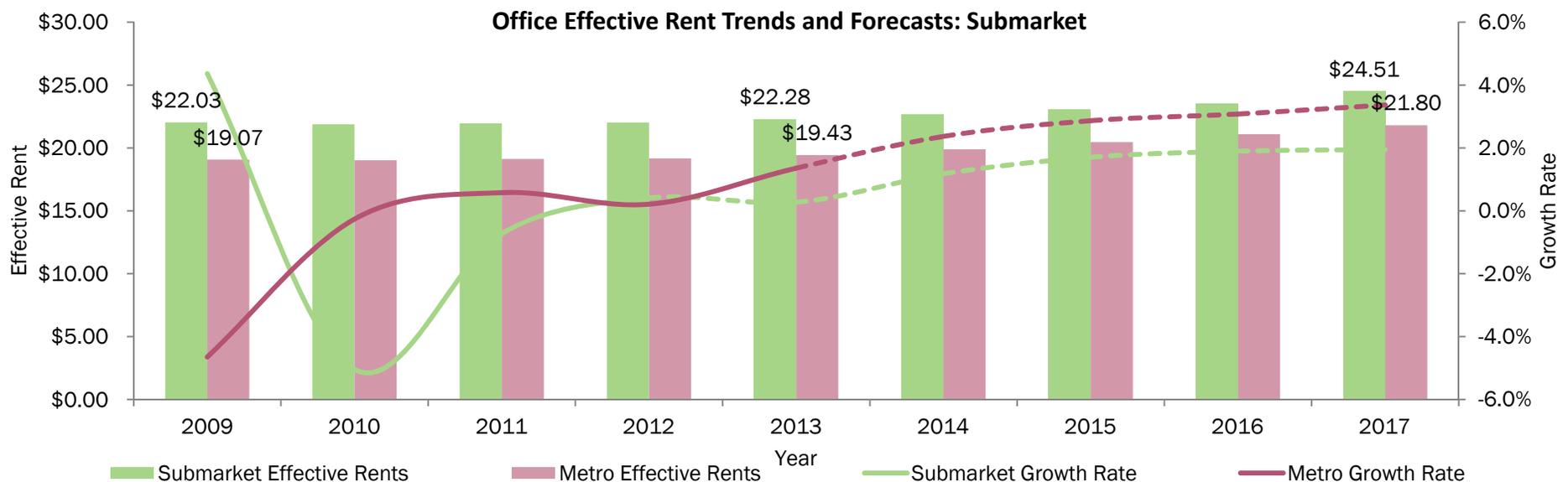
As of third quarter 2013, the I-78/287 Submarket had approximately 4.8 million square feet of office space (comprising 7.4 percent of the total office space for the Central New Jersey Metro area). Although office growth in the submarket has been relatively flat in recent years (only 3,000 square feet of new office space has been delivered over the last four years), by 2014, Reis predicts the office inventory within the submarket will grow at a faster rate than the metro area. For example, by 2017, the office submarket inventory is expected to grow by 1.4 percent per year (compared to 1.1 percent within the metro area). Approximately 179,000 square feet of office space is expected to be delivered within the submarket by 2017. It should be noted that this new office space is not speculative and, accordingly, does not, by itself, indicate a improvement in overall office submarket conditions.



Source: REIS

Office Rent Trends and Forecasts

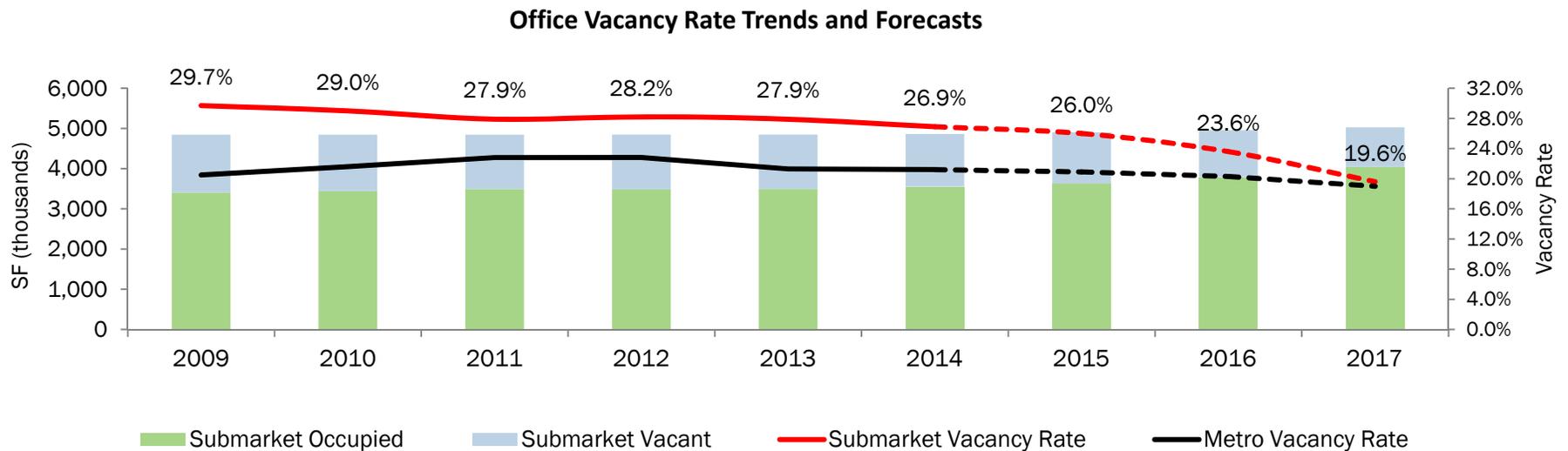
According to 2013 projection data provided by Reis, the median effective rent (which includes incentives such as free rent and discounts) for office space in the I-78/287 Submarket was just over \$22 per square foot, compared to over \$19 within the metro area. Although asking rents have been relatively flat within both geographies since 2009 (growing by less than two percent since 2009), effective rents are projected to increase by 10 percent within the submarket and 12 percent within the metro area by 2017, which reflects general inflation increases more than demand pressures. Indeed, the below graph illustrates the submarket's relatively low projected effective rent growth rate, as compared to that of the metro.



Source: REIS

Office Vacancy Rate Trends and Forecasts

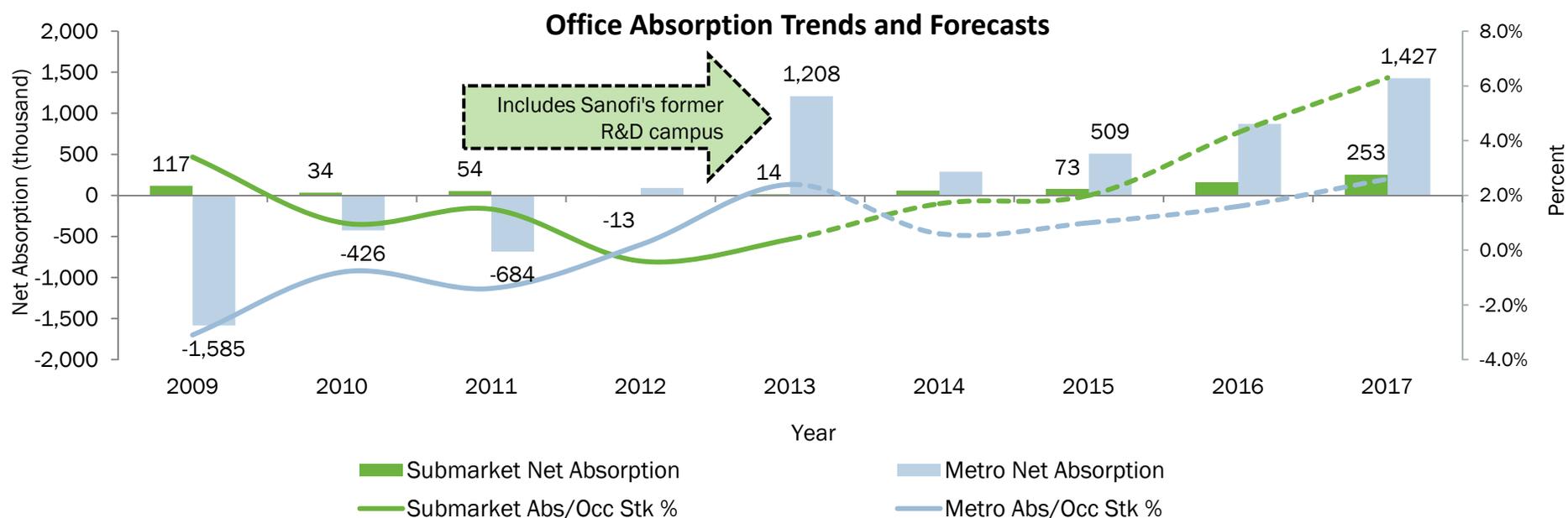
In 2009, the vacancy rate for all office properties in the I-78/287 Submarket was nearly 30 percent. By 2013, the office vacancy rate within the submarket declined to 28 percent. Although annualized vacancy rates within the submarket have remained consistently higher than average vacancy rates within the metro area, the spread is expected to decrease over the next four years. By 2017, Reis projects that office vacancy rates within the submarket (19.6 percent) will be only slightly higher than the average vacancy rate within the metro area (19.0 percent). While the projected decline in the submarket's office vacancy rate should be welcomed, an approximately 20 percent vacancy rate (projected for 2017) is still cause for concern. The longer large inventories of office space remain vacant, the greater the likelihood that assessed values of these properties will plummet, causing a corresponding decline in real property tax revenues captured.



Source: REIS

Office Absorption Trends and Forecasts

Although the metro office market experienced negative absorption from 2009 through 2011 (likely due to factors related to the financial crisis and broader recession) the I-78/287 office submarket continued to absorb new and existing office space until 2012. By 2013, both areas experienced positive office absorption, while the metro area alone absorbed over 1.2 million square feet of office space when Advance Realty purchased the vacant Sanofi Aventis R&D campus in Bridgewater Township. Reis predicts that both the submarket and metro area will continue to absorb office space at an increasing rate through 2017, although the rate of absorption, as a percentage of occupied office space, is expected to be greater within the submarket – a positive sign in an otherwise struggling market.



Source: REIS

Methodology: Office Supply-Demand Analysis

Projecting 2028 Primary Jobs

To determine projected office space demand in Somerset County, employment by industry was estimated based on 2013 employment data provided by ESRI and projected through 2028, based on annual industry growth rates provided by the New Jersey Department of Labor and Workforce Development.

Estimating the Number of Current and Future Office Workers

A National Association of Realtors study estimates the percentage of employees in various industry sectors that typically work in an office environment. Using these percentages, we were able to estimate the number of employees in the county who would likely work in commercial office space.

Determining Office Space Demand

Assuming a conservative space requirement of 150 square feet per employee (which has become a broadly accepted ratio by office real estate brokers over the past few years, including professionals associated with the Building and Office Managers Association (BOMA)), the total demand for office space is estimated based on the projected office workers for each year through 2028.

Projected Office Jobs

The tables below show the projected jobs and office workers, respectively, aggregated by industry sector, for Somerset County.

Primary Jobs Per Industry, Somerset County

	2013	2018	2023	2028	Change
Professional, Scientific, & Technical Services	22,171	24,019	26,021	27,302	5,131
Retail Trade	16,694	17,305	17,938	18,329	1,635
Manufacturing	14,661	14,088	13,538	13,218	-1,443
Health Care & Social Assistance	13,306	14,267	15,297	15,950	2,644
Admin. & Support & Waste Management & Remediation	10,428	11,224	12,080	12,625	2,197
Information	9,537	9,118	8,718	8,487	-1,050
Wholesale Trade	8,779	9,158	9,554	9,799	1,020
Educational Services	7,778	8,163	8,566	8,818	1,040
Other Services (except Public Administration)	6,894	7,301	7,731	8,001	1,107
Accommodation & Food Services	6,756	7,038	7,332	7,514	758
Total Primary Jobs, Top Ten Industries	117,004	121,681	126,776	130,044	13,040

Source: U.S Census Bureau

Estimated Average Office Workers by Industry, Somerset County

	2013	2018	2023	2028	Change
Professional, Scientific, & Technical Services	19,751	21,397	23,181	24,321	4,571
Retail Trade	3,839	3,979	4,125	4,215	376
Manufacturing	4,374	4,203	4,039	3,943	-430
Health Care & Social Assistance	6,382	6,842	7,336	7,650	1,268
Admin. & Support & Waste Management & Remediation	3,665	3,945	4,246	4,437	772
Information	6,612	6,322	6,044	5,884	-728
Wholesale Trade	4,983	5,198	5,423	5,562	579
Educational Services	4,411	4,629	4,858	5,001	590
Other Services (except Public Administration)	2,766	2,929	3,102	3,211	444
Accommodation & Food Services	502	523	545	558	56
Total Primary Jobs, Top Ten Industries	57,284	59,968	62,898	64,782	7,498

Source: National Association of Realtors, U.S Census Bureau.

Projected Office Space Demand

As illustrated on the previous page, there is a projected increase of over 13,000 primary jobs in the top ten industries from 2013 to 2028, within Somerset County, approximately 7,500 of which are projected to require office space. The table below exhibits the projected office space demand in thousands of square feet and aggregated by industry sector for Somerset County. As shown, the estimated increase in office space demand from 2013 to 2028 is over 937,000 square feet. Approximately 571,000 square feet of this demand is due to the growth in professional, scientific, and technical service employment alone.

Estimated Total Office Space Per Industry, Sq. Ft. (000s), Somerset County

	2013	2018	2023	2028	Change
Professional, Scientific, & Technical Services	2,469	2,675	2,806	3,040	571
Retail Trade	480	497	508	527	47
Manufacturing	547	525	513	493	-54
Health Care & Social Assistance	798	855	892	956	159
Admin. & Support & Waste Management & Remediation	458	493	515	555	97
Information	827	790	769	735	-91
Wholesale Trade	623	650	666	695	72
Educational Services	551	579	596	625	74
Other Services (except Public Administration)	346	366	379	401	56
Accommodation & Food Services	63	65	67	70	7
Total Primary Jobs, Top Ten Industries	7,161	7,496	7,712	8,098	937

Source: National Association of Realtors, U.S Census Bureau.

Takeaway: Office Supply-Demand

As of the first quarter 2013, there was approximately 4.6 million square feet of vacant office space in Somerset County, most of which was built in the 1980s and early 1990s and characteristic of large, isolated, single tenant, office and research and development campuses. Approximately 3.5 million square feet of this vacant office space falls within the PGIAs, according to CoStar data. The current re-purposing of suburban R&D complexes, like the former Sanofi Aventis Research and Development Campus, is part of a national trend in which owners and host governments are pursuing mixed-use repurposing strategies that include not only office, but retail service and residential uses where appropriate.

According to our office supply-demand analysis, there is a projected 2028 demand for approximately 937,000 square feet of office space based on anticipated job creation within Somerset County. With approximately 4.6 million square feet of currently vacant office space and nearly 82,350 square feet of office space in the development pipeline, there is more than enough existing and proposed office space, locally and within the larger region, to adequately satisfy the projected near- and long-term office demand.

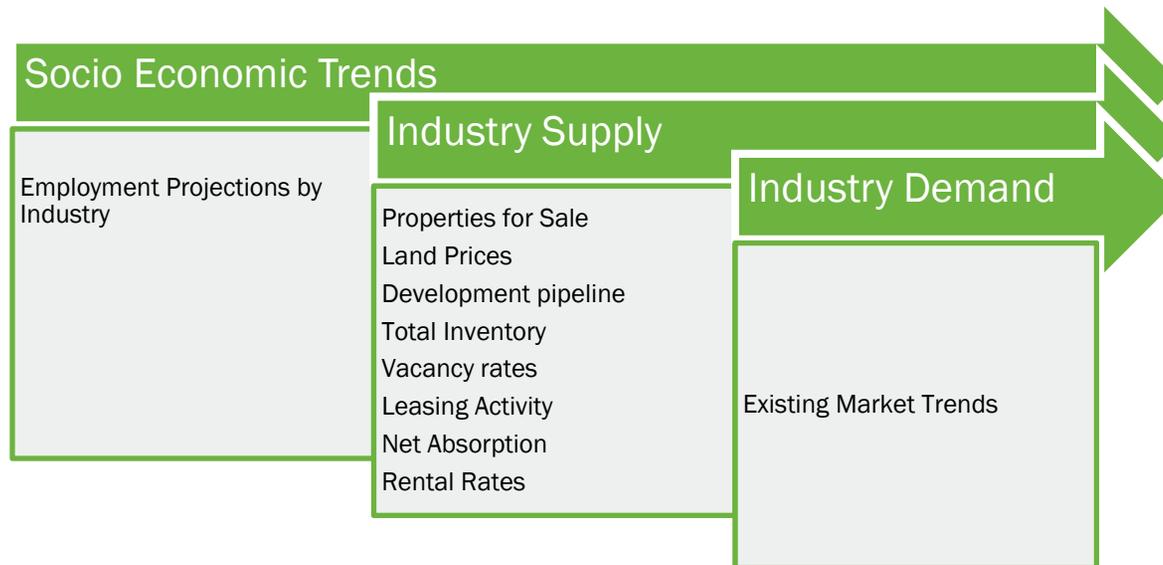
However, and notwithstanding the above observations, Somerset County communities will be faced with several million square feet of obsolescent office space over the coming decade, and given current technological advances and modifications to how industries use labor, more office space, rather than less, is likely to become obsolescent over the next ten to fifteen years. Consequently, county and local planners, building owners, and developers will need to commence collaborative efforts for repurposing and/or demolishing office buildings likely to remain vacant for the foreseeable future. Former office sites are well-served by infrastructure and for the most part located in PGIAs where new forms of economic growth are desired. Land use policies that allow for new, higher intensity, transit supportive residential/mixed-use development may be appropriate in many of these areas.

Industry Supply-Demand Analysis

Methodology:

Key Steps for Identifying Key Industry Trends

Various residential data sources to analyze industry trends for Somerset County were utilized. A combination of real estate data (Loopnet) and market reports (NAI James E. Hanson, Colliers, Cushman & Wakefield) was utilized to illustrate existing industry trends for Somerset County and the surrounding metro areas (Central New Jersey, Northern New Jersey, and the NY-NJ-PA metro area). Somerset County provided data on industrial space in the permitting pipeline as of October 2013. This “point-in-time” data is subject to ongoing change. The real estate metrics used to identify key industry trends are outlined below and in more detail in the following section.



Key Findings: Industry

27.3 million square feet

According to data provided by NAI James E. Hanson, as of second quarter 2013, Somerset County contained 27.3 million square feet of industrial space with an overall vacancy rate of 5.7 percent. As of October 2013, there was over 3.8 million square feet of industrial space in some stage of permitting, with almost 89 percent of this space located in Montgomery and Franklin Townships, according to data provided by Somerset County.

\$4.90 to \$12.53 per square foot

According to second quarter 2013 data provided by Cushman & Wakefield, average net rental rates for industrial space in Somerset County ranged from \$4.90 per square foot for manufacturing space to \$12.53 per square foot for high tech/flex space.

Increase of 3.5 percent for high tech industry space

While rental rates for high tech industry space increased by 3.5 percent over the past year, rental rates for warehouse/distribution space decreased by 9.6 percent; this is the reverse of trends experienced in the larger metro area.

Industry Inventory and Pipeline

According to second quarter 2013 data provided by NAI James E. Hanson, Somerset County had more than 27.3 million square feet of industrial space with an overall vacancy rate of 5.7 percent (more than two points lower than New Jersey, overall). Another 2.1 million square feet is currently under construction and, as of October 2013, there was over 3.3 million square feet of industrial space in some stage of permitting, according to pipeline data provided by Somerset County. Almost 89 percent of industrial space in the development pipeline is proposed for Montgomery and Franklin townships.

Further, and as exhibited in the below table, industrial related vacancy is relatively low in Somerset County when compared to other counties in Central and Northern New Jersey – a positive economic sign.

Industrial Leasing and Sales Activity, 2Q 2013

Counties	Total SF	Total Vacant Available SF	Total Vacant Available %	SF Under Construction
Middlesex	172,730,438	12,172,387	7.0%	571,000
Hudson	83,064,242	6,838,001	8.2%	878,564
Essex	65,159,846	3,399,143	5.2%	352,000
Union	60,091,290	5,178,712	8.6%	277,244
Morris	39,155,321	3,587,641	9.2%	31,000
Mercer	29,267,324	3,791,824	13.0%	0
Somerset	27,311,688	1,559,731	5.7%	0
Hunterdon	6,196,365	1,767,038	28.5%	0
Warren	6,122,373	981,022	16.0%	0
Sussex	2,034,386	303,304	14.9%	0
NJ Overall	626,325,798	49,567,346	7.9%	2,109,808

Source: NAI James E. Hanson, Market Report: Northern and Central NJ, 2Q 2013.

Industrial Pipeline: Somerset County, Oct 2013

Location	Inventory (Sqft)
Branchburg	166,121
Bridgewater	195,458
Franklin	1,203,774
Montgomery	1,800,690
Raritan	19,076
South Bound Brook	2,176
Grand Total	3,387,295

Source: Somerset County, October 2013.

Industry Leasing and Sale Activity

According to a mid-year 2013 industrial market report produced by NAI James E. Hanson, the Northern and Central New Jersey Industrial market showed signs of improvement during the first six months of 2013—demonstrated by an increase in leasing activity for big box warehouse users and a steady decrease in vacancy rates since 2010. Although Somerset County featured the second lowest vacancy rate in the Central and Northern New Jersey markets (5.7 percent) as of second quarter 2013, only 279,486 square feet of industrial space had been leased within the Somerset submarket. According to a third quarter report provided by Colliers, by the third quarter 2013, an additional 102,875 square feet of industrial space in Somerset had been leased by health and bioscience companies.

Industrial Leasing and Sales Activity, 2Q 2013

Counties	Total net Absorption	Leasing Activity	SF Under Construction	Total Average Rate (NNN)
Middlesex	(156,018)	1,711,459	571,000	\$4.66
Hudson	(226,468)	599,332	878,564	\$5.82
Essex	342,355	549,746	352,000	\$5.22
Union	46,765	580,125	277,244	\$4.89
Morris	790,552	5,092,463	31,000	\$5.54
Mercer	67,358	763,630	0	\$3.67
Somerset	235,544	279,486	0	\$4.52
Hunterdon	72,815	22,000	0	\$3.56
Warren	(51,843)	14,400	0	\$3.93
Sussex	(10,825)	37,750	0	\$4.88
NJ Overall	650,996	12,315,343	2,109,808	\$5.15

Source: NAI James E. Hanson, Market Report: Northern and Central NJ, 2Q 2013.

Large Industrial Lease Transactions, 3Q 2013

Tenant	City	SQFT
LifeCell Corporation	Branchburg	44,290
Byram Healthcare	Franklin	29,585
Light Age, Inc.	Franklin	29,000
		102,875

Source: Colliers, Industrial Market Report: Northern and Central NJ, 3Q 2013.

Industrial Rents

According to data provided by LoopNet, industrial rents in the New York-Northern New Jersey-Long Island, NY-NJ-PA metro area have been consistently higher than industrial rents in New Jersey. Although average asking rents for industrial space in Somerset County had been lower than the state, rents in Somerset have been consistently higher than the state since 2012. As of November 2013, the average asking rent for industrial space in Somerset County was \$7.59 per square foot, compared to \$6.77 within the state. According to second quarter 2013 data provided by Cushman & Wakefield, average net rental rates for industrial space in Somerset County ranged from \$4.15 per square foot for manufacturing space to \$12.53 per square foot for high tech/flex space.

	Nov 13	vs. 3 mo. prior	Y-O-Y
State	\$6.77	+0.9%	+3.0%
Metro	\$8.94	+2.0%	+4.6%
County	\$7.59	+0.0%	-0.4%

Industrial Rental Rates, Q2 2013

Submarket	Direct Weighted Average Net Rental Rate		
	High Tech	Manufacturing	Warehouse/Distribution
Mercer County	\$11.30	\$7.50	\$3.70
Middlesex County	\$13.05	\$3.12	\$4.63
Monmouth County	\$11.46	\$5.39	\$6.73
Somerset County	\$12.53	\$4.90	\$3.68
Union County	\$13.55	\$4.59	\$4.66
Central NJ Total	\$12.54	\$4.15	\$4.44

Source: Cushman & Wakefield, Inc.

Asking Rent Industrial Trends: Somerset, Nov 2013 (\$/SF/Year)



Source: Loopnet.com.

Industrial Asking Sale Prices

Similar to rents, asking sale prices for industrial space in the NY-NJ-PA metro area have been consistently higher than those in New Jersey. According to November 2013 data provided by LoopNet, the average asking sale price for industrial space in the metro area was \$110 per square foot, compared to \$75 per square foot in the state. In October 2013, asking prices for industrial space in Somerset County ranged from \$400 per square foot for office condo space to \$81 per square foot for flex space. In contrast to rents, sale prices increased at a slower rate (1.2 percent) than that for the state (5.4 percent) over the past year.

	Nov 13	vs. 3 mo. prior	Y-O-Y
■ State	\$75	+2.8%	+5.4%
■ Metro	\$110	+0.8%	+1.2%

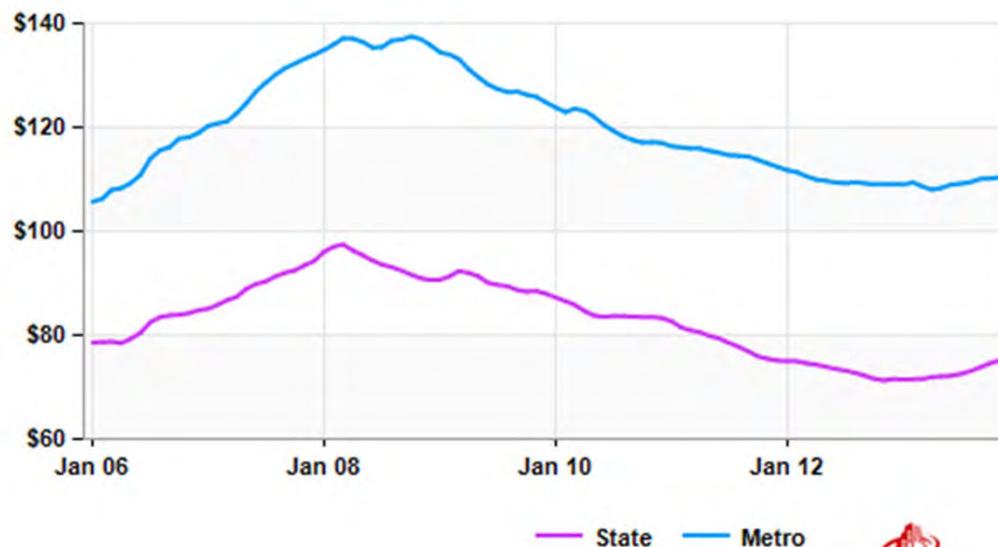
Industrial Land for Sale: Somerset County, October 2013

Property Type	Parcels	Total Acres	Average Price	Price per Acre
Industrial	3	20	\$1,550,000	\$141,667

Industrial Properties for Sale: Somerset County, October 2013

Property Type*	Properties	Building SF	Average Price	Price per SF
Flex Space	3	47,600	\$1,339,000	\$81
Manufacturing	1	207,192	NA	NA
Office Condo	1	3,000	\$1,200,000	\$400
Office Showroom	3	10,484	\$417,667	\$147
Warehouse	10	352,476	\$1,014,000	\$75
Grand Total	32	154,328	\$494,165	\$214

Asking Sale Price Industrial Trends: Nov 2013 (\$/SF)



Source: Loopnet.com.



Takeaway: Industry Supply-Demand

New Jersey has the largest concentration of warehouse and distribution space in the United States. In particular, the Central and Northern New Jersey Industrial Market is best known for its large distribution facilities (along I-195, I-287, I-80 and I-78). According to a second quarter 2013 report provided by Cassidy Turley, a leading commercial real estate services provider, online Retailers and Logistics companies represented a strong percentage of lease transactions within the Central New Jersey market and are primary drivers of recent market activity. Cassidy Turley attributes the recent uptick in industrial market activity to numerous factors, including value pricing, low interest rates, availability of tax credits/grants through state incentive programs, and an increase in retail sales and consumer confidence.

While E-Commerce is expected to be a major driver of warehouse demand as well as new development for distribution facilities within the Central New Jersey market, warehouse buildings in ancillary markets like Somerset County (not located along the Turnpike Corridor) will need to remain aggressively priced in order to be attractive to buyers. Currently, high tech space commands the highest rents in Somerset County (\$12.54 per square foot per year) and health and bioscience companies show the most growth potential, based on recent lease transactions and projected employment growth in professional, scientific, and technical service industries.

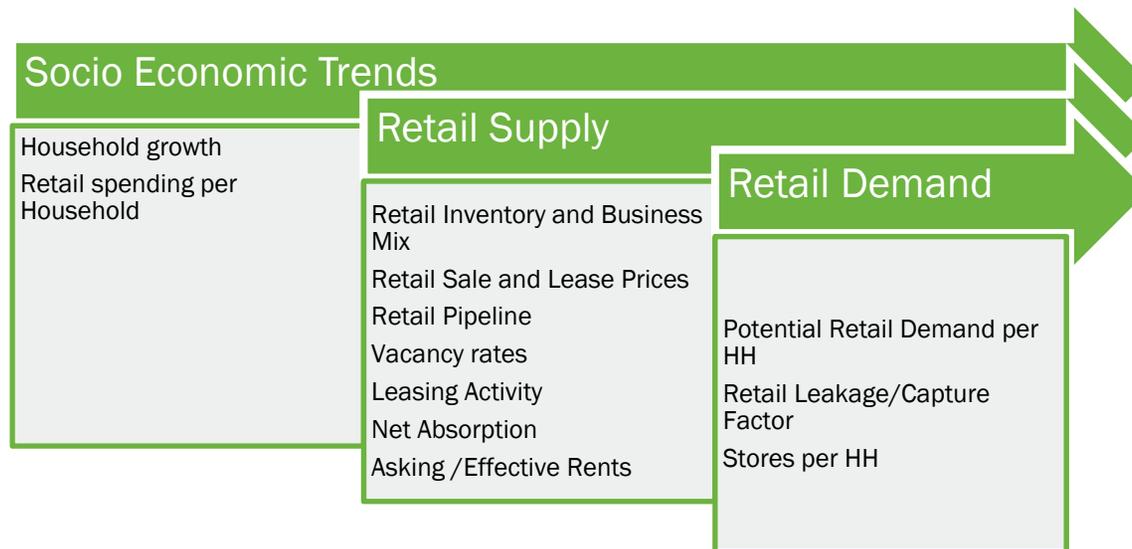
As of the first quarter 2013, there was approximately 1.5 million square feet of vacant industrial space within Somerset County and more than 49.5 million square feet within New Jersey overall. According to our analysis, there is more than enough existing inventory of industrial space, locally and within the larger region, to satisfy projected near- and long-term industrial demand.

Retail Supply-Demand Analysis



Methodology: Key Steps for Deriving Retail Demand

Various residential data sources to analyze retail trends and potential demand for Somerset County were utilized. A combination of real estate data (Loopnet, Esri, Directory of Major Malls) and market reports (NAI James E. Hanson) was utilized to illustrate existing retail trends for Somerset County. Somerset County provided data on retail space in the permitting pipeline as of October 2013. This “point-in-time” data is subject to ongoing change. The real estate metrics used to identify key retail trends are outlined below and in more detail in the following section.



Key Findings: Retail

More than 7 million

As of 2013, there was an estimated 7.3 million square feet of retail rental building area within Somerset County. This volume of retail space is equivalent to approximately 127 football fields.

Nearly \$33,000 per household

In 2013, the annual retail expenditures per household within Somerset County was \$32,845. While strong, this household expenditure level in real (or inflation-adjusted terms) will likely fall as a greater share of baby boomers leave the workforce.

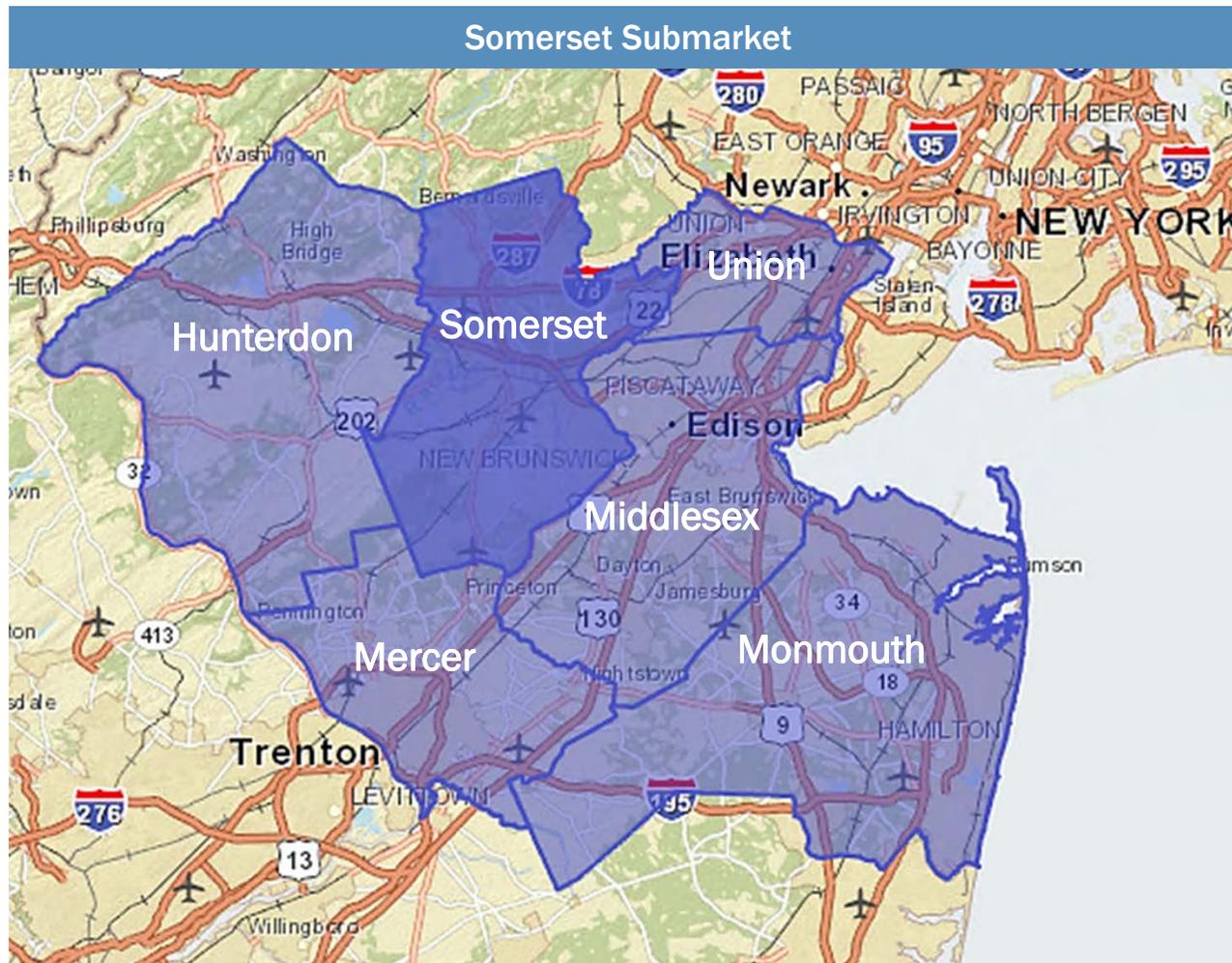
9.3 percent

Somerset County accounts for 9.3 percent of Central New Jersey's more than 57 million square feet of major retail shopping center space. This space includes regional malls, power centers, lifestyle centers, and community shopping centers.

Above 10 percent through 2017

The projected combined vacancy rate for neighborhood and community retail shopping centers in Somerset County is projected to fall between 12.3 and 10.4 percent from 2013 through 2017.

Retail Market Boundaries



The following retail analysis looks at Somerset County, the three county Hunterdon-Somerset-Middlesex county MSA, and the larger six-county Central New Jersey market area, as defined by county boundaries and illustrated to the left.

Source: Reis, Bing Maps

Retail Inventory and Pipeline: Somerset County

According to a report provided by NAI James E. Hanson, a provider of commercial real estate services in New Jersey, there was over 7.3 million total square feet of rentable retail space (within retail centers) and 153,000 square feet under construction within Somerset County during the second quarter of 2013. Approximately 709,700 square feet of existing retail space was vacant, representing the second highest vacancy rate (9.7 percent) among nearby counties in New Jersey.

According to data provided by Somerset County, as of October 2013 there was an additional 1.6 million square feet of County approved (not necessarily by municipality) retail projects in the development pipeline.

Retail Pipeline: Somerset County

Location	Commercial (s.f.)
Bedminster	27,495
Branchburg	178,060
Bridgewater	211,983
Franklin	356,906
Green Brook	9,335
Hillsborough	333,897
Manville	1,180
Montgomery	86,140
Somerville	17,627
South Bound Brook	10,313
North Plainfield	176,693
Peapack Gladstone	229,000
Warren	16,961
Grand Total	1,655,591

Source: Somerset County, October 2013.

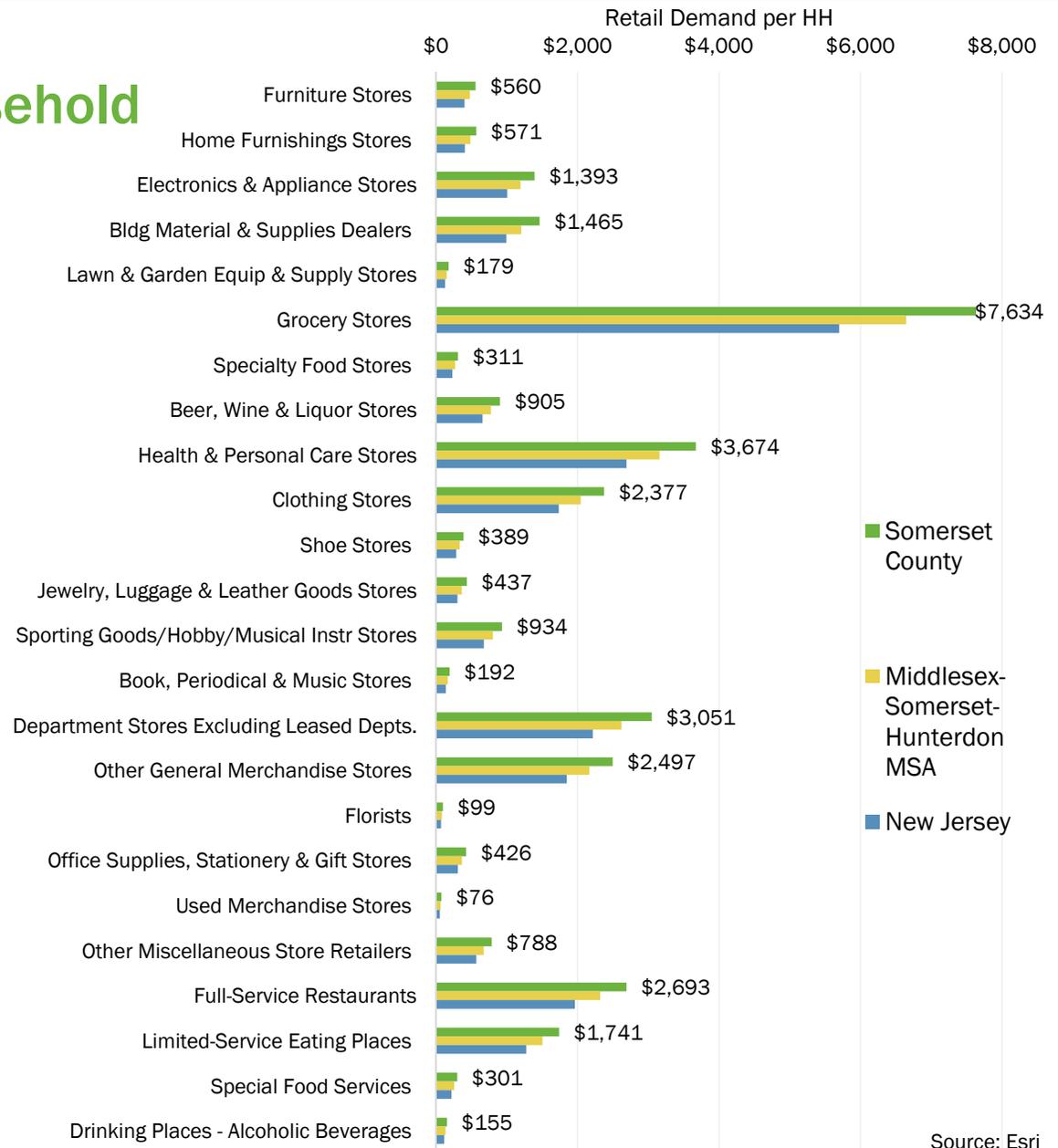
Retail Inventory, 2Q 2013

	# of Buildings	Total RBA	Total Vacant Available	Total Vacant Avail %	Total Net Absorption	Total SF Leased	# Under Const.	RBA Under Const.
Middlesex County	335	30,918,617	5,258,198	17.0%	556,252	676,249	0	0
Somerset County	176	7,320,168	709,657	9.69%	(53,444)	55,454	1	153,000
Mercer County	159	7,330,381	940,922	12.84%	71,740	149,579	0	0
Hunterdon County	72	2,820,435	203,335	7.21%	18,326	5,200	0	0
Warren County	46	2,636,404	192,880	7.32%	7,485	25,114	0	0

Source: James E. Hanson, Market Report: Northern NJ, 2Q 2013.

Retail Demand per Household

Based on 2012 retail demand data provided by Esri, the average household in Somerset County has greater retail expenditures (\$32,845) than the average household within the three-county Hunterdon-Somerset-Middlesex MSA (\$28,288) and state (\$24,010). This relatively high household retail expenditure metric helps explain Somerset County's relatively low retail vacancy rate.

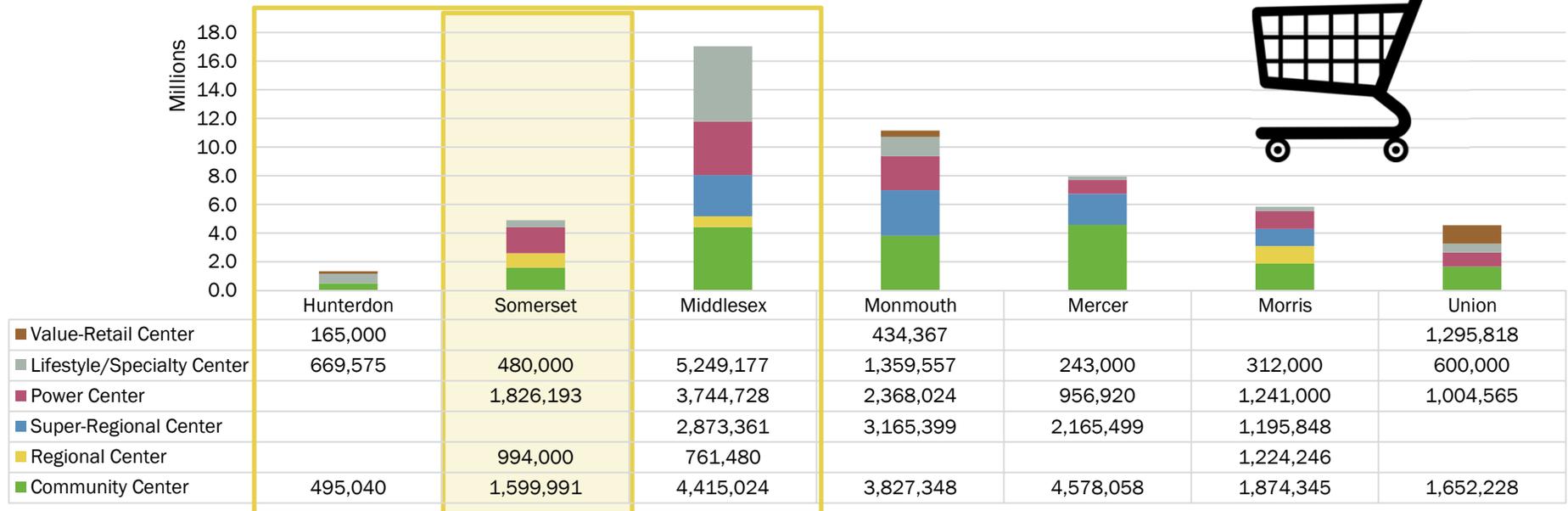


Source: Esri

Retail Inventory: Major Shopping Centers

According to 2013 data provided by the Directory of Major Malls, the Central New Jersey metro area (as defined by the seven counties below) had over 52.7 million square feet gross leasable area (GLA) of major retail space. The more than 4.9 million GLA of retail in Somerset County represents 9.3 percent of the metro area's total major retail inventory. Broken down by type, 37.3 percent of Somerset County's major shopping center space is located within a power center (consisting of more than three big box anchor stores); 32.7 percent within a community center (100,000 to 300,000 square feet); 20.3 percent within a regional center (500,000 to 2 million square feet); and 9.8 percent within a lifestyle/specialty center (consisting of upscale, specialty stores and eateries).

Major Shopping Center Space by Type: Central NJ



Hunterdon-Somerset-Middlesex MSA

Source: 1999-2013 Directory of Major Malls, Inc.

Retail Inventory: Major Shopping Centers in PGIAs

According to the Directory of Major Malls, there are currently ten major shopping centers within Somerset County's PGIAs, containing a total of over 372 stores and approximately 4.4 million square feet GLA. Only Bridgewater Commons and the Blue Star Shopping Center have received capital improvements in the last four years, according to the Directory of Major Malls.

Major Shopping Centers, Somerset County PGIAs

Shopping Center	Number of Stores	Anchor Stores	Year Opened/ Renovated	GLA in Sq Ft
Blue Star Shopping Center	36	Shoprite, Kohls, Marshalls, Toys-R-Us	1959/2010	418,424
Bridgewater Commons	175	AMC Theatres, Bloomingdale's, Lord & Taylor, Macy's	1988/2010	994,000
Bridgewater Promenade	17	Babies R Us, Chuck E. Cheese's, Costco, Home Depot, Marshalls, Michaels, Old Navy, Target	1988	631,859
Bridgewater Towne Centre	20	Home Depot, Wegmans	2002	320,742
Market Place at Franklin	15	Stop & Shop	NA	300,000
Rutgers Plaza	20	Kmart, Office Depot, Stop & Shop	1973	266,650
Somerset Shopping Center	30	Barnes & Noble, Gap	1973	214,202
Somerville Town Center	15	Shoprite	2012	150,000
The Marketplace at Manville	14	Reading 12-Plex Theater, Walmart	1998	294,686
Watchung Square	30	A.C. Moore, Bed Bath & Beyond, Home Depot, Modell's Sporting Goods, Old Navy, Stein Mart, Stop & Shop, T.J.Maxx, Target, Walmart	2001/2002	815,000
TOTAL	372			4,405,563

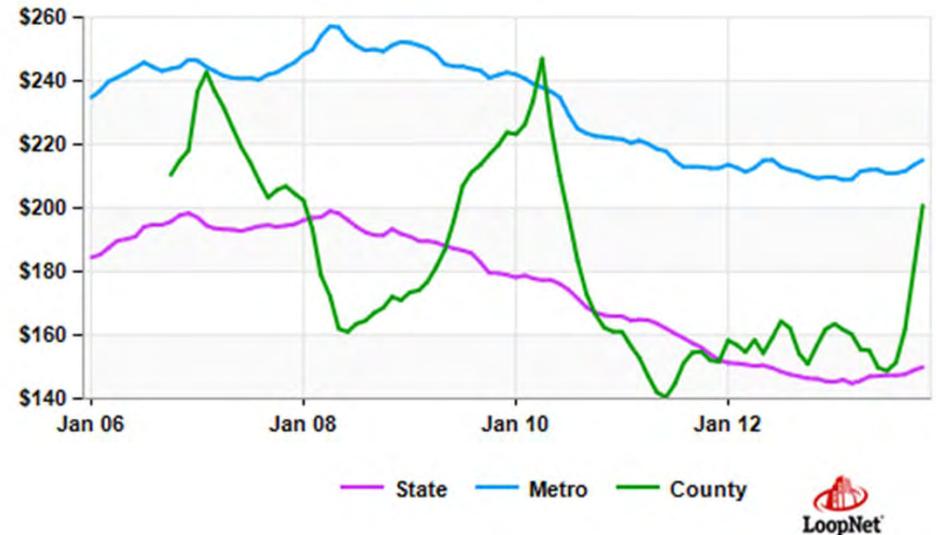
Source: Directory of Major Malls; Esri

Retail Asking Sale Price

According to data provided by Loopnet, average asking retail sale prices in the NY-NJ-PA CSA have been consistently higher than the state overall. While average asking sale prices in Somerset County have been consistently lower and more volatile than the metro area overall, in the past year, the county's retail for-sale market appears to be recovering at a faster rate than the larger metro area.

In November 2013, the average asking sale price for retail space in Somerset County was just under \$200 per square foot—representing a year-over-year increase of 28.2 percent. In comparison, the average asking sale price for retail space within the metro area was just over \$215 per square foot—representing just a 2.7 percent year-over-year increase.

Asking Sale Price Retail Trends: Nov 2013 (\$/SF)



	Nov 13	vs. 3 mo. prior	Y-O-Y
— State	\$149.98	+1.8%	+2.5%
— Metro	\$215.08	+2.0%	+2.7%
— County	\$200.82	+32.6%	+28.2%

Source: Loopnet.com.

Retail Asking Sale Price Trends: Somerset County

According to October 2013 data provided by Loopnet.com, there were 957 acres of commercial land (vacant and underutilized) and over 109,000 square feet of existing commercial space for sale within Somerset County. Average asking prices for retail land ranged from \$292,000 per acre for land zoned for general commercial to \$4.8 million per acre for land zoned for mixed-use (although there were only two mixed-use properties in the sample size). Average asking prices for retail building space ranged from \$265 per square foot for strip center space to \$115 per square foot for street retail space—suggesting a higher premium for strip center retail space.

Retail Land for Sale: Somerset County, October 2013

Property Type	Parcels	Total Acres	Average Price	Price per Acre
Commercial	21	947	\$3,606,818	\$292,029
Mixed Use	2	10	\$8,750,000	\$4,861,111

Retail Properties for Sale: Somerset County, October 2013

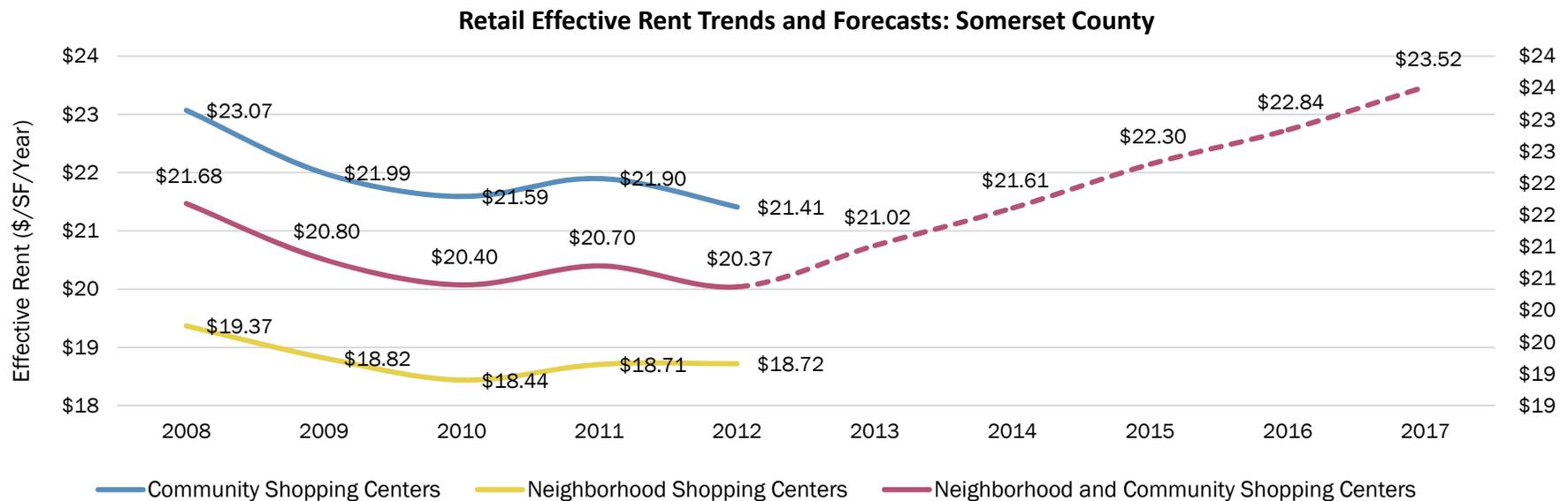
Property Type	Properties	Building SF	Average Price	Price per SF
Free Standing Bldg	8	82,530	\$1,171,750	\$148
Service/Gas Station	2	12,836	\$644,500	\$149
Street Retail	1	12,150	\$1,400,000	\$115
Strip Center	1	2,000	\$530,000	\$265
Total	12	109,516		

Source: Loopnet.com



Retail Rents: Somerset County

Consistent with retail vacancy and growth trends, effective rents for community shopping center space in the Somerset submarket has been consistently two to three dollars higher than effective rents for neighborhood shopping center space—suggesting a higher premium for retail space within shopping centers containing between 100 to 300 thousand square feet. Although, on average, effective rents for community and neighborhood shopping center space decreased by 6 percent from 2008 to 2012 during the economic downturn, Reis projects that effective rents will increase by almost 12 percent over the next four years, suggesting a strengthening retail market.

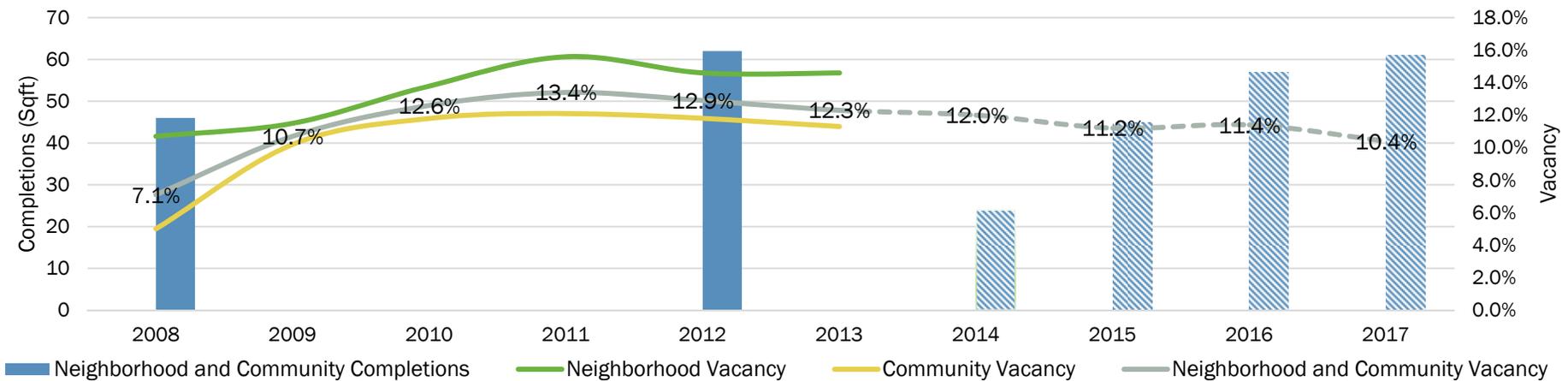


Source: REIS

Retail Inventory Growth and Vacancy: Somerset County

As of third quarter 2013, the Somerset Submarket had over 2.6 million square feet of community shopping center space and just under 1.6 million square feet of neighborhood shopping center space. Over the past five years, vacancy rates for community shopping center space in Somerset have remained one to five points lower than vacancy rates for neighborhood shopping center space, suggesting a higher demand for community shopping center space. Reis projects 187,000 square feet of new neighborhood and commercial space will be completed over the next four years, as average vacancy rates continue to decline to pre-2009 levels. Notwithstanding the addition of nearly 200,000 square feet of neighborhood retail over the next four years, and disregarding retail which replaces physically obsolescent retail space, our analysis finds no need for net new retail center space in Somerset County over the next 10 years.

Retail Inventory and Vacancy Trends and Forecasts



Source: REIS

Takeaway: Retail Supply-Demand

Somerset County contains an adequate amount of retail space, including convenience stores, big box and chain stores, and specialty retail. Further, and based on the socio-economic section of this report, demographic trends concerning household formation and age, in particular, suggest long-term county household retail expenditures will be inadequate to support net new retail in Somerset County. While new retail stores and centers will enter the Somerset County market, these stores and centers will do so mostly at the expense of existing retail stores and centers, resulting in a zero sum outcome.

As with commercial office space, greater amounts of retail center space will become physically and/or economically obsolescent over the next five to ten years, as retail centers continue to age (only two of the ten major shopping centers in Somerset County have received capital improvements in the last four years) and post-recession consumer shopping preferences continue to shift (e.g. growth of online shopping). This space, too, will require the collaborative efforts of the owners, county and local planners, and real estate developers to put forth sustainable repurposing strategies for these retail spaces. There are many repurposing strategies for such facilities, including mixed-use facilities, medical offices, demolition and open space, and so forth.

Further, as there are large concentrations of retail centers (neighborhood and community serving retail centers, in particular) within certain county municipalities, elected and appointed officials within these communities should prepare for the fiscal consequences associated with the likely decline in property values (commercial values are tied to the rental revenue streams generated; as rents decline or stop, the value of the commercial property declines accordingly).

Transportation and Utility Infrastructure Screening

Introduction

Key to the prioritization of investments supporting land development and economic growth is an understanding of the ability of the existing infrastructure to accommodate the increased demand that new development will place upon it. An assessment of the existing transportation and major utility infrastructure serving Somerset County was undertaken to identify potential constraints for new development within this infrastructure.

Methodology

This assessment utilized and built upon modeling tools and analysis undertaken by the Somerset County Planning Board in preparation of the 2011 Circulation Element of the Somerset County Master Plan as well as a review of the Somerset County Investment Framework, recently completed development and transportation planning studies and investigations, and coordination with major utility service providers and local/regional utility oversight authorities.

The screening assessment of the ability of the roadway system to accommodate additional development-induced demand relied upon the Cube Roadway Network Model developed by the NJTPA known as the NJRTME. This model incorporates the effects of regional growth as well as a mix of roadway and transit improvements felt to be reasonable and achievable by 2040. This 2040 forecast model incorporates socio-demographic projections of employment and population throughout the region, as well as roadway infrastructure improvements identified in NJTPA's Transportation Improvement Program (TIP), localized public transit improvements, and a range of Travel Demand Management (TDM) strategies.

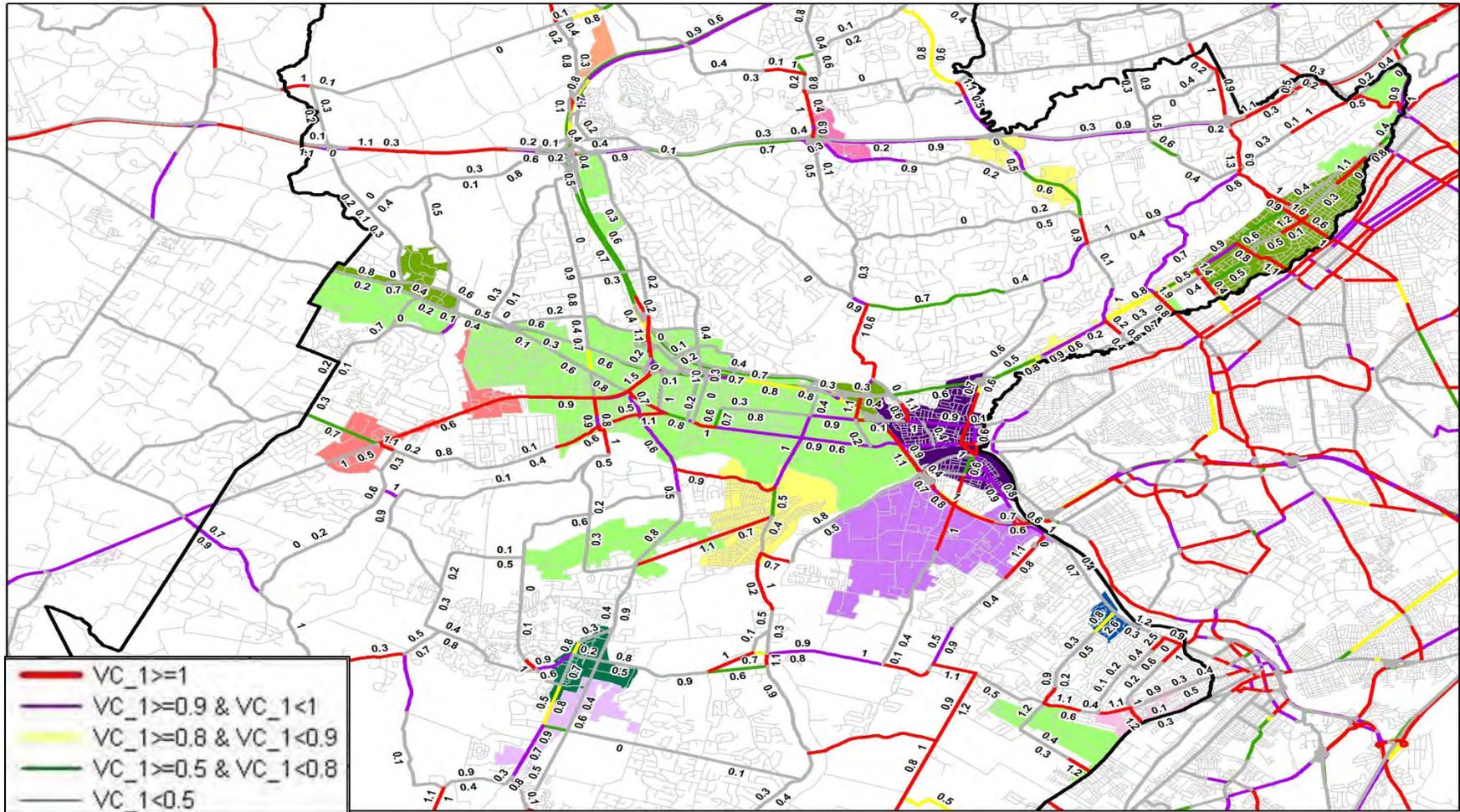
Methodology (continued)

The screening assessment was conducted for both the weekday AM and PM peak commuter periods. The anticipated future volume-to-capacity (v/c) ratios on key roadway links serving each of the individual PGAs were extracted from the model and formed the basis for identification of locations that might require some level of capacity-improving capital investment to support increased development and economic activity.

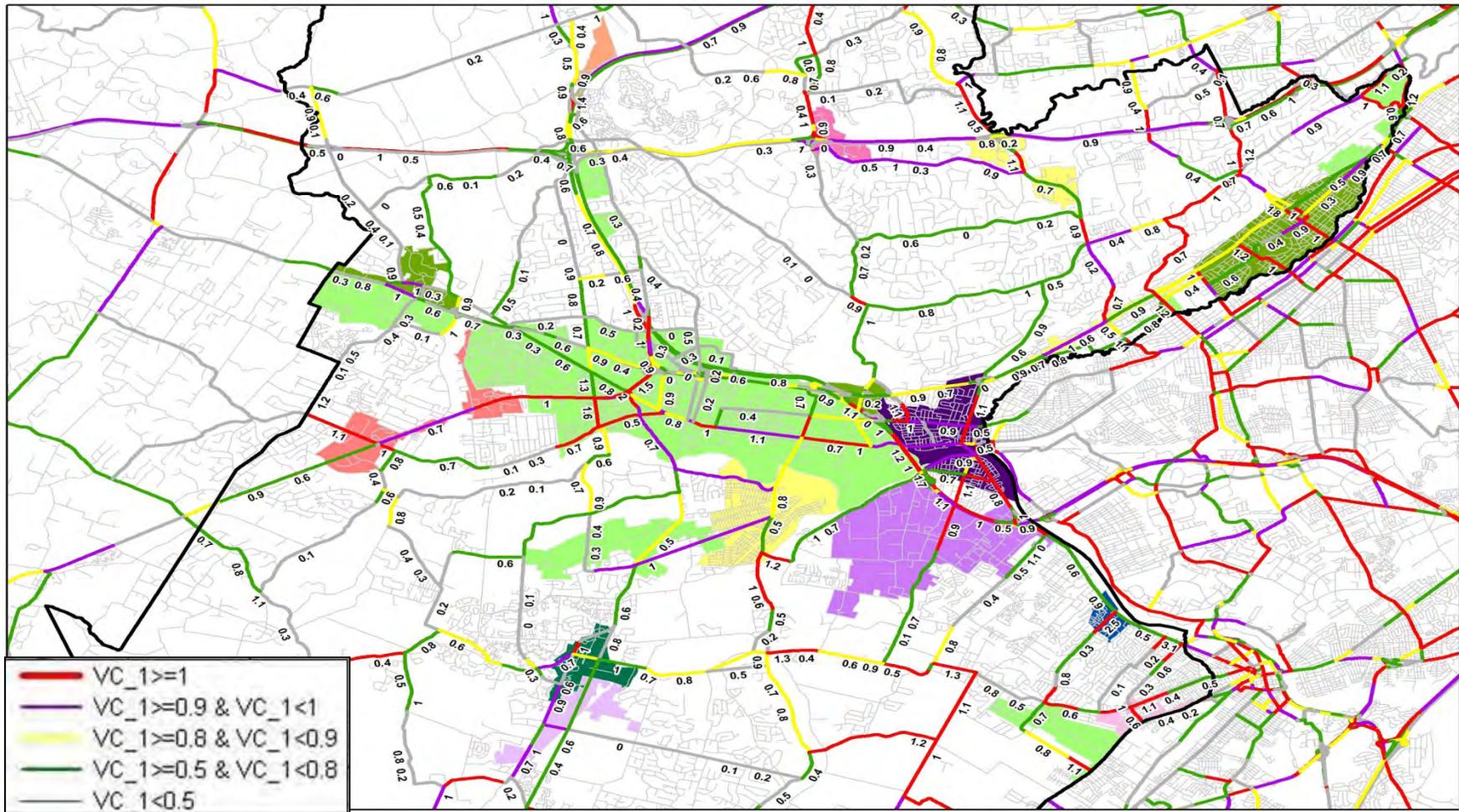
The following maps present an overview of the geographic area of this screening assessment, with the key roadway links color-coded to identify ranges of v/c ratios that are projected to occur in the future without enhanced land development within the PGAs.

- Roadway segments that are projected to operate at or above capacity during the peak travel demand periods are the links with v/c ratios equal to or greater than 1.0 (this threshold means that 100 percent of roadway volume is being utilized, and that roads are “at capacity”). These roadway links represent a constraint to new development within the PGAs that would rely upon these roadway segments for vehicular access, as all of the roadway capacity will already be utilized.
- Roadway segments that are projected to operate at v/c ratios less than 1.0 offer the ability to support some level of increased development within the PGAs that they serve. The lower the v/c ratio, the more unutilized capacity exists that may support increases in travel demand generated by new development.
- The model output comprises estimates derived from coarse regional data, and may misrepresent capacity issues especially on county-level roads, since the model contains data imperfections for specific road segments and does not represent traffic generated from any specific site. They also do not take into account any of the roadway improvement recommendations included in this report. The model results should be used along with other available information when assessing the need for improvements to the road network. These limitations should be kept in mind when reviewing the PGA-specific plots illustrating the model output that are provided later in this section of the report.

Roadway Network Screening Year 2040 Conditions – AM Peak Period



Roadway Network Screening Year 2040 Conditions – PM Peak Period



Key Findings: Infrastructure Analysis

Good access to mass transportation, but focus on commuters

There is generally good access to mass transportation in the PGIAs. Service is provided through NJ TRANSIT heavy rail on the Raritan Valley and Morris & Essex lines (some PGIAs are also in relatively close proximity to the Northeast Corridor), regional bus service, Somerset County local bus service, and privately operated bus services. Much of the transit in Somerset County, however, is geared towards commuters traveling to New York City.



Access to freight movement

Most of the PGIAs are located along or proximate to a major freight corridor (Interstates 78 and 287). There are also two Class I freight rail lines in Somerset County, the Lehigh Line and the West Trenton Line.

Sanitary sewer coverage and access to potable water

The majority of PGIAs are served by sanitary sewer service, and all PGIAs are served at least in part by potable water suppliers.



Adequate utilities access with additional capacity for growth

There is good access to broadband and other communication services throughout Somerset County and the PGIAs. More development could likely be handled without need for additional capacity. There is also adequate electrical and natural gas infrastructure capacity to support increased development in the PGIAs.

Constrained traffic conditions

A number of PGIAs suffer from traffic congestion. A variety of improvements will be necessary to alleviate this congestion in the future. Future roadway improvements should be consistent with “complete street” and “context sensitive design” principles, take into consideration the character of adjacent land uses, and provide for the mobility and safety of all users.

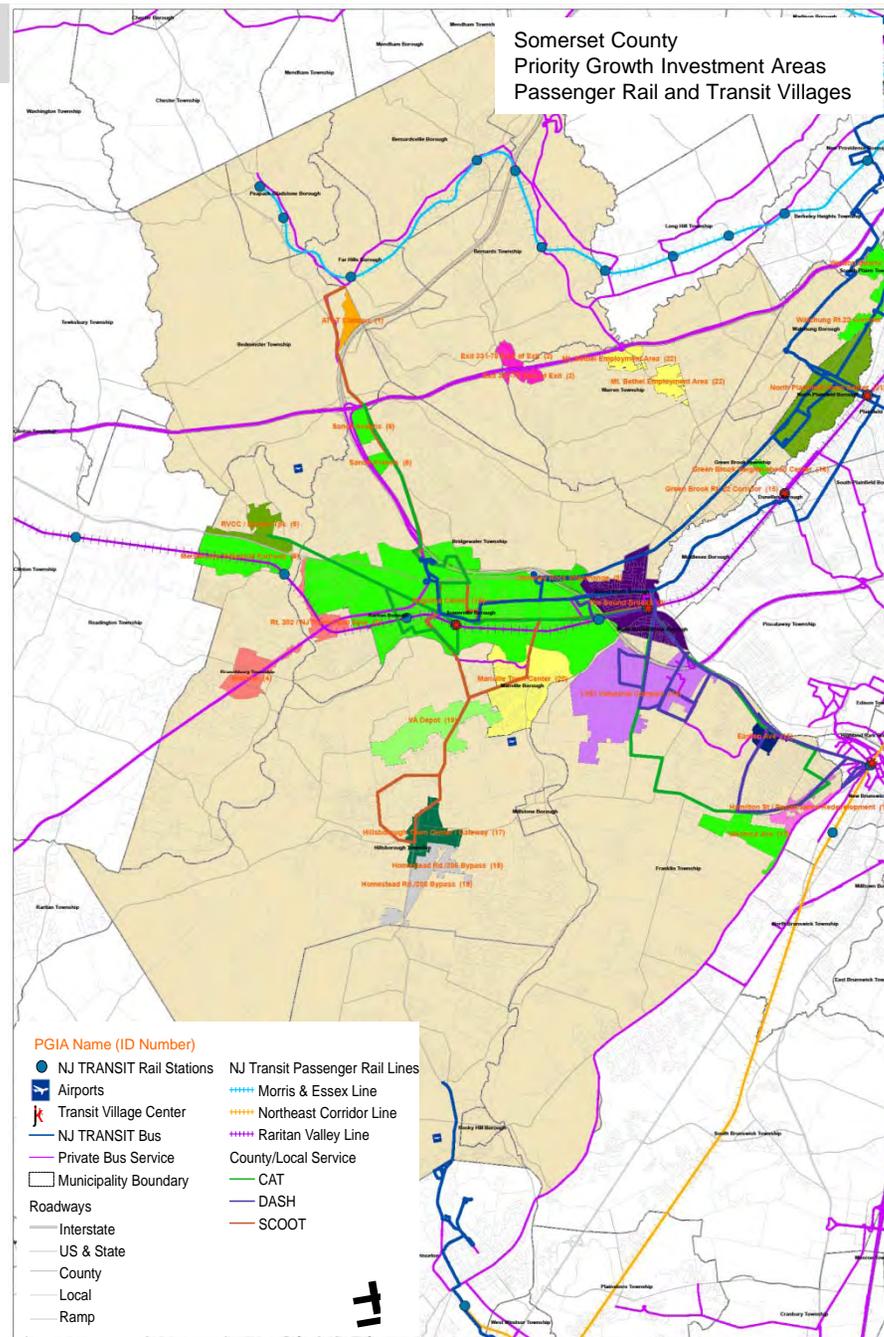


Public Transportation Systems

Areas of Somerset County are served to varying degrees by one or more public transportation systems or services. These include heavy commuter rail services provided by NJ TRANSIT, NJ TRANSIT regional bus service, Somerset County local bus service, and privately operated regional bus service. Ridewise is the Transportation Management Association (TMA) in Somerset County.

NJ TRANSIT Rail Service

The Raritan Valley Line offers service east to Hoboken, Newark and New York Penn Stations, from station stops in the central part of the county, and west to High Bridge, New Jersey. Two of the 28 NJDOT and NJ TRANSIT designated Transit Villages are located along this line in Somerset County. Bound Brook received Transit Village designation in 2003, and Somerville received designation in 2010. These municipalities have demonstrated a commitment to redeveloping the area surrounding the transit stations as mixed-use neighborhoods with a strong residential component. While located outside of Somerset County, Dunellen and Plainfield received Transit Village designation. Although these stations are located within Union County, they are proximate enough to potentially serve and support development within Green Brook and North Plainfield. The Gladstone Branch of the Morris and Essex Line provides passenger service to Hoboken, NJ and Penn Station, NY through the Midtown Direct rail connection. Service is provided from stops in the northern portion of the county directly to Penn Station, NY and ferry or PATH service to various points in Manhattan from Hoboken. No Transit Villages have been designated along this line within Somerset County.



NJ TRANSIT Bus Service

NJ TRANSIT 65/66 provides limited weekday service from Bridgewater Commons to Newark with Somerset County stops at Somerville (Main Street and Grove Street), Bound Brook (Union Ave at Tea Street) and North Plainfield (Mountain Avenue at Watchung Avenue).

NJ TRANSIT 95 provides weekday bus service along Route 22 from the Sears park-and-ride in Watchung to Newark Penn Station. This new service is part of the Pulaski Skyway traffic mitigation plan and may or may not be continued after completion of the Pulaski Skyway reconstruction.

NJ TRANSIT 114 provides local weekday service from Bridgewater Commons to the Port Authority Bus Terminal in New York City, with local stops at Somerville (Main Street and Grove Street), Bound Brook (Union Avenue at Tea Street), and North Plainfield (Mountain Avenue at Watchung Avenue).

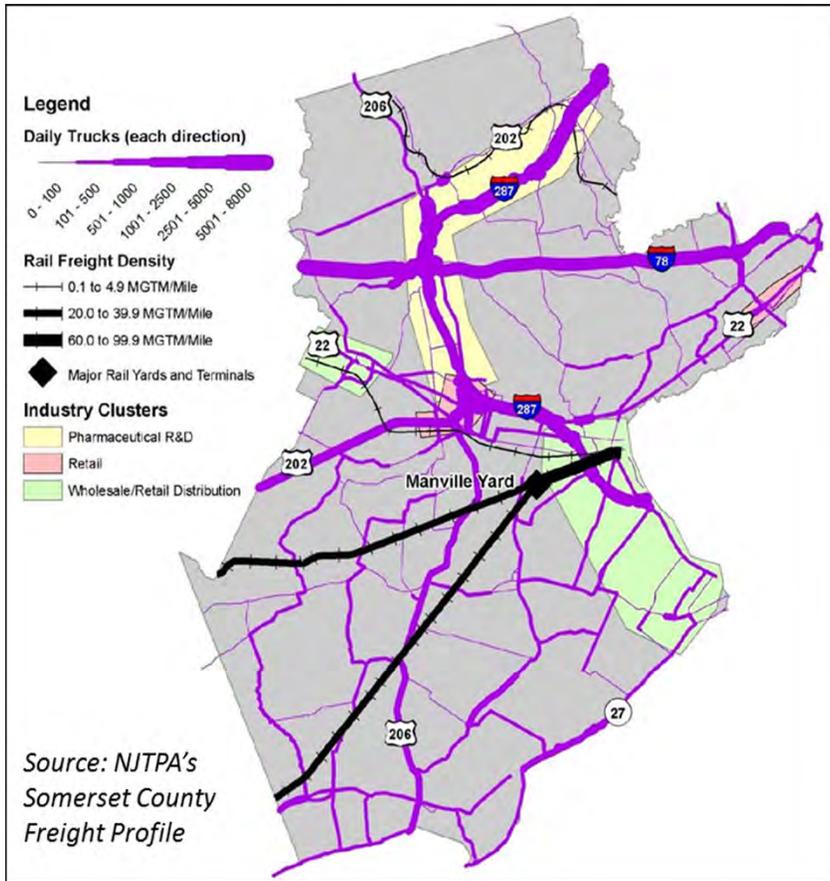
NJ TRANSIT 117 provides express weekday service from Somerville to the Port Authority Bus Terminal in New York City with stops in Somerset County at Somerville (Mountain Avenue at Oak Terrace/Brookside Avenue), Somerville (Main Street and Grove Street), Bound Brook (Route 22 at Mountain Avenue), and North Plainfield (Mountain Avenue at Watchung Avenue).

NJ TRANSIT 605 provides local service seven days per week from Orchard Road in Montgomery Township to the Quakerbridge Mall in Lawrence Township.

NJ TRANSIT 822 provides local and Saturday service between North Plainfield and the JFK Medical Center (Muhlenberg Campus) with stops at North Plainfield (Somerset Street at Jackson Avenue), North Plainfield (Costco Shopping Center), Plainfield Rail Station, Netherwood Rail Station, and JFK Medical Center.

NJ TRANSIT 986 WHEELS provides weekday service connecting North Plainfield (Watchung Avenue), North Plainfield (Somerset Street) and Watchung (Valley Road) with the Plainfield Rail Station, Summit Rail Station, Connell Corporate Center (Berkeley Heights), Summit Medical Center (Berkeley Heights), Bell Labs (New Providence), and Murray Hill Rail Station (New Providence). This route services major employment sites in Watchung, North Plainfield, and Summit by connecting these sites with regional rail stations.

National Freight Network Roadways within New Jersey



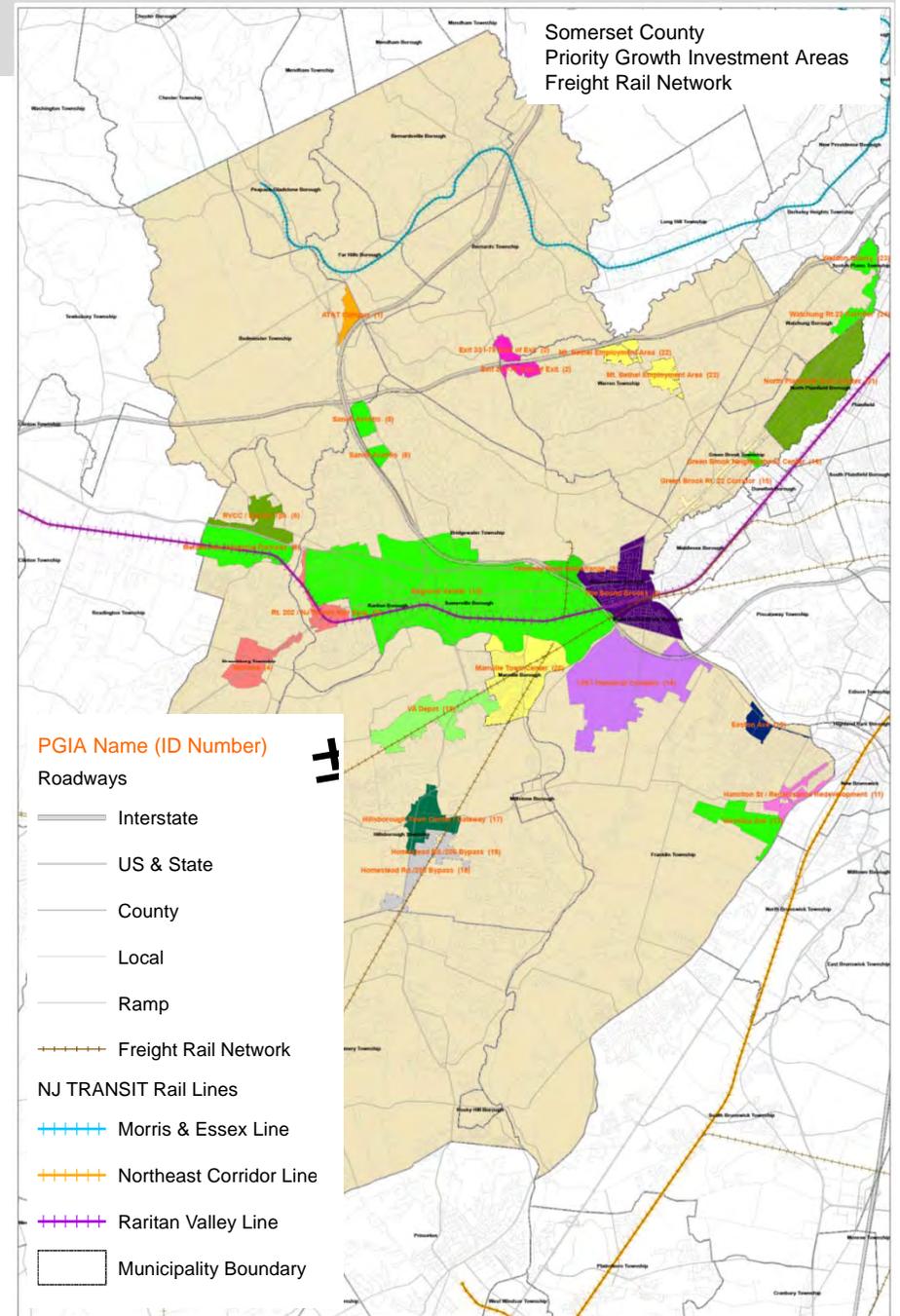
Route No.	Start Point	End Point	Length (Miles)
I-276	PA/NJ Line	I-95	5.77
I-278	I-95	0.14 mile east of I-95	0.14
I-280	Passaic Ave	I-95	2.81
I-287	I-95	NY/NJ Line	67.46
I-295	DE/NJ Line	0.37 mile west of US-130	0.62
I-295	US-130	0.2 mile north-east of NJ-73	22.77
I-295	0.16 Miles South of NJ-38	0.13 Miles North of NJ-38	0.29
I-295	0.2 mile south of Rancocas Mt	NJ-29	15.47
I-295	Holly Rd	NJ-29	15.47
I-676	I-76	N 8th St	3.24
I-676	Broadway	PA/NJ Line	1
I-76	PA/NJ Line	I-295	2.93
I-78	PA/NJ Line	Hoboken Ave	66.42
I-80	PA/NJ Line	I-95	71.22
I-95	I-276	I-80	78.76
I-95	I-80	NY/NJ Line	1.34
NJ-21	US-130	I-78	0.18
NJ-29	0.26 mile west of I-295	I-295	0.26
US 1	Tower Rd	NJ-21	1.05
Total Centerline Roadway Miles			341.73

Freight Rail Network

Two Class I freight rail lines run through Somerset County. The Lehigh Line runs the breadth of the state from the Newark/Elizabeth Seaport Complex to the NJ/PA border in Phillipsburg, NJ, providing freight rail access between New Jersey and the rest of the nation. East of Manville Yard, this line is operated by Conrail as part of the North Jersey Shared Assets Area. West of Manville, the line is operated by Norfolk Southern.

The West Trenton Line is owned and operated by CSX Transportation. This line runs from the Conrail Shared Asset portion of the Lehigh Line at Manville southwest through Somerset County and Mercer County to the NJ/PA border, providing freight rail access between New Jersey and the rest of the nation.

In addition to the Class I rail lines providing access to the national rail network, the Port Reading Secondary is operated by Conrail as part of the North Jersey Shared Assets Area. Approximately 3,000 feet of this line runs through Somerset County from its connection with the Lehigh Line in Bound Brook to the border with Middlesex County. The Port Reading Secondary continues east to its connection with the Chemical Coast Line in Port Reading, NJ.

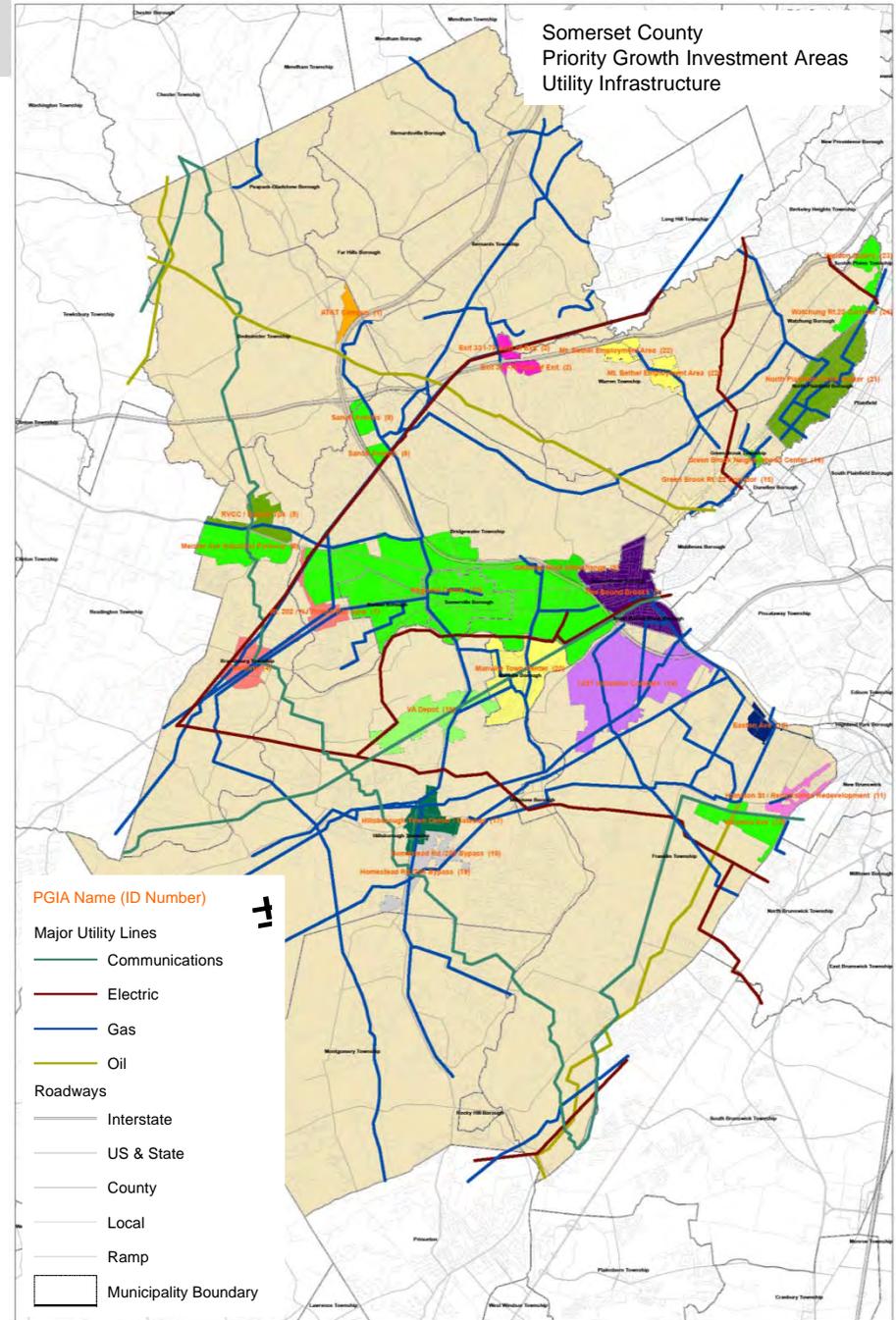


Utility Infrastructure

Assessment of the availability of utility infrastructure to support development within the PGIAs focused on five key utility systems:

- Sanitary Sewer
- Potable Water
- Communications
- Electrical Service
- Natural Gas

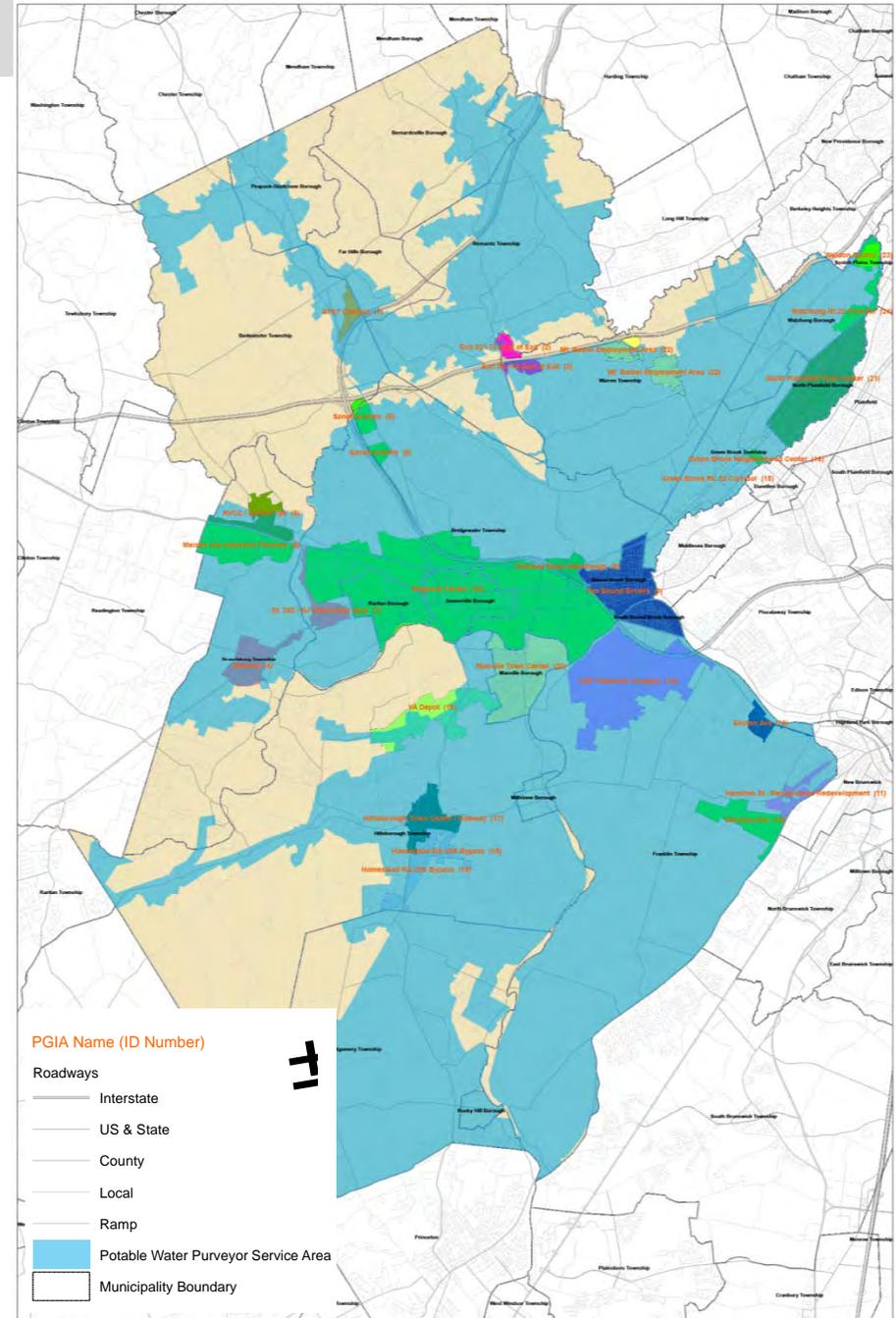
Data was obtained from the Somerset County GIS Department depicting coverage areas for major utility systems and major transmission lines. It should be noted that while major utility line location data is available, due to concerns related to homeland security, detailed system mapping for gas, electric, and potable water transmission is not publicly distributed by either Somerset County or the individual utility providers.



Potable Water

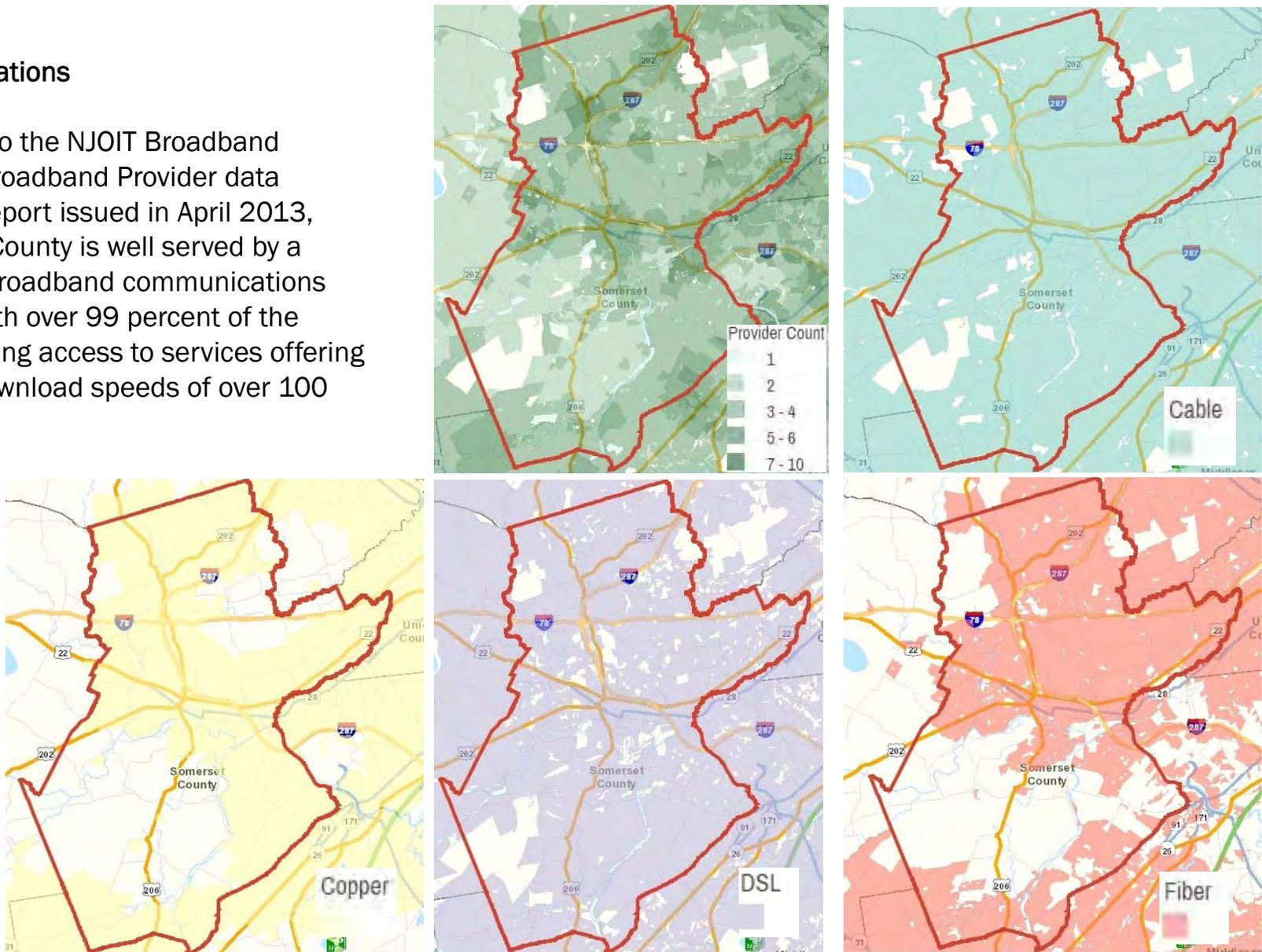
As with the sanitary sewer systems, many rural portions of Somerset County that are predominantly residential and agricultural in nature are generally not served by a potable water purveyor. These rural areas are served by private wells. However, all of the 24 identified PGIAs are served at least in part by a potable water purveyor. With the exception of Franklin Township, the water distribution systems are maintained and served by NJ American Water. While Franklin Township manages and operates the water distribution infrastructure within its municipal boundaries, the water it distributes is purchased from two suppliers, NJ American Water and New Brunswick Water.

The map at right depicts the areas within Somerset County currently served by potable water purveyors.



Communications

According to the NJOIT Broadband Initiative Broadband Provider data Analysis Report issued in April 2013, Somerset County is well served by a variety of broadband communications options, with over 99 percent of the county having access to services offering wireline download speeds of over 100 mbps.



Source: NJOIT; Connecting NJ Broadband Map http://njgin.state.nj.us/oit/gis/OIT_BroadbandMapping/, 2014

Approximately 99.3 percent of the population of Somerset County has a choice of at least two wireless service providers, with 80.6 percent having access to three or more service providers. Somerset County residents and businesses also have access to a range of wireline communication system technologies. Seventy-seven percent of the population is served by copper line technology, 91.8 percent has access to DSL service, 98.9 percent has access to cable service, and 66.5 percent has access to fiber optic network service.

Approximately 99.7 percent of the county has access to services offering wireless download speeds of over 100 mbps. All of Somerset County has access to three or more wireless service providers.

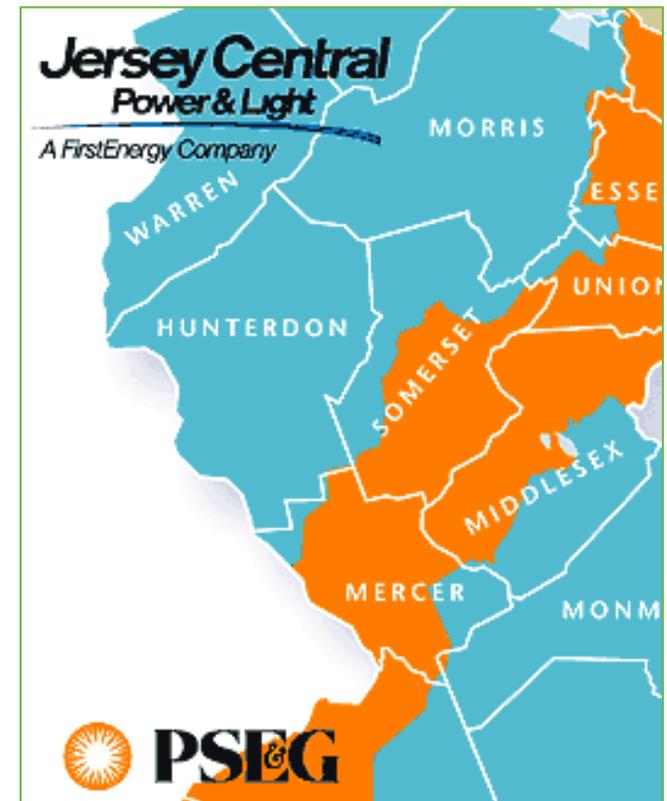
Verizon Communications is the primary provider of telephone and internet communications throughout Somerset County. In general, Verizon covers the county with 80 to 85 percent of their system capacity in use. Minor development could be accommodated with system expansion needed for any development that would increase demand by approximately 10 percent or more.

Electrical Service

Electrical service in Somerset County is provided by either Public Service Electric and Gas (PSE&G) or Jersey Central Power & Light (JCP&L). Coverage is shown in the map at right. Municipalities covered by PSE&G service include Bound Brook, Branchburg, Bridgewater, Franklin Township, Green Brook Township, Hillsborough Township, Manville, Millstone, Montgomery Township, North Plainfield, Raritan Borough, Rocky Hill, Somerville, South Bound Brook, Warren Township, and Watchung. All of the PGIAs except for AT&T Campus (located in Bedminster Township) are covered by PSE&G electrical service.

A network of overhead high tension electrical transmission towers covers Somerset County, with the transmission lines located within or proximate to a number of the PGIAs. Local electrical distribution to residents and businesses within the majority of the 24 PGIAs is carried by a network of overhead wires on wooden utility poles. One notable exception is the Main Street corridor within Somerville, where electrical distribution lines are carried in underground conduits.

While details on the local distribution network within each PGIA were not provided, both JCP&L and PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exist to accommodate increased development within the PGIAs. Further, both providers indicated that they have an obligation imposed by the Board of Public Utilities (BPU) to serve all areas. Accordingly, electrical system capacity is not considered an impediment to future development within the PGIAs.

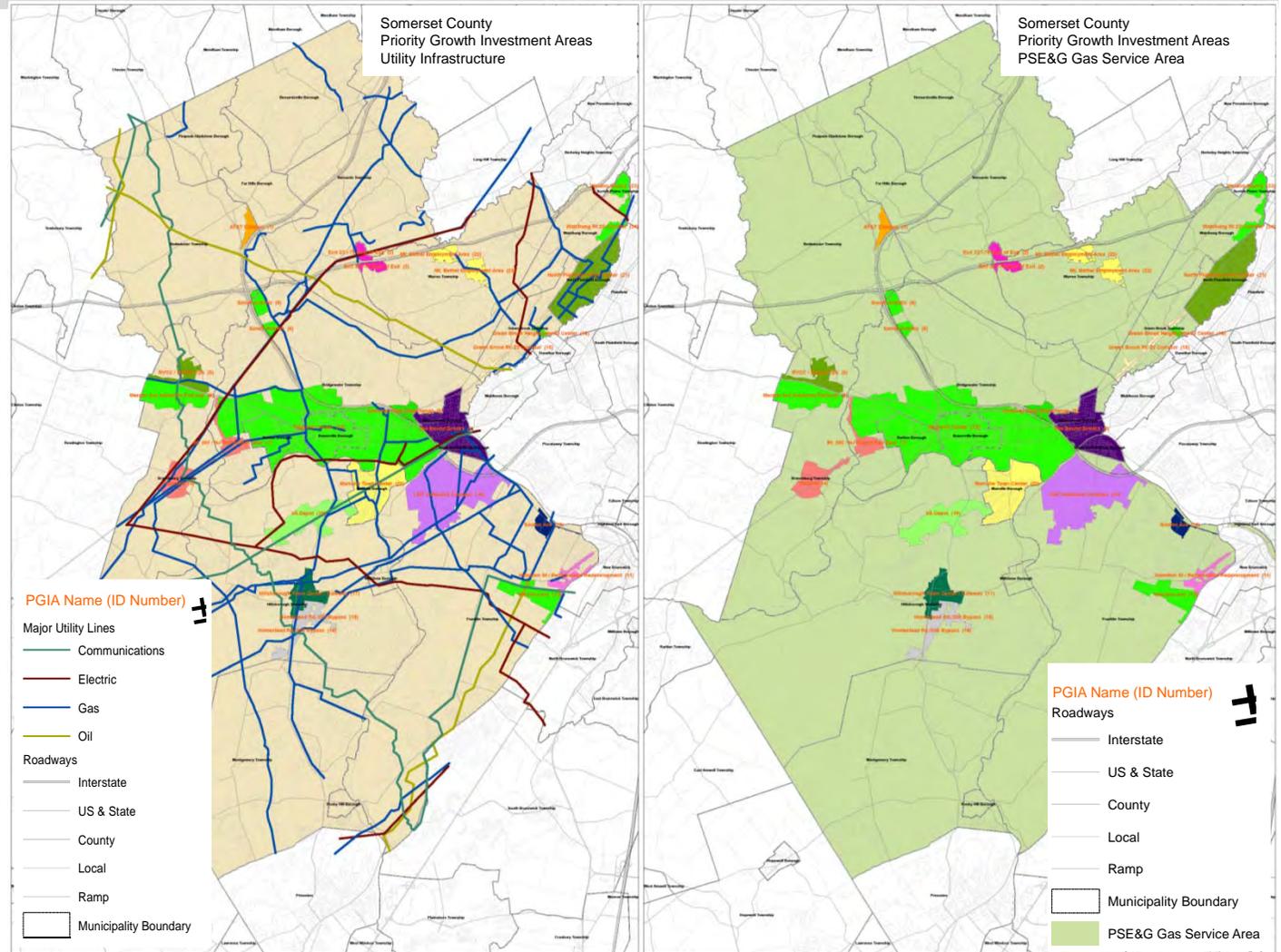


Source: NJcleanenergy.com

Natural Gas

Natural Gas service throughout Somerset County is provided by PSE&G.

A network of underground gas mains covers Somerset County, with the main transmission lines located within all of the 24 PGIA's. While details on the distribution network within each PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exists to accommodate increased development within the PGIA's. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas. Accordingly, natural gas service is not considered an impediment to future development within the PGIA's.



PGIA Profiles

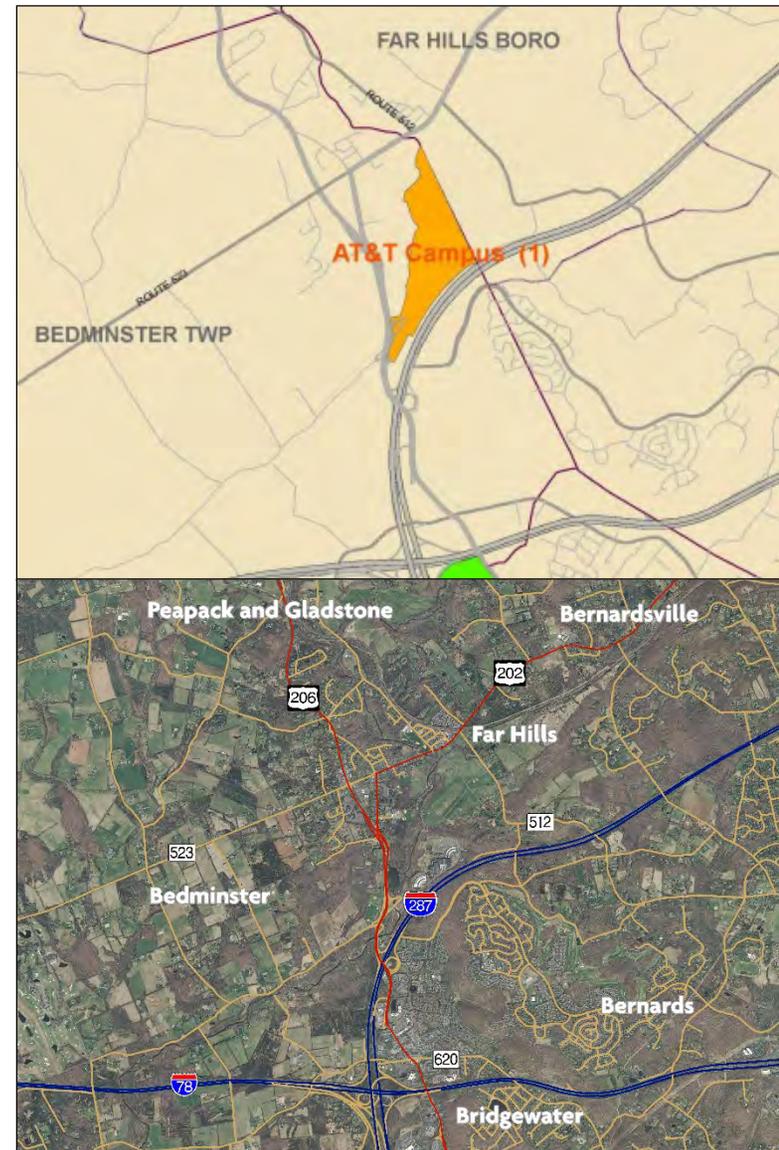
Please note: The plots illustrating the results of NJTPA's NJRTM-E Model for 2040 in the following pages are produced from an analysis of coarse regional data, which could misrepresent the traffic on any specific road segment, and does not take into account traffic generated from any specific site. Furthermore, the plots do not take into consideration the recommended roadway improvement concepts that are presented herein.

AT&T Campus

Roadway Access and Constraints

The AT&T Campus site is currently accessed exclusively via US Route 202/206 north of Interstate 287 and adjoining area. The potential exists to create additional access points to the adjoining areas within this PGIA along Route 202 proximate to the intersection with Peapack Road, and via Liberty Corner Road (CR 512), Layton Road and Belcher Lane. However, creation of any new access points from this site to the surrounding roadway network will require local support and approval of the municipal governing body. These alternative access points would facilitate development of the PGIA and divert a portion of the existing and future traffic accessing the site from the US Route 202/206 corridor and its interchange with Interstate 287.

During the AM peak period, the surrounding roadway network serving this location is projected to operate in a relatively unconstrained fashion. During the PM peak period, recurring congestion exists and is projected to continue to exist along southbound I-287 approaching and through Exit 22, along Route 202/206 northbound, and along Route 202 northbound after the split from Route 206. The constrained conditions along Routes 202 and 206 are due to insufficient capacity at the signalized intersections.

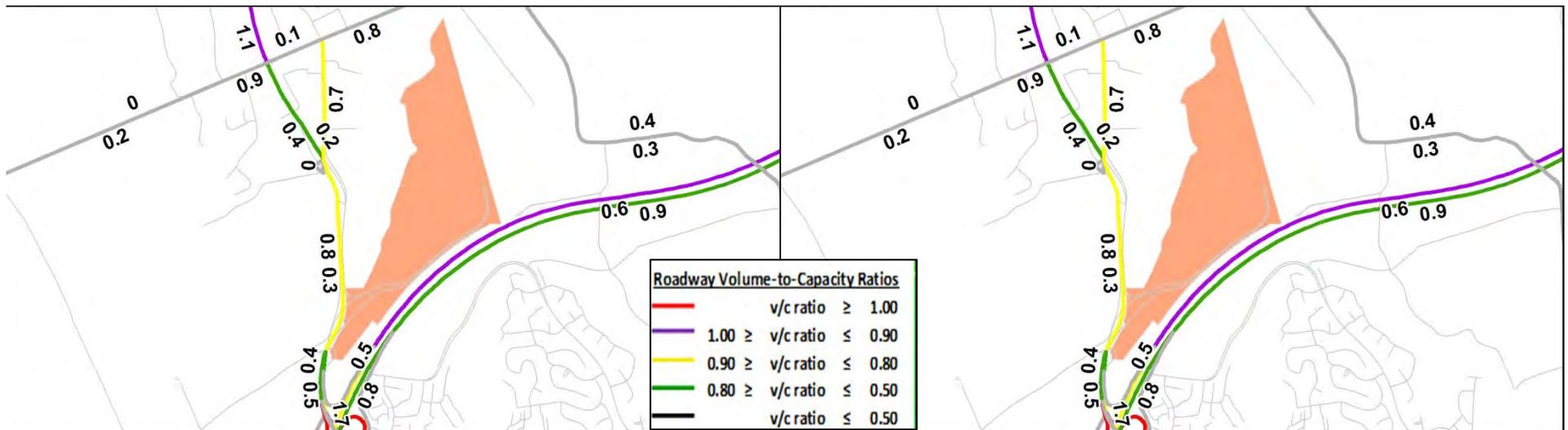


Upgrades to these intersections including roadway widening and traffic control system upgrades. According to the Somerset County Transportation Engineer, these upgrades would improve operations and potentially provide additional capacity to support development at the AT&T Campus.

Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the following network plots.

AM Peak Period

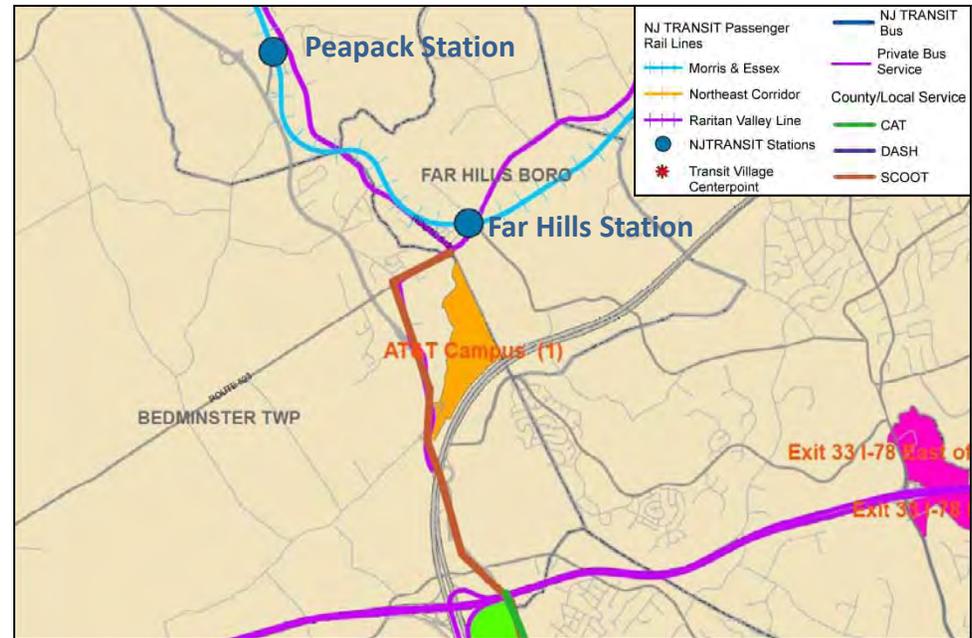
PM Peak Period



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

Public Transportation

The AT&T Campus is not directly served by public transportation. However, NJ TRANSIT commuter rail service is provided at the Far Hills Station located at the intersection of US Route 202 with Liberty Corner Road. Service is provided from Far Hills to Hoboken on the NJ TRANSIT Gladstone Branch hourly throughout the day with additional trains operating in the eastbound direction during the morning commuter peak and in the westbound direction during the evening commuter peak. Service to Far Hills is generally geared for area residents commuting to employment locations to the east. This station and the existing service provided offers limited utility to serve existing or future employees in the AT&T Campus.



NJ TRANSIT commuter bus service is not currently provided at the Far Hills Station or along this portion of US Route 202. However, Lackland Bus provides commuter bus service between the Far Hills Rail Station and New York City. This service could possibly be supportive of increased development in this PGIA. Implementation of an NJ TRANSIT route or local jitney service would support use of passenger rail service to access the PGIA.

Freight Infrastructure

This site is not well served by adequate roadway infrastructure to support industrial development. This PGIA is not currently zoned for industrial uses, nor are industrial, manufacturing or warehousing uses prevalent in the area. Direct access to the national highway system does not currently exist, requiring trucks to travel along US Route 202 to access the site.

Utility Infrastructure

Electric – Electric service to this area is provided by Jersey Central Power & Light (a First Energy Company). While details on the local distribution network within this PGIA were not provided, JCP&L indicated that adequate electrical generation and transmission infrastructure capacity exists to accommodate increased development. Further, JCP&L indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity not considered an impediment to future development within this PGIA.

Natural Gas – Natural Gas service to this PGIA is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exists to accommodate increased development within the PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within this PGIA.

Sanitary Sewer – Portions of this PGIA are currently served by public sewer. The currently developed southern portion of the PGIA along AT&T Way is served by sanitary sewer and is part of the Environmental Disposal Corporation WTP. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within this PGIA.

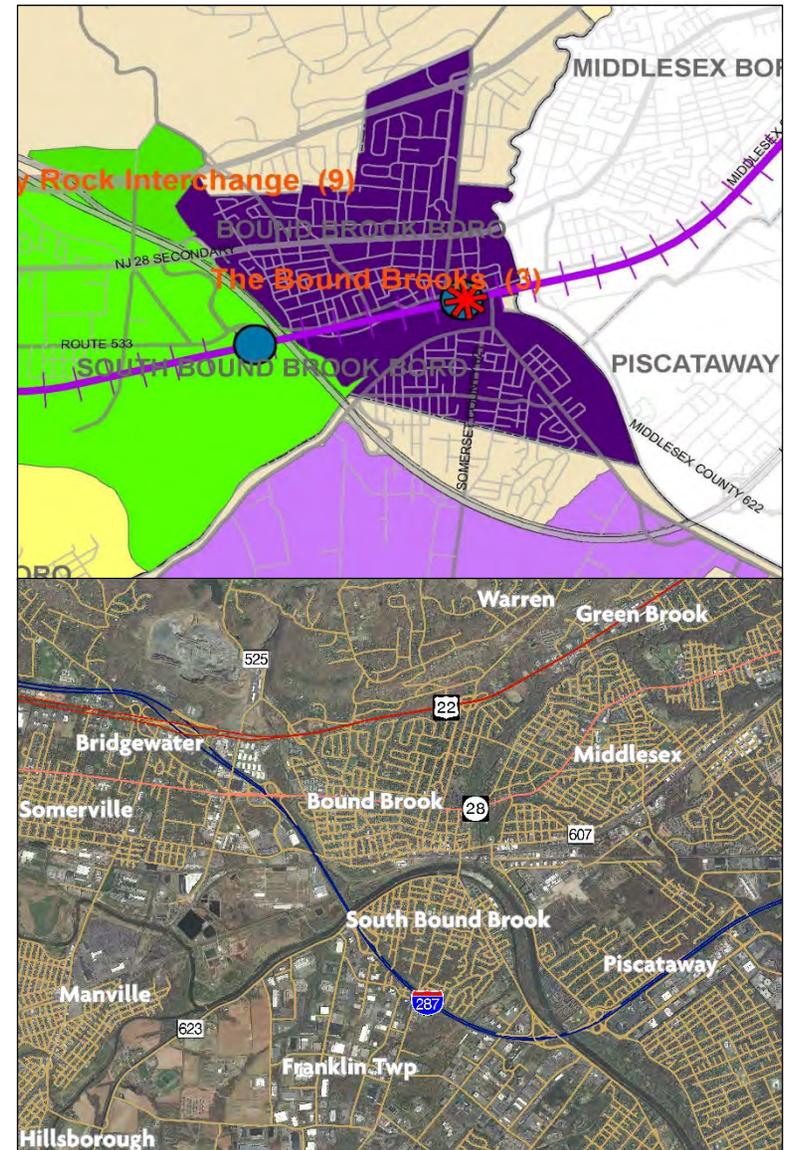
Water – NJ American Water is the Potable Water Purveyor servicing this PGIA and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exist to support increased development within this PGIA. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

Communications – This PGIA is well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, this PGIA is served by multiple wireline and wireless broadband communication providers. This PGIA is served by copper wire, DSL, cable, and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

The Bound Brooks

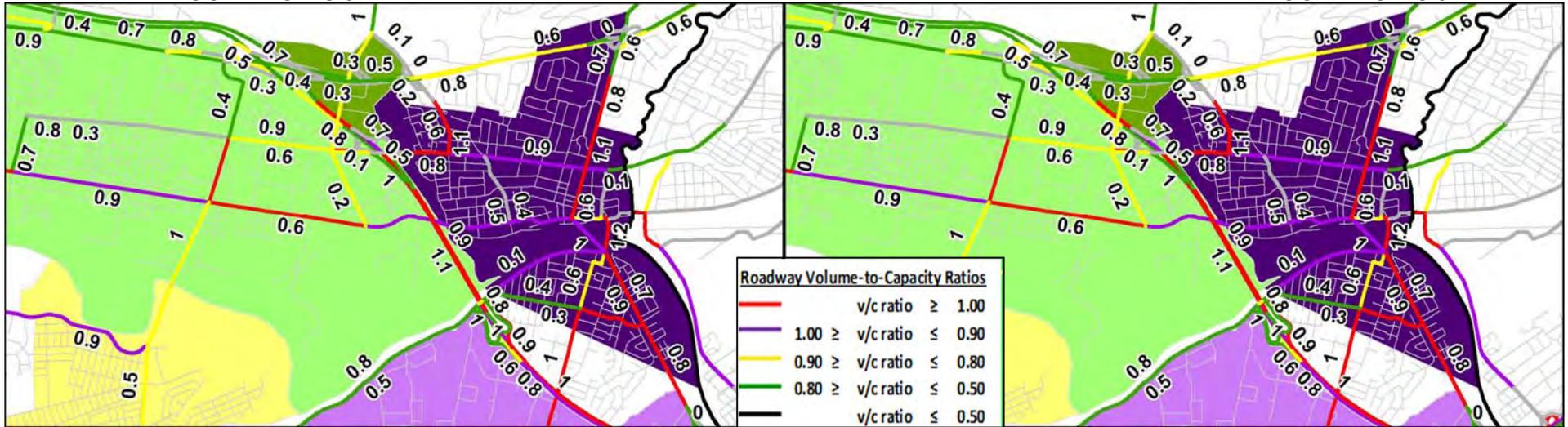
Roadway Access and Constraints

Significant roadway capacity limitations exist that would impede increased development within this PGIA. The Raritan River represents a physical barrier between the northern and southern portions of the PGIA, with the Queens Bridge along South Main Street serving as the only vehicular crossing of the river within this PGIA. When freight trains travel the Port Reading Secondary line, the temporary closure of the at-grade crossing of South Main Street results in queuing and spillback that affect mobility through the Bound Brook Rotary (the intersection of South Main Street, East Main Street, and East Street), with the downtown roadways becoming effectively gridlocked for short periods several times per day. Elizabeth Avenue provides north/south access through the southern portion of the Bound Brooks and is expected to operate in a congested state during both the AM and PM peak periods. Mountain Avenue, East Street, and Union Avenue (Route 28) are all also expected to operate in a congested state during the peak travel periods. Improvements to these corridors, elimination of the at-grade rail crossing of South Main Street, and creation of a secondary crossing of the Raritan River could allow additional development within this PGIA. Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the network plots on the following page.



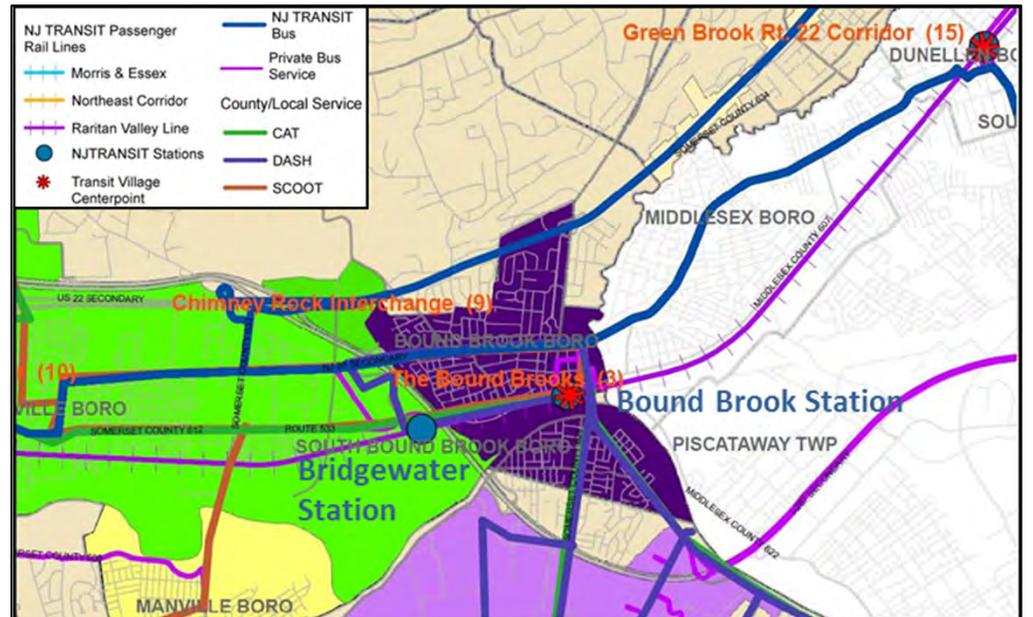
AM Peak Period

PM Peak Period



Public Transportation

The Bound Brooks are well served with a variety of public transportation options. This PGIA is served by all three of the local bus services operated by Somerset County: CAT, DASH, and SCOOT. NJ TRANSIT and private carrier regional bus service operate along Route 22 and Route 28 within the PGIA. Located along East Main Street in downtown Bound Brook, the Bound Brook Station on NJ TRANSIT's Raritan Valley Line provides heavy commuter rail service. This variety of public transportation opportunities is supportive of additional development within this PGIA.



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

In 2003, Bound Brook received designation by NJDOT and NJ TRANSIT as one of New Jersey's 28 Transit Villages, recognizing Bound Brook's commitment to redeveloping the area surrounding the NJ TRANSIT Bound Brook Station as mixed-use neighborhoods with a strong residential component. This designation supports increased development in Bound Brook within close proximity to the passenger rail station and the creation of a walkable, transit oriented community.

Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exist to accommodate increased development. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity is not considered an impediment to future development within this PGIA.

Natural Gas – Natural Gas service to this PGIA is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exist to accommodate increased development within the PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within the PGIA.

Sanitary Sewer – This PGIA is currently served by public sewer under the jurisdiction of the Middlesex County Utility Authority. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exists to accommodate increased development within this PGIA.

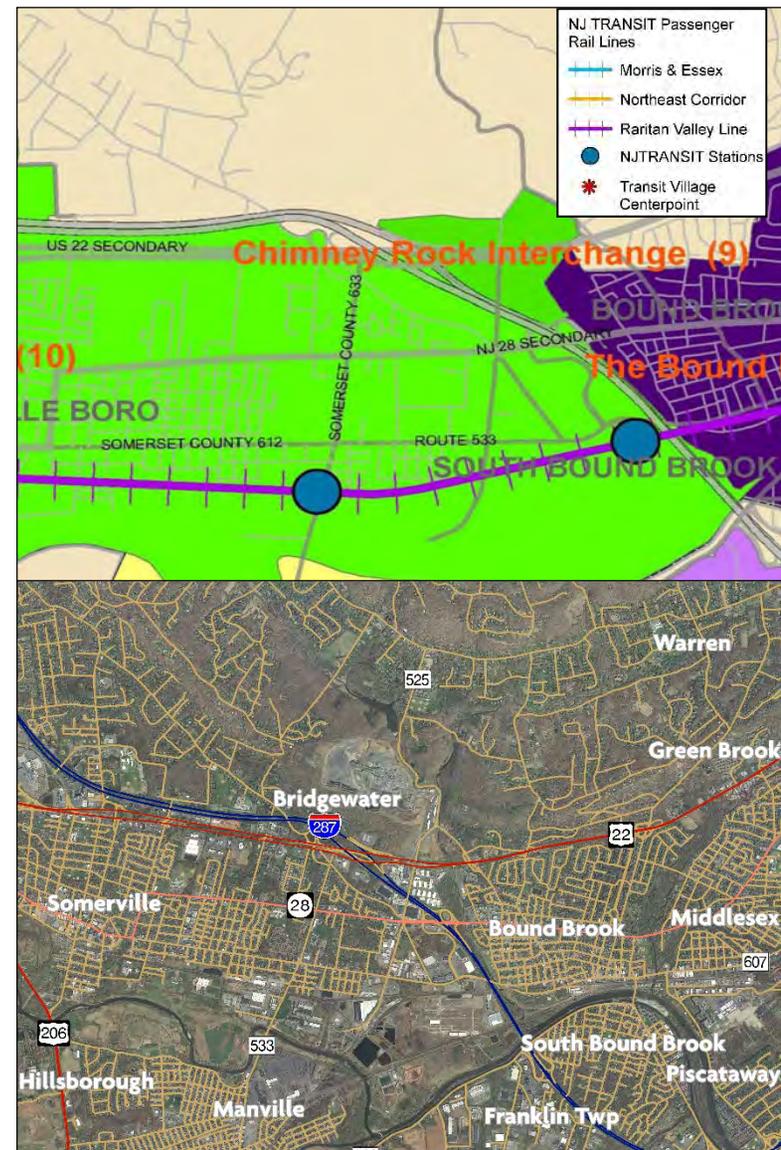
Water – NJ American Water is the Potable Water Purveyor servicing this PGIA and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exists to support increased development within this PGIA. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

Communications – This PGIA is well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, this PGIA is served by multiple wireline and wireless broadband communication providers. This PGIA is served by copper wire, DSL, cable and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

Chimney Rock Interchange

Roadway Access and Constraints

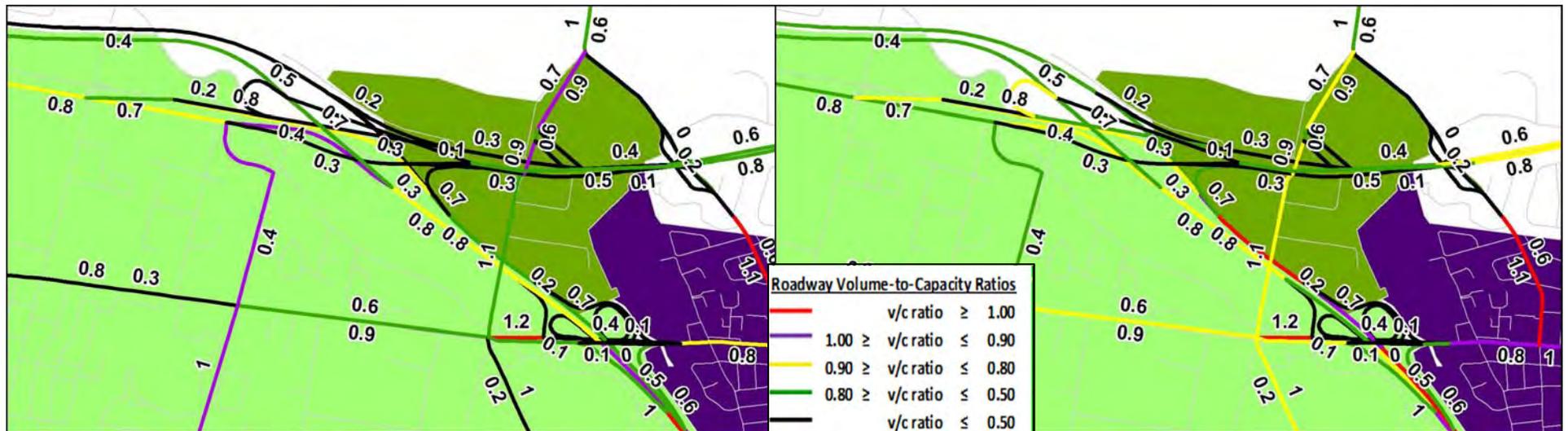
Somerset County and the NJDOT are nearing completion of construction of a series of improvements to the US Route 22 corridor between I-287 and Thompson Avenue. Previously, the Chimney Rock Interchange PGIA was directly accessible only from Route 22 eastbound, with local access afforded to Chimney Rock Road from Washington Valley Road to the north. The improvements include construction of a full grade-separated interchange of Route 22 with Chimney Rock Road. The interchange improvement provides a new north/south crossing of Route 22 and a direct connection between Route 28, Route 22, and points north. This improvement program will relieve congestion along the Route 22 corridor by minimizing the use of Route 22 mainline to access the site and providing an alternative north/south crossing of Route 22 that will reduce the demand at the other limited crossing locations. With these improvements completed, the roadway infrastructure will support additional development within the Chimney Rock Interchange PGIA. These improvements will also create an eastern gateway to the Somerset County Regional Center. Congested conditions will still exist along Chimney Rock Road itself south of Route 22, with v/c ratios projected to be above 1.0.



Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the following network plots.

AM Peak Period

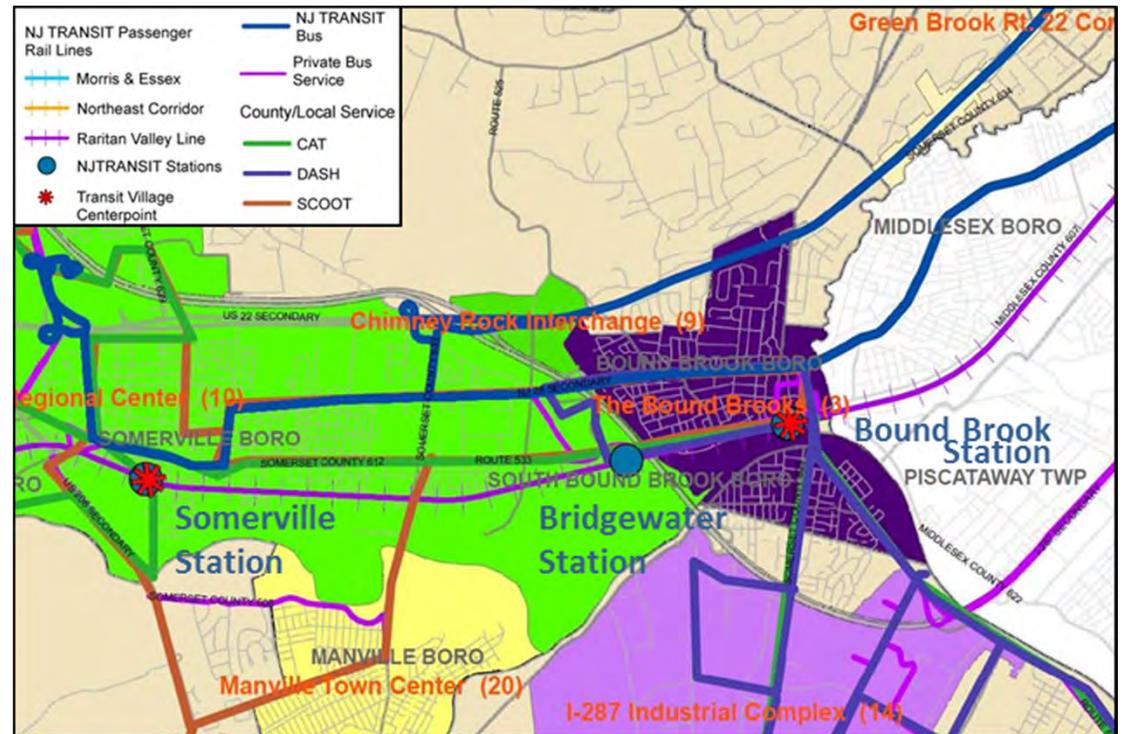
PM Peak Period



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

Public Transportation

While not directly served, this site is located in reasonable proximity (approximately 3.5 miles) to the Raritan Valley Line Somerville Station, 2.5 miles to the Bound Brook station, and 1.5 miles to the Bridgewater Station. The existing DASH service operated by Somerset County provides connection between the Raritan Valley Line and the Route 22/Chimney Rock Road interchange. Existing routing and stops could be modified to incorporate direct service to the Chimney Rock Interchange PGIA. The DASH system also provides connections between the interchange area and the larger residential, employment, and retail centers within Somerset County to the east and to downtown New Brunswick.



Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exist to accommodate increased development. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity is not considered an impediment to future development within this PGIA.

Natural Gas – Natural Gas service to this PGIA is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exists to accommodate increased development within the PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within the PGIA.

Sanitary Sewer – This PGIA is currently served by public sewer and is under the jurisdiction of the Somerset Raritan Valley Sewerage Authority, and is incorporated into the Upper Raritan Water Quality Management Planning Area. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within this PGIA.

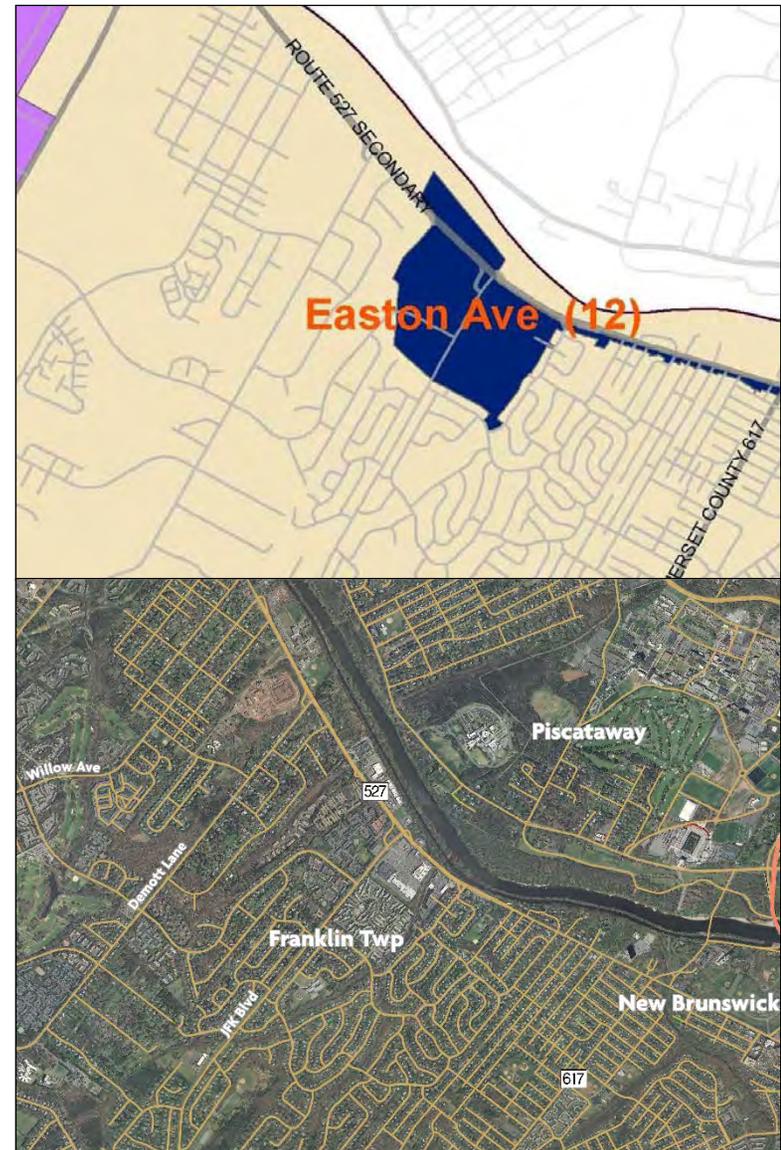
Water – NJ American Water is the Potable Water Purveyor servicing this PGIA and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exist to support increased development within this PGIA. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

Communications – This PGIA is well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, this PGIA is served by multiple wireline and wireless broadband communication providers. This PGIA is served by copper wire, DSL, cable, and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

Easton Avenue Corridor

Roadway Access and Constraints

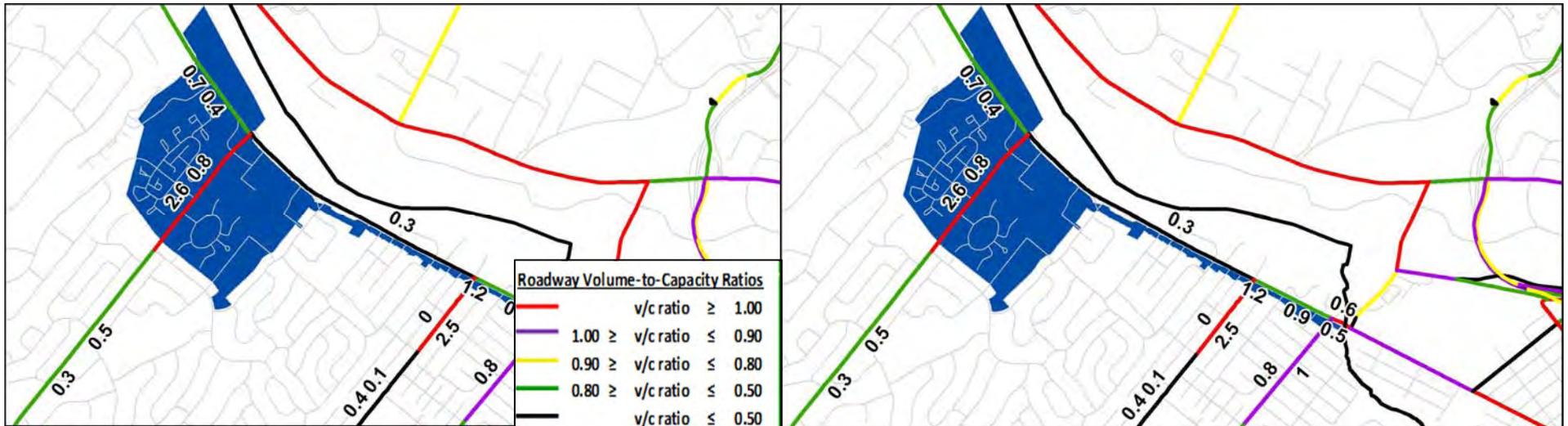
Due to a combination of multiple factors including limited locations for crossing of the Raritan River along which this corridor runs, service as a major connection between downtown New Brunswick and Interstate 287, and adjacent land development, the Easton Avenue corridor has traditionally been a heavily traveled roadway which operates at or near capacity during the peak travel demand periods. Studies such as the *Easton Avenue Main Street Corridor Plan* seek to identify needed improvements and management strategies to maximize the efficient utilization of this key regional corridor. Easton Avenue provides the primary roadway access to this PGIA, with JFK Boulevard providing local access to points southwest. Adjacent to the site, Easton Avenue operates with demand at or exceeding the carrying capacity of the roadway. Somerset County has inter-signal communications along Easton Avenue and tries to manage volumes as effectively as possible. Congestion on I-287 makes moving traffic on Easton Avenue difficult during peak periods.



Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the following network plots.

AM Peak Period

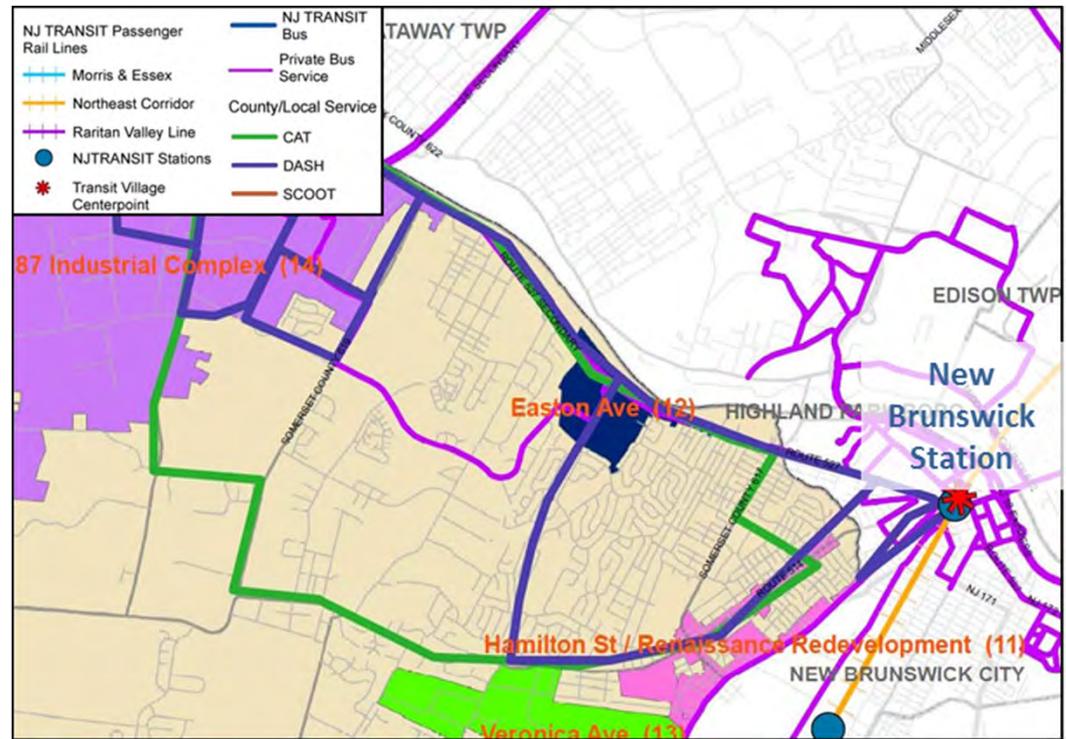
PM Peak Period



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

Public Transportation

NJ TRANSIT bus service as well as Somerset County operated local bus service on the CAT and DASH systems is operated along the Easton Avenue corridor. The local bus service affords connections to the public transportation hub in downtown New Brunswick, with access to the NJ TRANSIT commuter rail service on the Northeast Corridor. Connection is also provided to rail stations in Bound Brook and within the Regional Center along NJ TRANSIT's Raritan Valley Line. This coverage by an extensive network of bus service and access to regional rail service would support additional development within this PGIA.



Utility Infrastructure

Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exist to accommodate increased development. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity is not considered an impediment to future development within this PGIA.

Natural Gas – Natural Gas service to this PGIA is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exist to accommodate increased development within the PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within the PGIA.

Sanitary Sewer – This PGIA is currently served by public sewer under the jurisdiction of the Middlesex County Utility Authority. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within this PGIA.

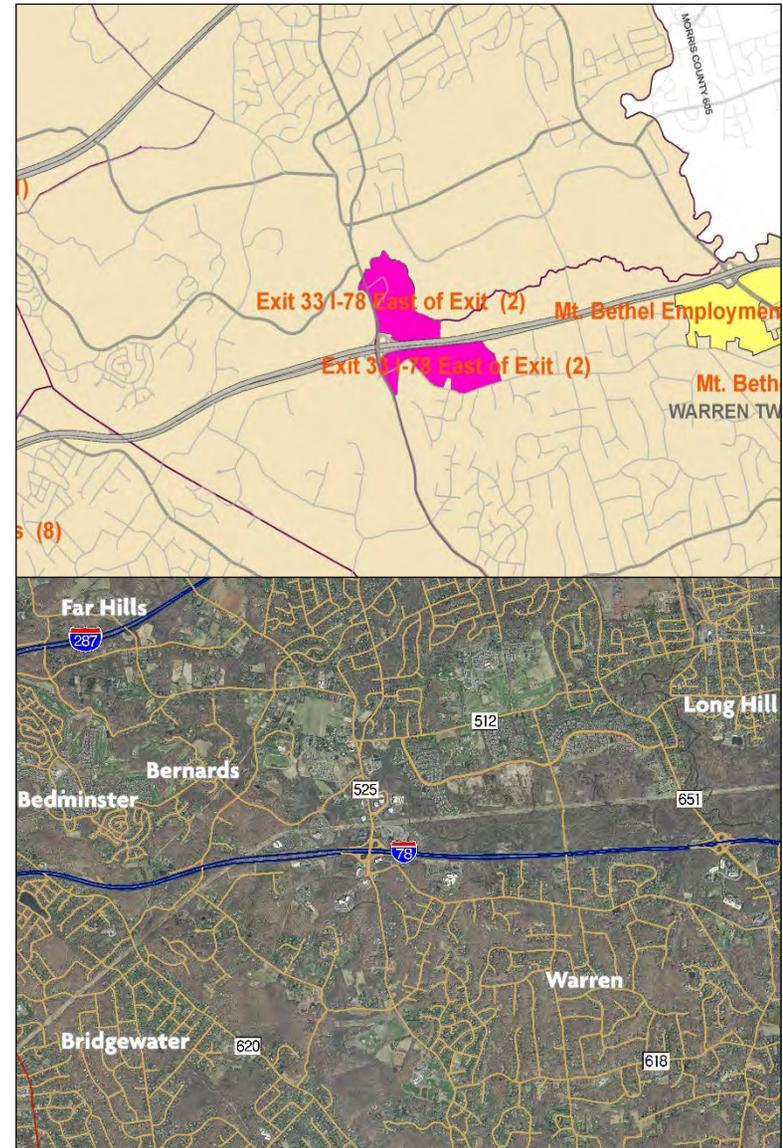
Water – The Franklin Township Water Utility manages the purchase and distribution of potable water in this PGIA. Water is purchased from NJ American Water and New Brunswick Water. The Franklin Township water utility purchases an average of 6.3 MGD, and maintains system capacity for distribution of up to 12.5 MGD. Peak recorded utilization was 11.18 MGD in 2009. Sufficient water production and distribution capacity currently exist to support increased development within this PGIA. Further, localized distribution system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

Communications – This PGIA is well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, this PGIA is served by multiple wireline and wireless broadband communication providers. This PGIA is served by copper wire, DSL, cable, and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

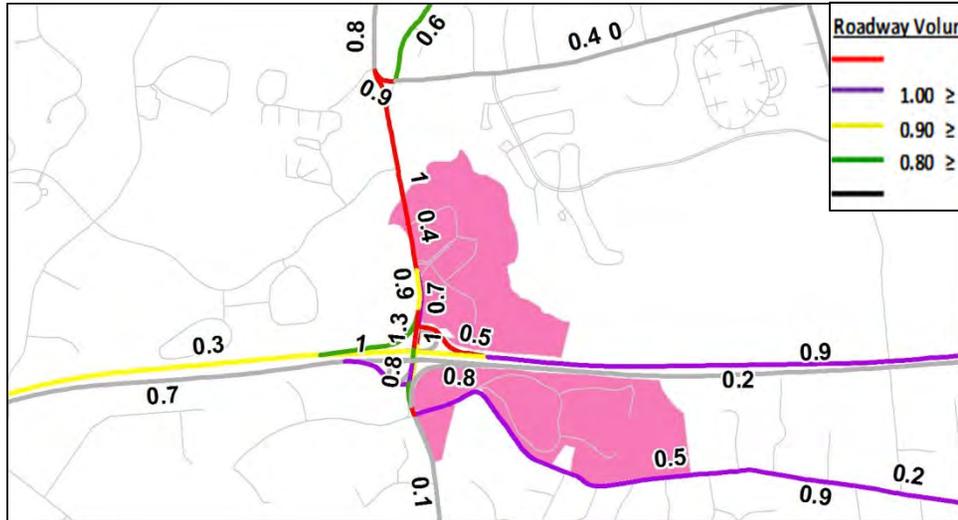
Exit 33 I-78 East of Exit

Roadway Access and Constraints

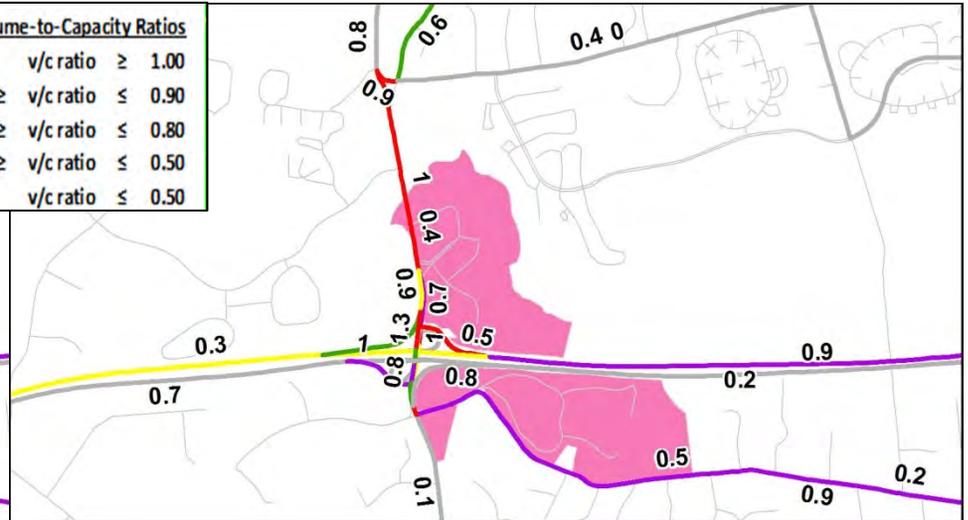
As the name of this PGIA implies, access to this area is provided primarily via the Interstate 78 corridor via Interchange 33. Local access is provided via Liberty Corner Road (CR 525). During the AM peak period, Interstate 78 operates in an uncongested state, with Liberty Corner Road operating at or near capacity north of Interstate 78. During the PM peak period, demand on Interstate 78 westbound approaches theoretical capacity. Liberty Corner Road, which serves the northern portion of this PGIA, and Mountain Avenue, which serves the southern portion, would operate in a congested state with no excess capacity available to support additional development. According to the Somerset County Transportation Engineer, widening of these two predominantly two-lane roadways, consolidation of adjacent land access driveways, and ramp improvements at the interchange could potentially provide sufficient additional capacity and enhanced mobility to support increased development within this PGIA. Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the network plots on the following page.



AM Peak Period

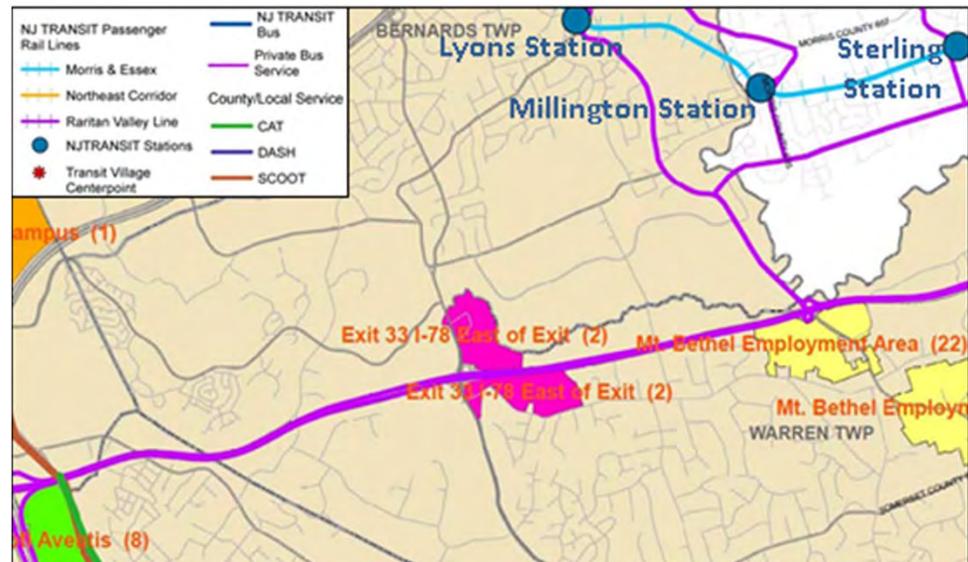


PM Peak Period



Public Transportation

The Interstate 78/Exit 33 area is not directly served by public transportation. However, creation of local shuttle service to connect the rail stations along the Gladstone Branch with the PGIA could serve to provide additional access to support increased development within this PGIA.



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exist to accommodate increased development. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity is not considered an impediment to future development within this PGIA.

Natural Gas – Natural Gas service to this PGIA is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exist to accommodate increased development within the PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within this PGIA.

Sanitary Sewer – This PGIA is currently served by public sewer operated by the Warren Township Sewerage Authority. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within this PGIA.

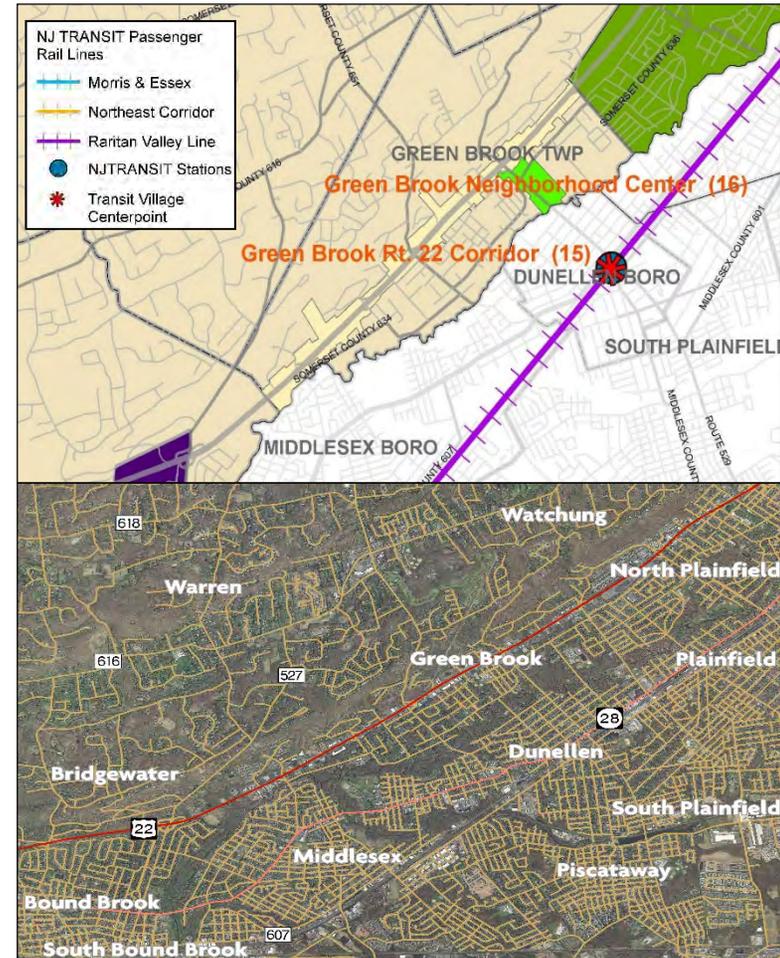
Water – NJ American Water is the Potable Water Purveyor servicing this PGIA and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exist to support increased development within this PGIA. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

Communications – This PGIA is well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, this PGIA is served by multiple wireline and wireless broadband communication providers. This PGIA is served by DSL, cable, and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

Green Brook Route 22 Corridor and Green Brook Neighborhood Center

Roadway Access and Constraints

The Green Brook Route 22 corridor within this area is predominantly a divided four-lane facility, with additional lanes provided for short distances at major intersections serving as accel/decel lanes for vehicles entering or exiting the mainline of Route 22. Left turns are accommodated via jughandles at signalized intersections. Numerous driveways serving commercial land development along both sides of Route 22 characterize this area. As such, there is significant friction between vehicles in the competing traffic streams (through traffic, local access, crossing movements, u-turning, etc.) that significantly reduces mobility and the throughput capacity of this roadway. In spite of these challenges, this section of Route 22 generally operates at and slightly below capacity during the AM and PM peak periods. Accordingly, modest levels of increased development can be accommodated within these PGAs with minimal or no infrastructure improvements. Significant expansion of development along this corridor could be supported with the construction of larger, more capitially intensive improvements such as the consolidation of private property access driveways and creation of collector/distributor roadways to separate the competing

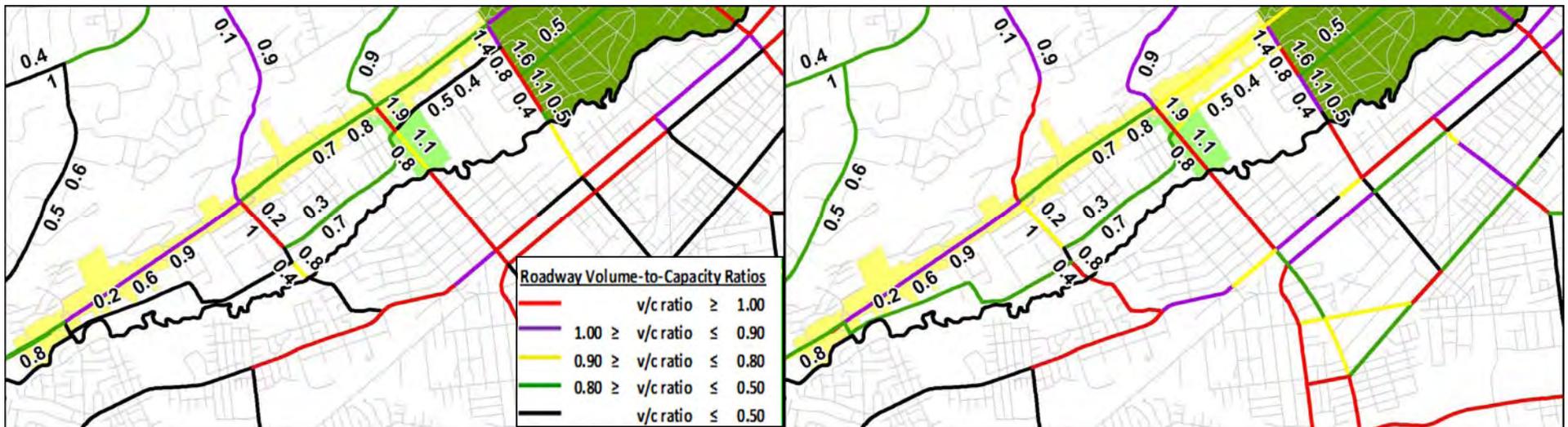


traffic streams. Implementation of a fully adaptive traffic signal control system (underway by NJDOT) along this corridor could also improve mobility and further support increased development. The local roadways providing north/south access to the PGIAs and the Route 22 corridor are another matter. The more significant local roadways like Warrentonville Road (CR 651) to the north, Washington Avenue (CR 601) to the south, and Rock Avenue (CR 645) experience congested operation during the AM and PM peak periods. Localized improvements such as upgrades to the existing traffic signal systems and prohibition of on-street parking during peak travel demand periods could be implemented to support any significant increase in development in these PGIAs.

Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the following network plots.

AM Peak Period

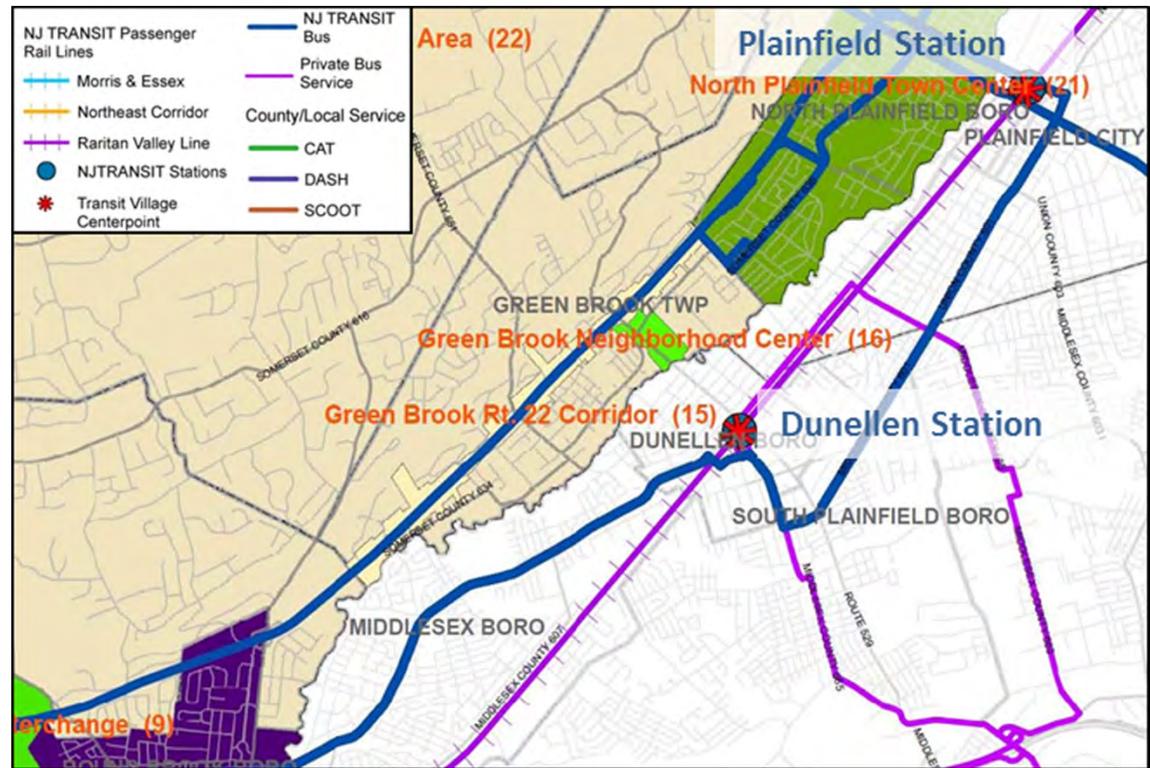
PM Peak Period



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

Public Transportation

NJ TRANSIT operates commuter and local bus service along the Route 22 corridor in this area. This bus service provides connection to the NJ TRANSIT rail station in Plainfield, but not to the more proximate Dunellen Station in Dunellen. Alteration of this bus route could provide a more proximate and attractive link between regional rail service on the Raritan Valley Line and expanded development along the Route 22 corridor.



Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within these PGAs were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exists to accommodate increased development within these PGAs. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity not considered an impediment to future development within the PGAs.

Natural Gas – Natural Gas service to these PGAs is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within these PGAs were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exist to accommodate increased development within the PGAs. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within the PGAs.

Sanitary Sewer – These PGAs are currently served by public sewer under the jurisdiction of the Middlesex County Utility Authority. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within these PGAs.

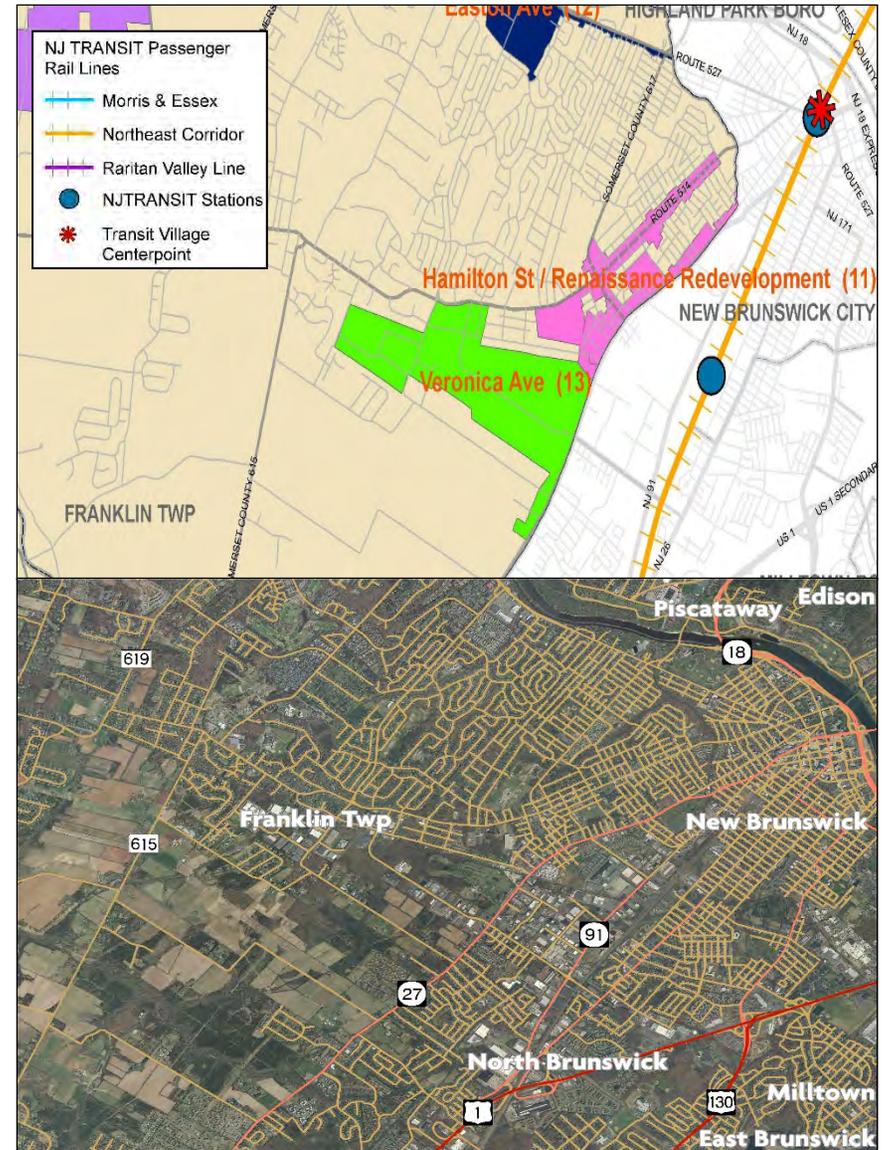
Water – NJ American Water is the Potable Water Purveyor servicing this PGA and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exist to support increased development within these PGAs. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

Communications – These PGAs are well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, these PGAs are served by multiple wireline and wireless broadband communication providers. These PGAs are served by copper wire, DSL, cable, and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving these PGAs provide 100 mbps or greater download capacity on both the wireline and wireless networks.

Hamilton Street/Renaissance Redevelopment and Veronica Avenue

Roadway Access and Constraints

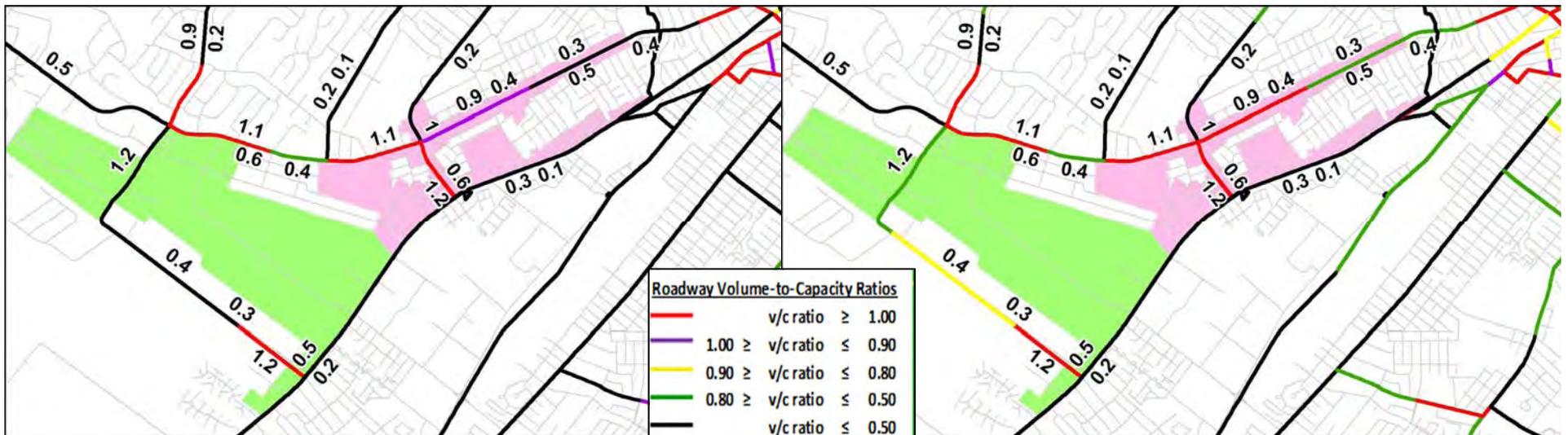
Somerset Street, Hamilton Avenue, Franklin Boulevard, and JFK Boulevard serve as the primary corridors providing connections from these PGIA to the regional roadway system. All of these roadways provide direct connections to the Easton Avenue Corridor with Franklin Boulevard providing a crossing of the Raritan River and subsequent connection to Route 18. These roadways are predominantly two-lane facilities with on-street parking serving the abutting residential and commercial uses. During the AM peak period, portions of JFK Boulevard operate at or near capacity. Similarly, during the PM peak period, the portion of Hamilton Avenue in the center of the PGIA operate at or above capacity. Improvements to these corridors such as localized widenings to provide left turn storage areas, prohibition of on-street parking during peak travel periods, and upgrades of the existing traffic control system could improve mobility and increase capacity to support additional development within these PGIA.



Development of a mix of uses would minimize the volume of travel demand added to the roadway system during any single period and would serve to maximize the development potential that could be supported by the existing and improved infrastructure. Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the following network plots.

AM Peak Period

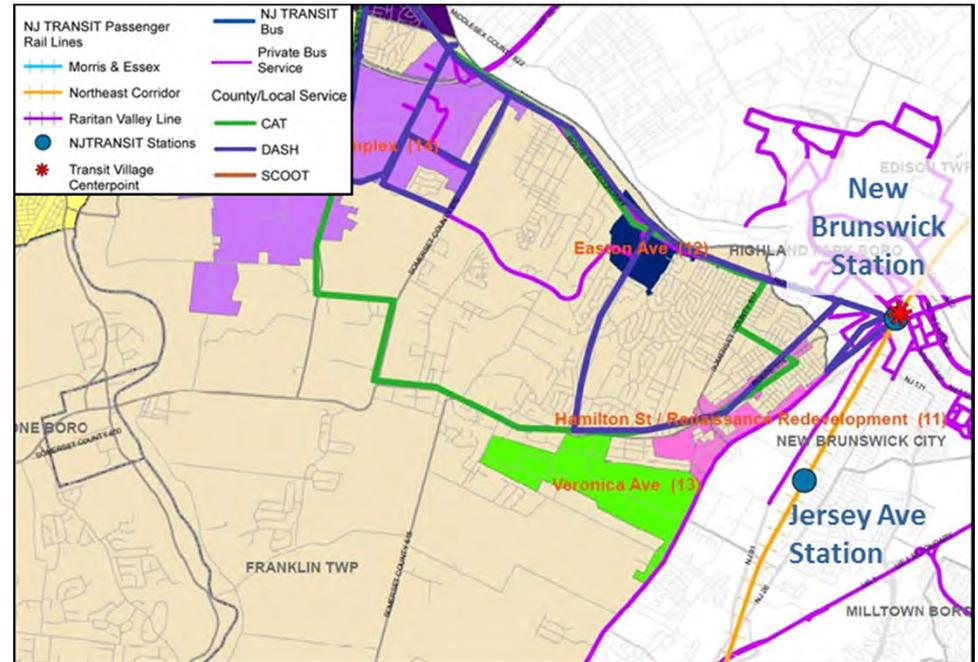
PM Peak Period



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

Public Transportation

These PGIAs are in reasonable proximity to the public transportation services centered in downtown New Brunswick. Connections between the PGIAs and this hub are provided by the Somerset County DASH shuttle system, affording access to regional bus service as well as the New Brunswick Rail Station for access to the Northeast Corridor. Additionally, the Hamilton Avenue corridor is served by the Somerset County CAT system providing connections to and through the Regional Center and surrounding PGIAs, with service extending as far north as the Sanofi Aventis site. Access to the NJ TRANSIT Raritan Valley Line is also afforded by this system connection. While the Suburban Transit bus service does not serve any of the PGIAs directly, this service would be moderately accessible to these PGIAs via the service stops in New Brunswick.



Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within these PGIAs were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exist to accommodate increased development. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity is not considered an impediment to future development within these PGIAs.

Natural Gas – Natural Gas service to these PGIA is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exists to accommodate increased development. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within these PGIA.

Sanitary Sewer – These PGIA are currently served by public sewer under the jurisdiction of the Middlesex County Utility Authority. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within this PGIA.

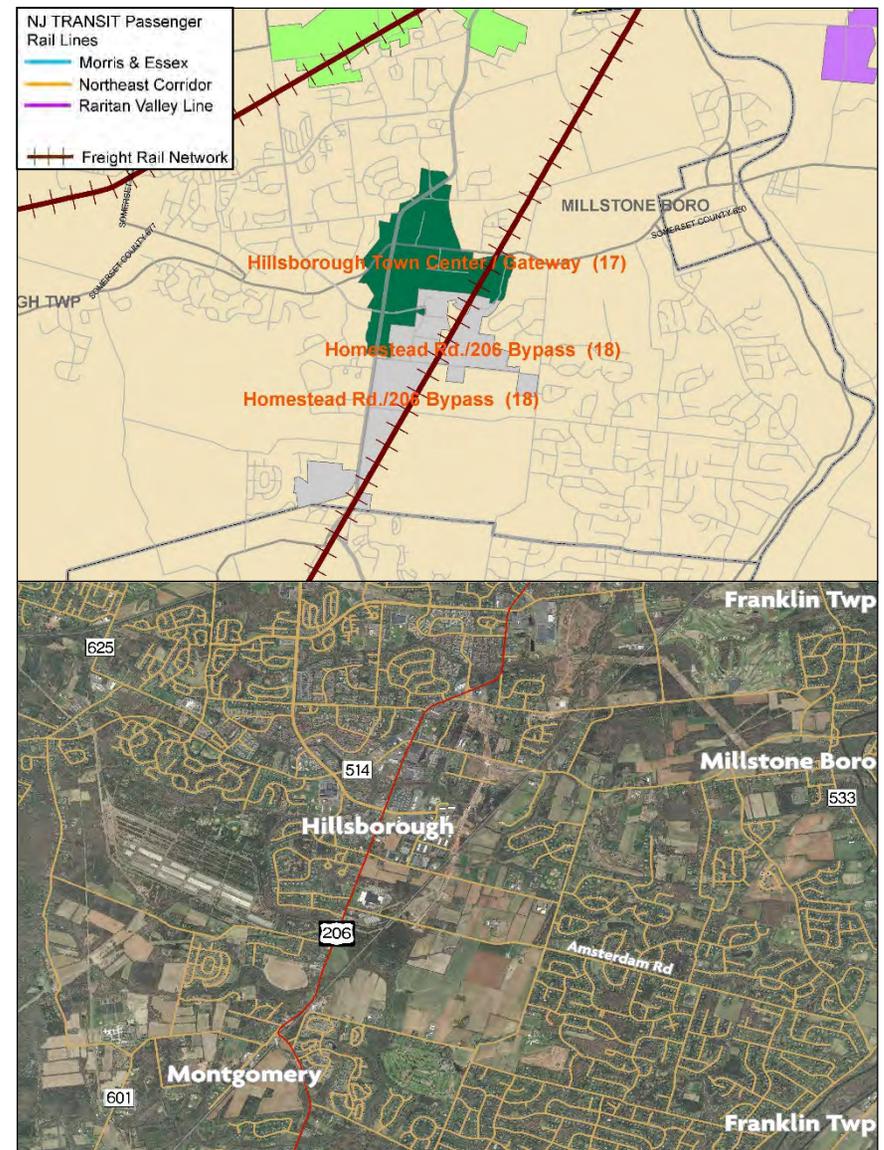
Water – The Franklin Township Water Utility manages the purchase and distribution of potable water in these PGIA. Water is purchased from NJ American Water and New Brunswick Water. The Franklin Township water utility purchases an average of 6.3 million gallons per day (MGD), and maintains system capacity for distribution of up to 12.5 MGD. Peak recorded utilization was 11.18 MGD recorded in 2009. Sufficient water production and distribution capacity currently exist to support increased development within these PGIA. Further, localized distribution system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

Communications – These PGIA are well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, this PGIA is served by multiple wireline and wireless broadband communication providers. This PGIA is served by copper wire, DSL, cable, and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

Hillsborough Town Center/Gateway & Homestead Rd./Rt. 206 Bypass

Roadway Access and Constraints

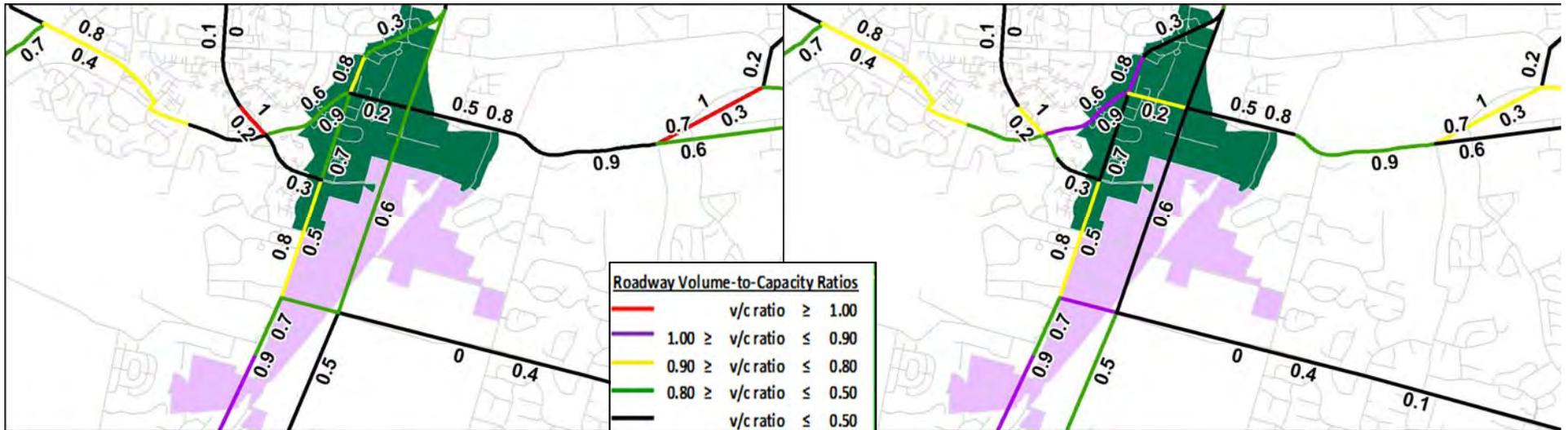
In 2013 the central section of the Route 206 Bypass was completed and opened to traffic. The northern and southern portions to complete the bypass are scheduled to begin construction in 2016. Upon completion, recurring congestion along the stretch of Route 206 from north of Hamilton Road to south of Hillsborough Road will be significantly relieved, providing capacity for increased development within these PGAs. Congested conditions are still anticipated to exist on the east/west roadways serving the area, most notably Hillsborough Road to the east and Amwell Road to the west. Improvements to the signalized intersection of Amwell Road with Auten Road and improvements to facilitate westbound traffic flows along Hillsborough Road and Amwell Road may improve area mobility and support significant additional development within these PGAs.



Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the following network plots.

AM Peak Period

PM Peak Period



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

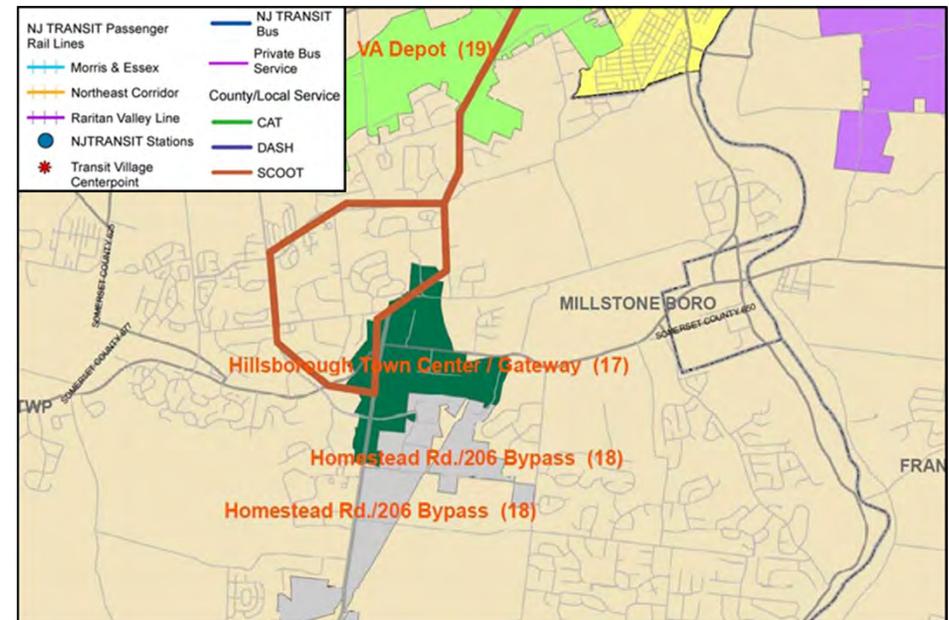
Public Transportation

These two PGIAs are not currently well served by public transportation. The only bus service available in the area is provided by Somerset County through the SCOOT local bus system. This service provides connections between the PGIAs and the Regional Center, linking the rail stations along the NJ TRANSIT Raritan Valley Line, as well as a spur connecting to the Far Hill Rail Station providing service along the NJ TRANSIT Gladstone Branch. No regional bus service is provided in the immediate vicinity of the PGIAs.

NJ TRANSIT has undertaken studies of the reactivation of passenger rail service on the West Trenton Line. This line is currently utilized by CSX for freight service. If advanced, the passenger service would provide a rail connection from the Raritan Valley Line in Bridgewater via the proposed Reading Connector, to West Trenton, with Somerset County station stops in Hillsborough Township near the GSA/VA Depot and in Montgomery Township along Route 206 south of Hillsborough Road. This passenger service, if activated, would provide significant support for increased development within the Hillsborough Town Center/Gateway and Homestead Road/Route 206 Bypass PGIAs.

Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within these PGIAs were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exists to accommodate increased development within these PGIAs. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity not considered an impediment to future development within the PGIAs.



Natural Gas – Natural Gas service to these PGIAs is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within these PGIAs were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exist to accommodate increased development within the PGIAs. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within the PGIAs.

Sanitary Sewer – Portions of these PGIAs are currently served by public sewer and is under the jurisdiction of the Somerset Raritan Valley Sewerage Authority, and are incorporated into the Upper Raritan Water Quality Management Planning Area. Wastewater generated in this area is currently discharged to surface water after treatment. Depending upon the location and extent of future development, expansion of the sewer coverage area may be required.

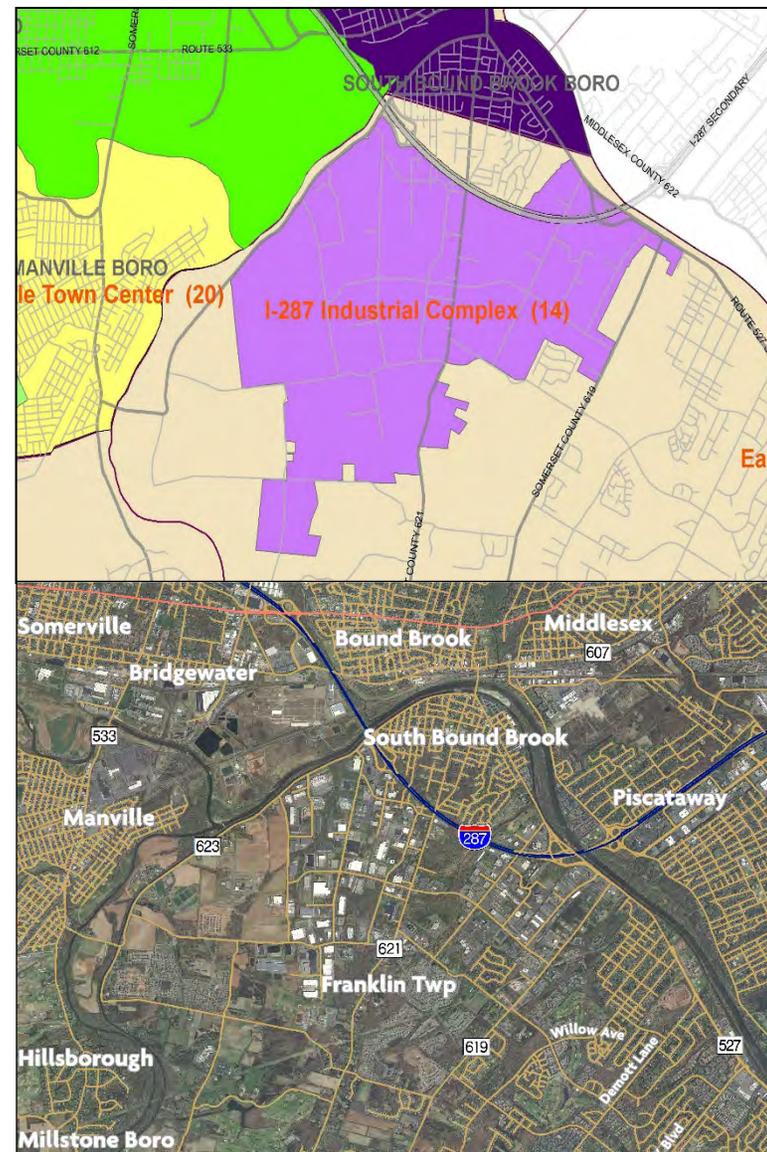
Water – NJ American Water is the Potable Water Purveyor servicing these PGIAs and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exist to support increased development within these PGIAs. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

Communications – These PGIAs are well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, these PGIAs are served by multiple wireline and wireless broadband communication providers. These PGIAs are served by copper wire, DSL, and cable providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks. However, these PGIAs are not currently served by a fiber optic network, limiting communications options to serve future development.

I-287 Industrial Complex

Roadway Access and Constraints

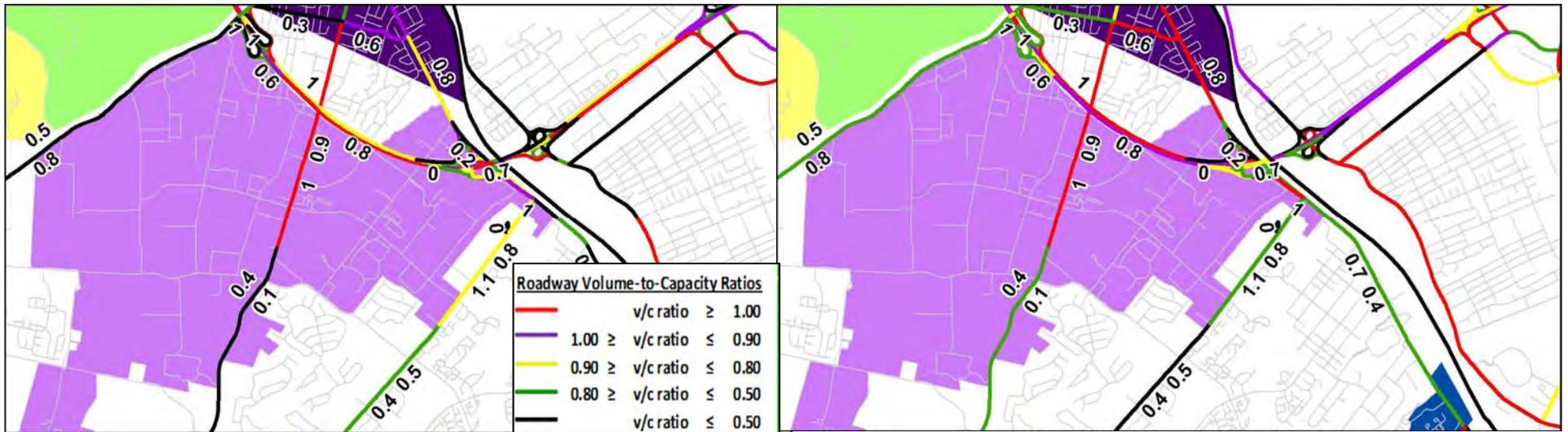
The I-287 Industrial Complex PGIA currently houses nearly 10 million square feet of industrial and warehouse/distribution space, with adjacent residential communities. While Elizabeth Avenue runs north/south through the middle of the PGIA and provides a direct connection to Bound Brook to the north and the more rural communities to the south, it does not offer a connection to I-287. This roadway operates at or near capacity during the AM and PM peak periods. Selective widening of this roadway to provide dedicated left turn storage areas and upgrading of the existing traffic control system at the signalized intersections could improve mobility and throughput, providing increased capacity to accommodate additional development within this PGIA. Of greater significance is the fact that access between the complex and the regional highway network is provided via interchanges with I-287 at Easton Avenue and at Weston Canal Road. Both of these interchanges currently operate in a congested state. Reconfiguration of these interchanges to increase capacity, especially for the large percentage of trucks that make up the traffic stream at these interchanges, will likely be required to support significant increased development within this PGIA.



Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the following network plots.

AM Peak Period

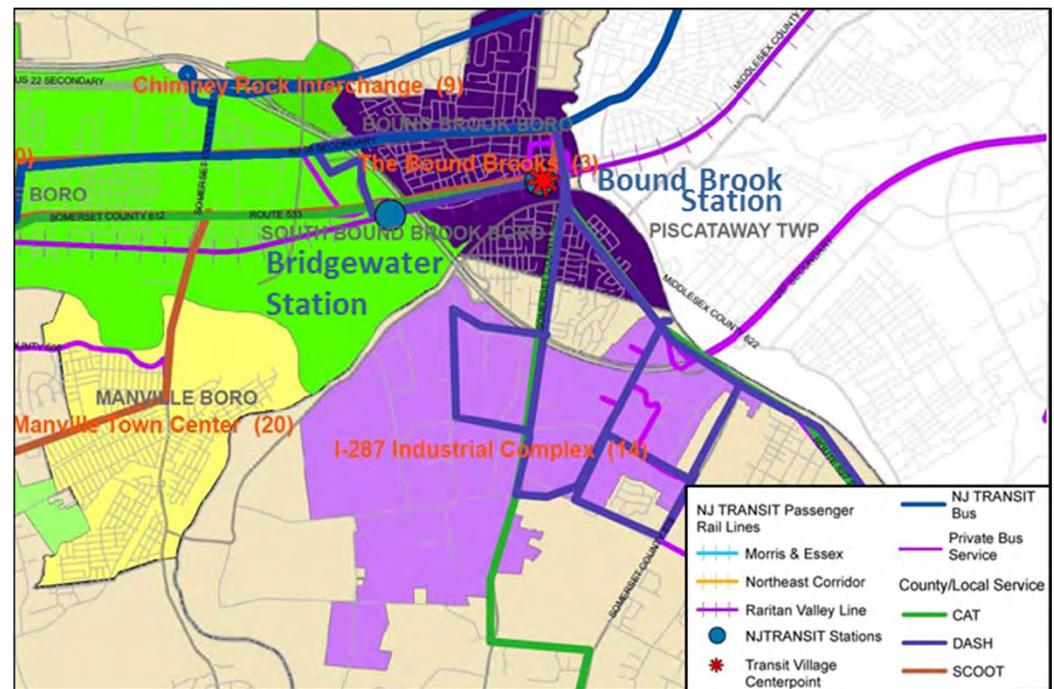
PM Peak Period



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

Public Transportation

NJ TRANSIT bus service is operated along the Easton Avenue corridor, which is adjacent to the northernmost boundary of this PGIA. Somerset County operated local bus service on the CAT and DASH systems runs along several of the roadways within this PGIA, providing connections to the public transportation hub in downtown New Brunswick, with access to the NJ TRANSIT commuter rail service on the Northeast Corridor. Connection is also provided to rail stations in Bound Brook and within the Regional Center along NJ TRANSIT's Raritan Valley Line. This coverage by an extensive network of bus service and access to regional rail service would support additional development within this PGIA.



Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exists to accommodate increased development within this PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity not considered an impediment to future development within the PGIA.

Natural Gas – Natural Gas service to this PGIA is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exist to accommodate increased development within the PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within the PGIA.

Sanitary Sewer – This PGIA is currently served by public sewer under the jurisdiction of the Middlesex County Utility Authority. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within this PGIA.

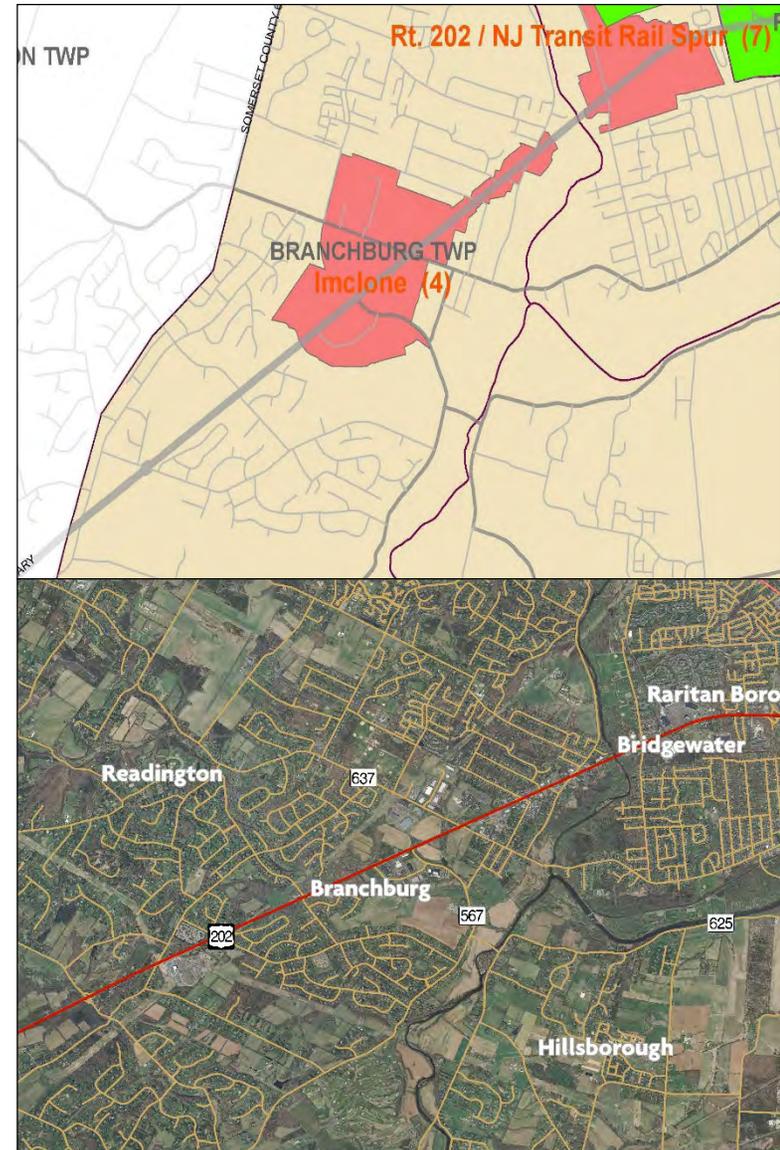
Water – The Franklin Township Water Utility manages the purchase and distribution of potable water in this PGIA. Water is purchased from NJ American Water and New Brunswick Water. The Franklin Township water utility purchases an average of 6.3 MGD, and maintains system capacity for distribution of up to 12.5 MGD. Peak recorded utilization was 11.18 MGD recorded in 2009. Sufficient water production and distribution capacity currently exist to support increased development within this PGIA. Further, localized distribution system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

Communications – This PGIA is well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, this PGIA is served by multiple wireline and wireless broadband communication providers. This PGIA is served by copper wire, DSL, cable, and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

Imclone

Roadway Access and Constraints

Primary access to the Imclone PGIA is accommodated via Route 202, with local access accommodated via Old York Road (CR 637) and South Branch Road (CR 567). During the AM peak period, Route 202 northbound and the eastbound and westbound approaches of Old York Road to Route 202 operate at or over capacity. This is primarily a function of multiple streams of traffic accessing the Route 202 corridor for travel to employment centers to the north and east. During the PM peak period, the reverse condition occurs with the predominant flows traveling southbound along Route 202. Development of this PGIA with non-residential uses that would generate inbound trips in the AM and outbound trips in the PM would capitalize on the available capacity in the off-peak travel directions along Route 202 and the adjoining local roadways. Improvements to the intersection of Route 202 with Old York Road and upgrades to the traffic control system at this intersection could create additional capacity to support increased development within this PGIA.



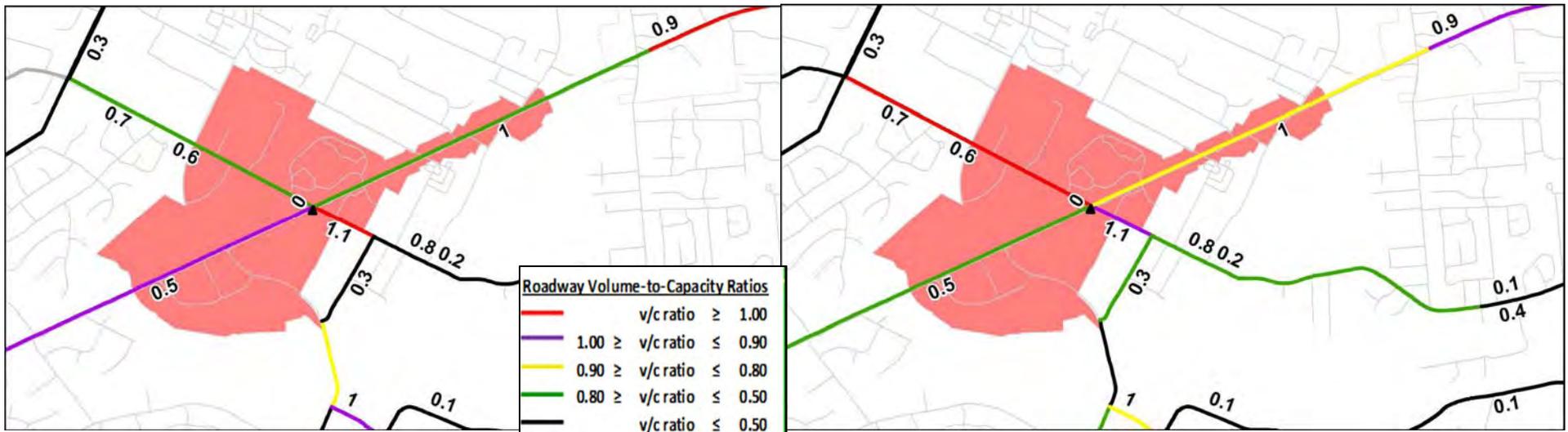
Source: Making Connections: Somerset County's Circulation Plan Update, November 2011

The West County Drive Extension, part of the county's six year capital plan, will connect Route 202 to Old York Road. Although not factored into the NJTPA NJRTM-E Model and therefore not reflected in the below capacity rations, The Somerset County Transportation Engineer advises that this improvement may help mitigate congestion at the intersection of these two roads by providing an additional north/south crossing of Route 202, potentially improving roadway circulation at the Imclone PGIA.

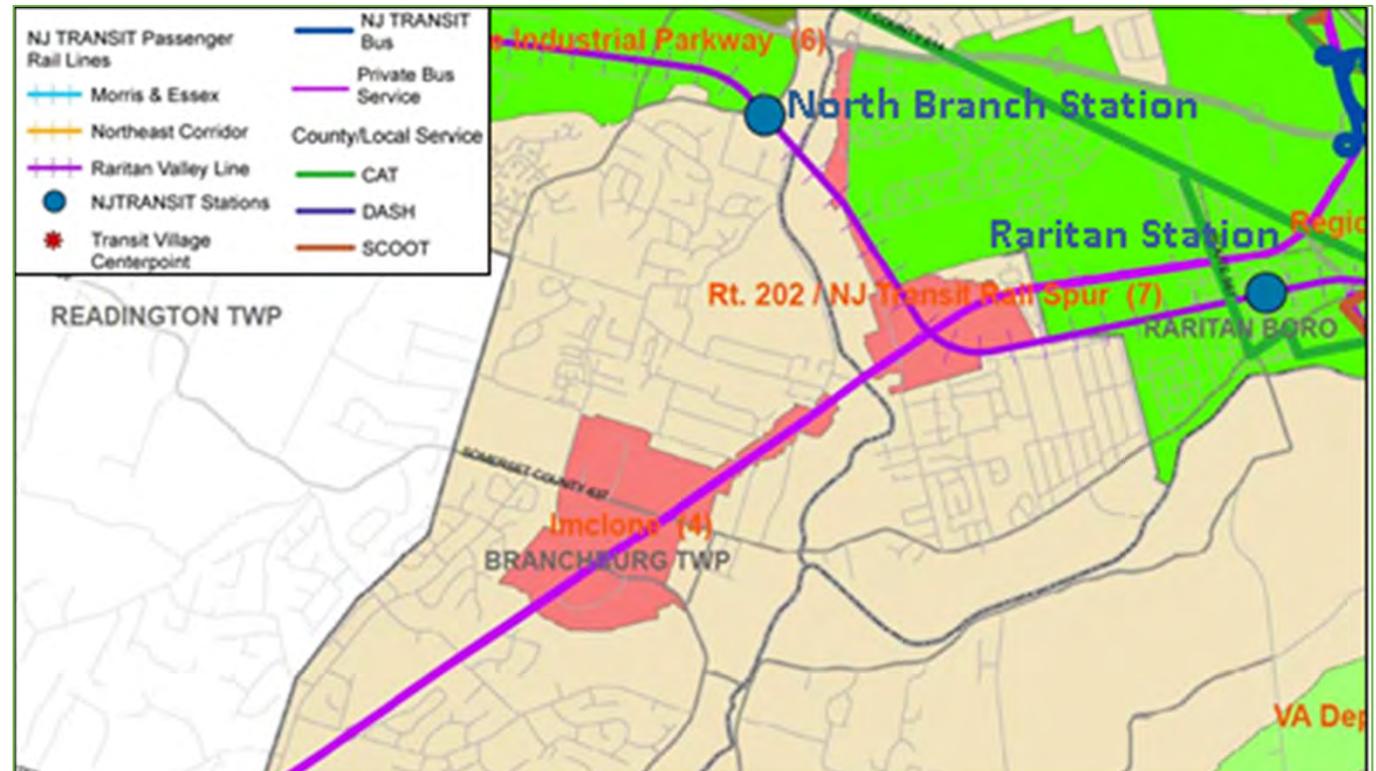
Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the network plots below.

AM Peak Period

PM Peak Period



See page 330 for assumptions and limitations related to these volume-to-capacity ratios



Public Transportation

The Route 202 corridor passing through the Imclone PGIA is not directly served by regional buses. However, NJ TRANSIT commuter rail service is provided to North Branch Station, Whitehouse Station, and Raritan Station, all of which are within five miles of the site. Local shuttle/jitney service could be employed to accommodate increased development within this PGIA. Trans-Bridge Coach Lines operates commuter service along the Route 202 corridor with stops at Three Bridges and in Branchburg. This service would potentially be accessible to new development in this PGIA. Service is focused on northbound commuter travel in the AM peak period with the reverse southbound service provided in the PM peak period.

Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exist to accommodate increased development. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity is not considered an impediment to future development within this PGIA.

Natural Gas – Natural Gas service to this PGIA is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exist to accommodate increased development within the PGIAs. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within this PGIAs.

Sanitary Sewer – This PGIA is currently served by public sewer and is under the jurisdiction of the Somerset Raritan Valley Sewerage Authority, and is incorporated into the Upper Raritan Water Quality Management Planning Area. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within this PGIA.

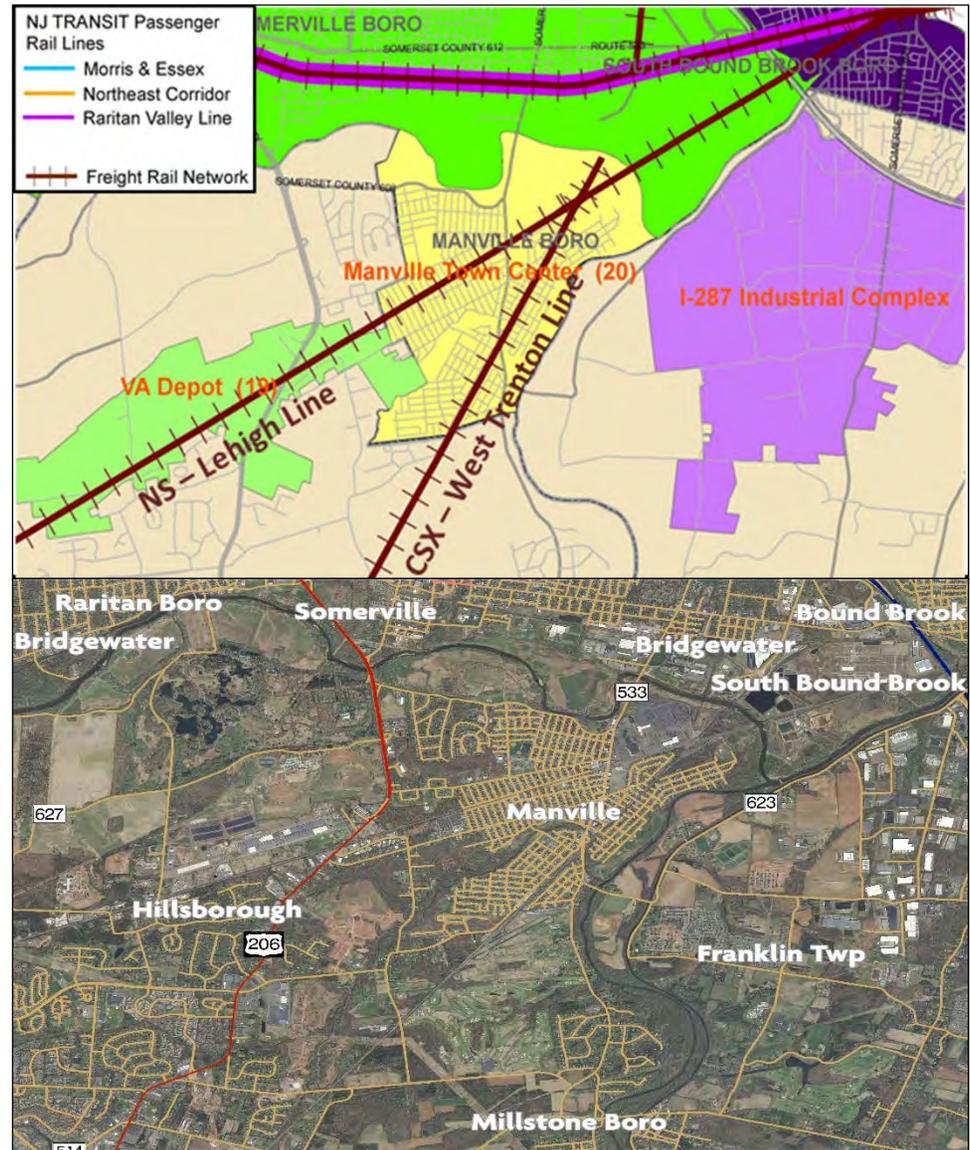
Water – NJ American Water is the Potable Water Purveyor servicing this PGIA and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exist to support increased development within this PGIA. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

Communications – This PGIA is well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, this PGIA is served by multiple wireline and wireless broadband communication providers. This PGIA is served by copper wire, DSL, cable, and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

Manville Town Center

Roadway Access and Constraints

Due to constraints represented by the Route 206 corridor to the west, the Raritan River to the north, and the Millstone River to the south and east, major roadway portals serving this PGIA are generally limited to Finderne Avenue/S. Main Street (CR 533), Duke Parkway East, and Brooks Boulevard. The CSX West Trenton Line and the NS Lehigh Line both run through this PGIA, offering limited roadway crossing points. Accordingly, traffic traveling into or out of Manville is consolidated on a limited number of travel paths. In spite of these constraints, the model indicates roadways within Manville operate in a relatively unconstrained state. S. Main Street and Duke Parkway East are utilized as a connection between the Regional Center and points south along Route 206 to avoid the Somerville Circle. Improvements to these corridors could enhance mobility in this area and support increased development within this PGIA.

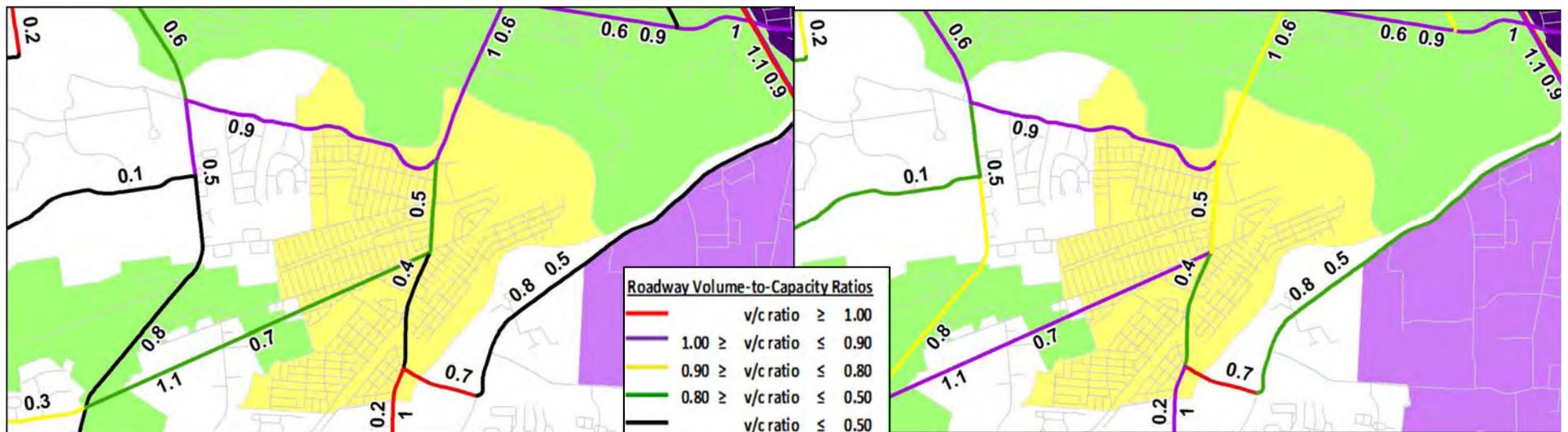


As an additional consideration, much of Manville is located within FEMA defined flood zones, which will limit the areas suitable for increased development within this PGIA, and the ability to construct new roadways and connections to distribute traffic.

Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the following network plots.

AM Peak Period

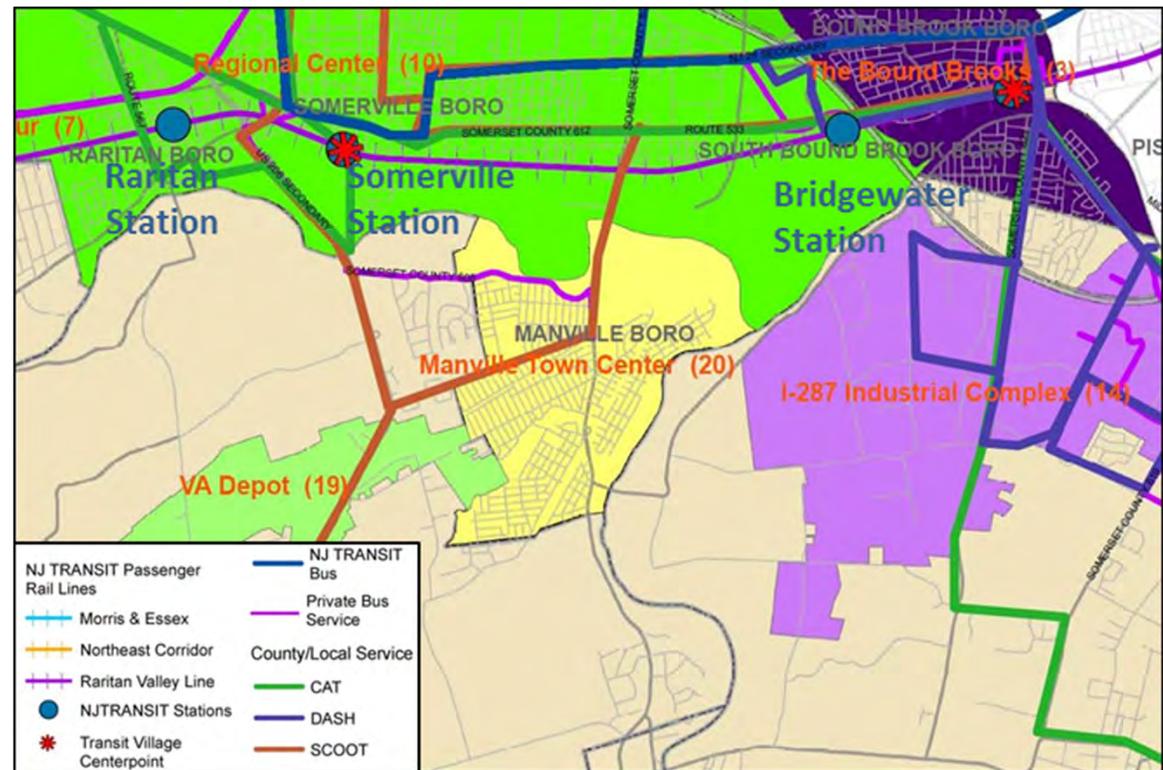
PM Peak Period



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

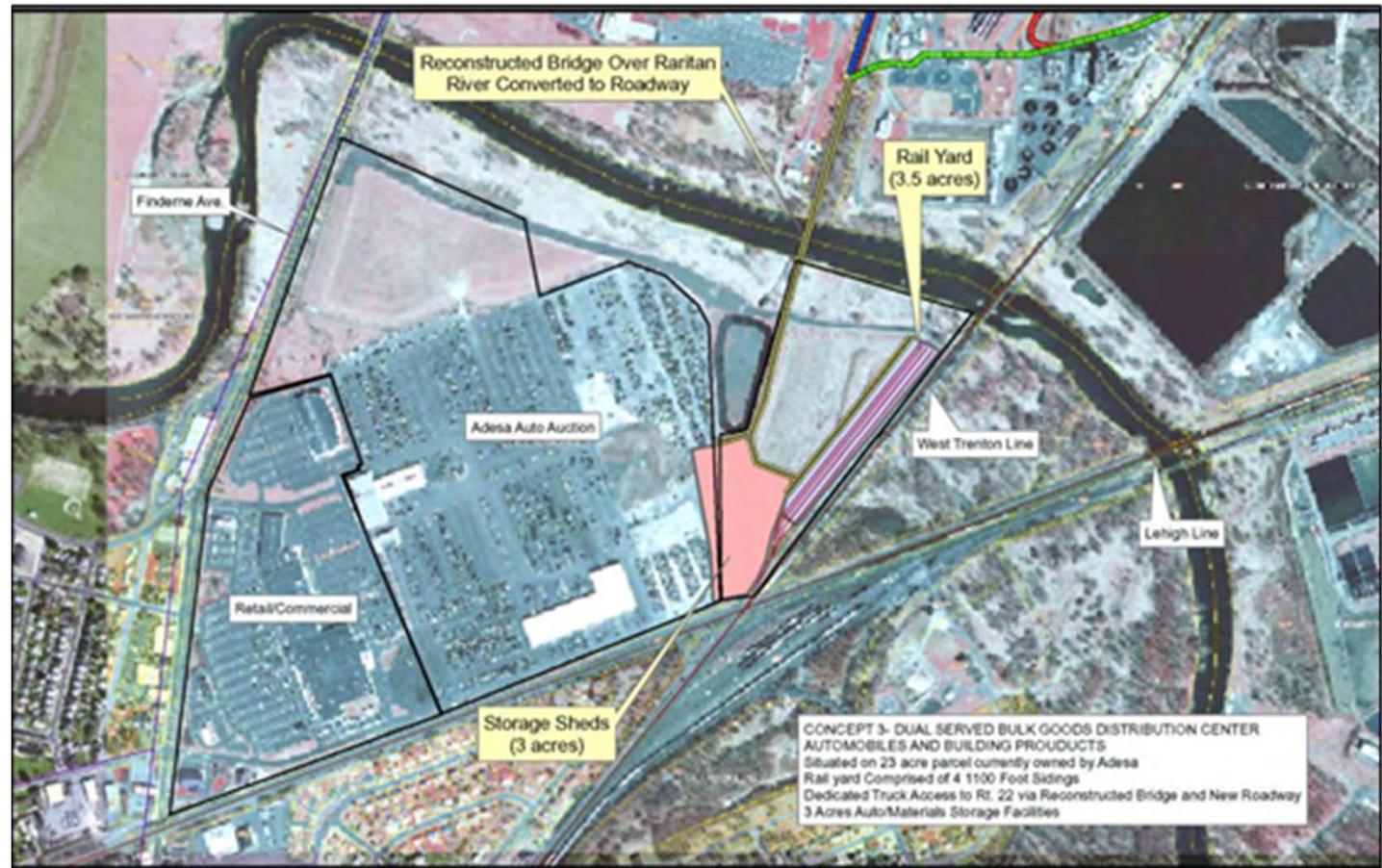
Public Transportation

The Borough of Manville is not well served by public transportation. The only bus service within the borough is the SCOOT system operated by Somerset County. While this service provides connections between this heavily residential area to the Regional Center and the NJ TRANSIT Raritan Valley Line, less than one percent of residents utilize public transit for commuting. Expansion of local jitney service would support increased transit utilization and support additional development within this PGIA.



Freight Access

The potential for creating a rail-served industrial development on the site of the Adesa Auto Auction was explored as part of the 2008 Somerset County study *Advancing Intermodal Freight Opportunities in Central Somerset County*. This study included preparation of a concept plan for redevelopment of a portion of this PGIA as a compact freight village.



Reconfigured warehousing and manufacturing space would be served by an intermodal rail yard. Due to its proximity to the Manville Yard and the Conrail Shared Assets Area, this site has the potential to be served by multiple Class I railroads. Creation of new truck access to Route 22 via conversion of a former rail right of way would be needed to support this industrial development without increasing truck activity along existing residential and retail corridors serving the area.

Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exists to accommodate increased development within this PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity not considered an impediment to future development within the PGIA.

Natural Gas – Natural Gas service to this PGIA is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exist to accommodate increased development within the PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within the PGIA.

Sanitary Sewer – This PGIA is currently served by public sewer and is under the jurisdiction of the Somerset Raritan Valley Sewerage Authority, and is incorporated into the Upper Raritan Water Quality Management Planning Area. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within this PGIA.

Water – NJ American Water is the Potable Water Purveyor servicing this PGIA and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exist to support increased development within this PGIA. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

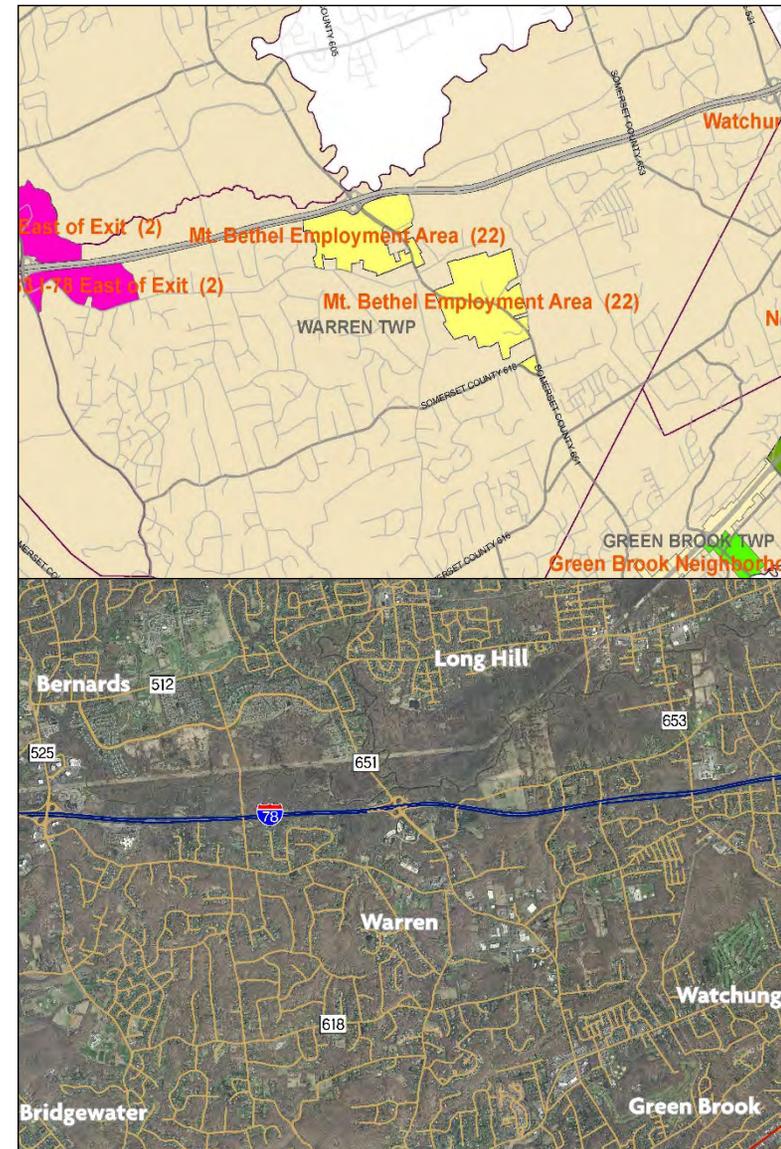
Communications – This PGIA is well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, this PGIA is served by multiple wireline and wireless broadband communication providers. This PGIA is served by copper wire, DSL, cable, and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

Mt. Bethel Employment Area

Roadway Access and Constraints

Access to this PGIA is provided primarily via the Interstate 78 corridor via Interchange 36. Local access is provided to the north via King Georges Road/Valley Road/Stonehouse Road/S. Finley Avenue/N. Maple Avenue corridor which connects to I-287 in Bernards Township. Mountain View Road provides local access south of I-78 with proximate neighborhoods to the west. Mt Bethel Road (CR 651) provides access to the south with a connection to the Route 22 corridor.

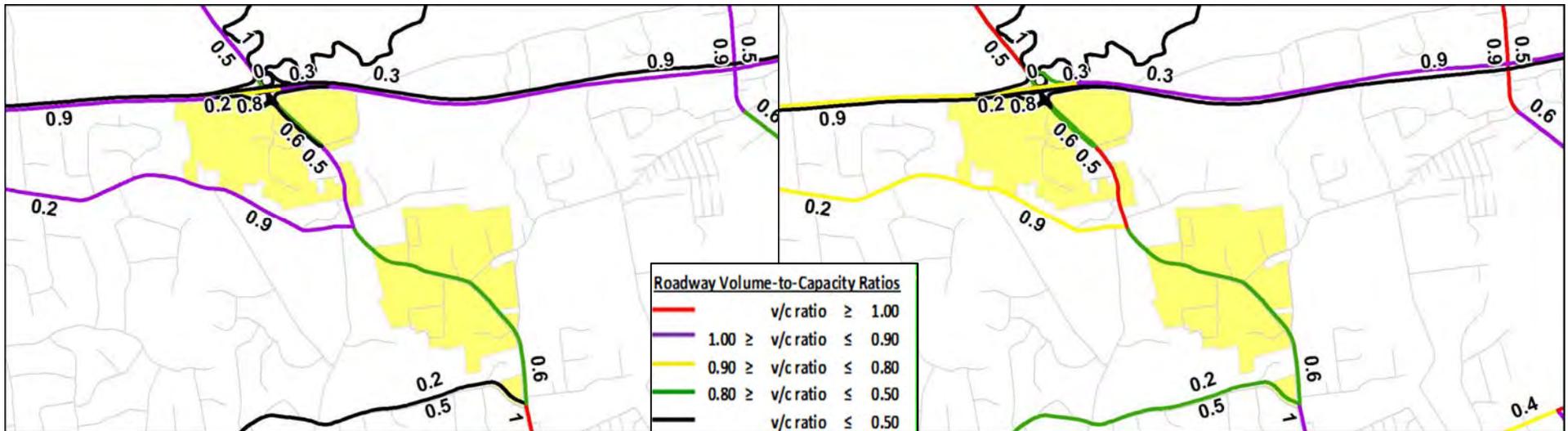
During the AM peak period, these roadways operate in a relatively uncongested state. During the PM peak period, westbound I-78 operates in a congested state, as do Mountain View Road west of Mt. Bethel Road, and southbound King Georges Road. Widening of these two predominantly two-lane roadways, consolidation of adjacent land access driveways, and ramp improvements at the interchange could potentially provide sufficient additional capacity and enhanced mobility to support increased development within this PGIA. Addition of an adaptive or traffic responsive traffic signal system along the Mt. Bethel Road corridor will help to alleviate some existing congestion but on its own may not provide for expansion of the corridor.



Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the following network plots.

AM Peak Period

PM Peak Period



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

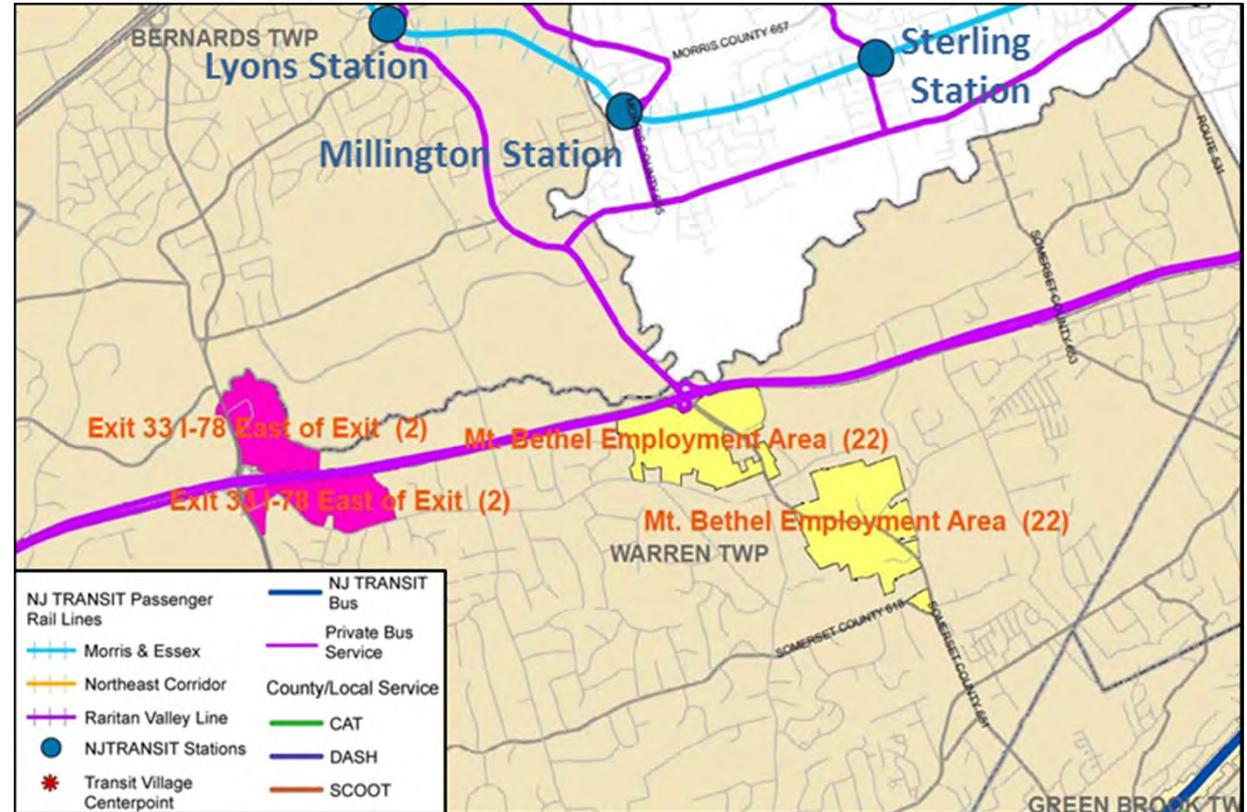
Public Transportation

This PGIA is unserved by public transportation options.

Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exists to accommodate increased development within this PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to

serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity not considered an impediment to future development within the PGIAs.



Natural Gas – Natural Gas service to this PGIA is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exist to accommodate increased development within the PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within the PGIA.

Sanitary Sewer – This PGIA is currently served by public sewer operated by the Warren Township Sewerage Authority. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within this PGIA.

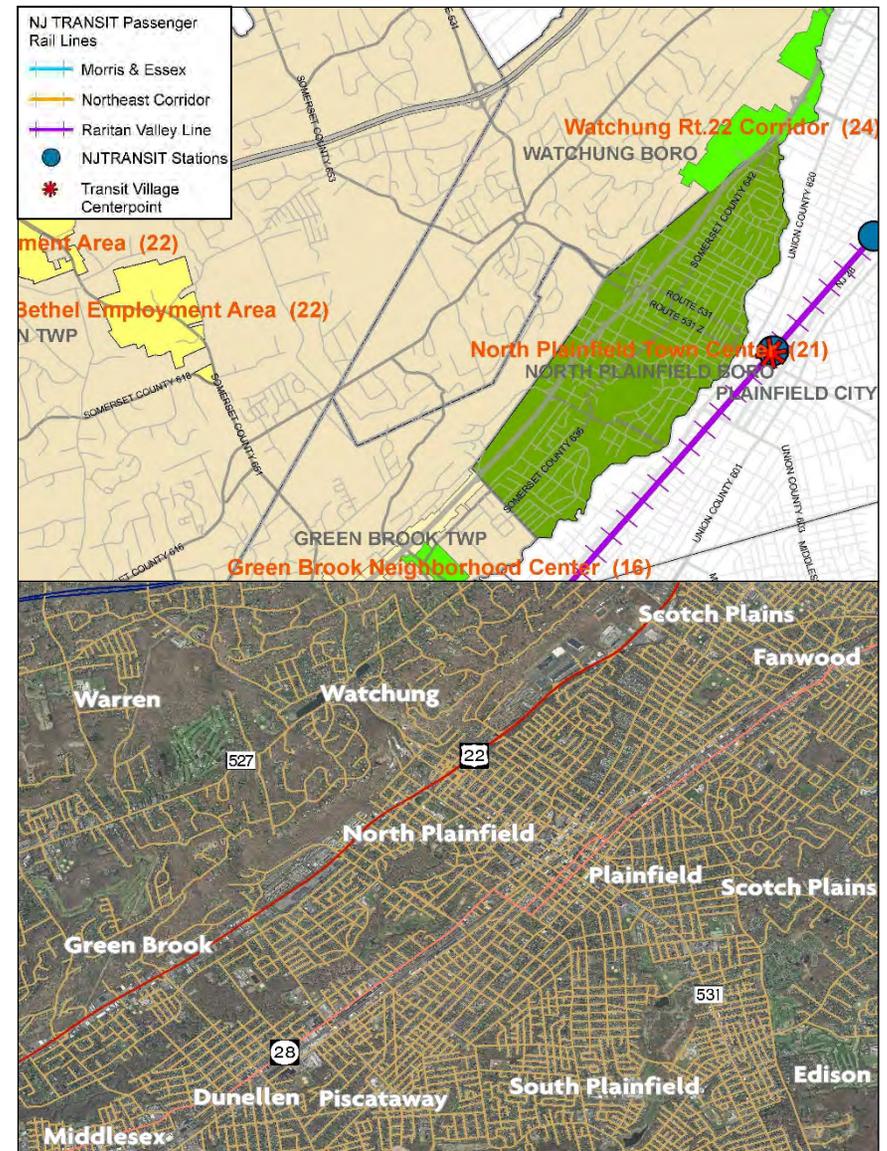
Water – NJ American Water is the Potable Water Purveyor servicing this PGIA and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exist to support increased development within this PGIA. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

Communications – This PGIA is well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, this PGIA is served by multiple wireline and wireless broadband communication providers. This PGIA is served by DSL, cable, and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

North Plainfield Town Center

Roadway Access and Constraints

The Route 22 corridor within this area is predominantly a divided four-lane facility, with additional lanes provided for short distances at major intersections serving as accel/decel lanes for vehicles entering or exiting the mainline of Route 22. Left turns are accommodated via jughandles at signalized intersections. Numerous driveways serving commercial land development along both sides of Route 22 characterize this area. As such, there is significant friction between vehicles in the competing traffic streams (through traffic, local access, crossing movements, u-turning, etc.) that significantly reduces mobility and the throughput capacity of this roadway. There are businesses on both sides of Route 22 that contribute to frequent crossings over multiple lanes of traffic that are both dangerous and add to congestion. In spite of these challenges, this section of Route 22 generally operates at and slightly below capacity during the AM and PM peak periods. Accordingly, modest levels of increased development can be accommodated within this PGIA with minimal or no infrastructure improvements. Significant expansion of development along this corridor could be supported with the construction of larger, more capittally intensive improvements such as the consolidation of private property access driveways and creation of



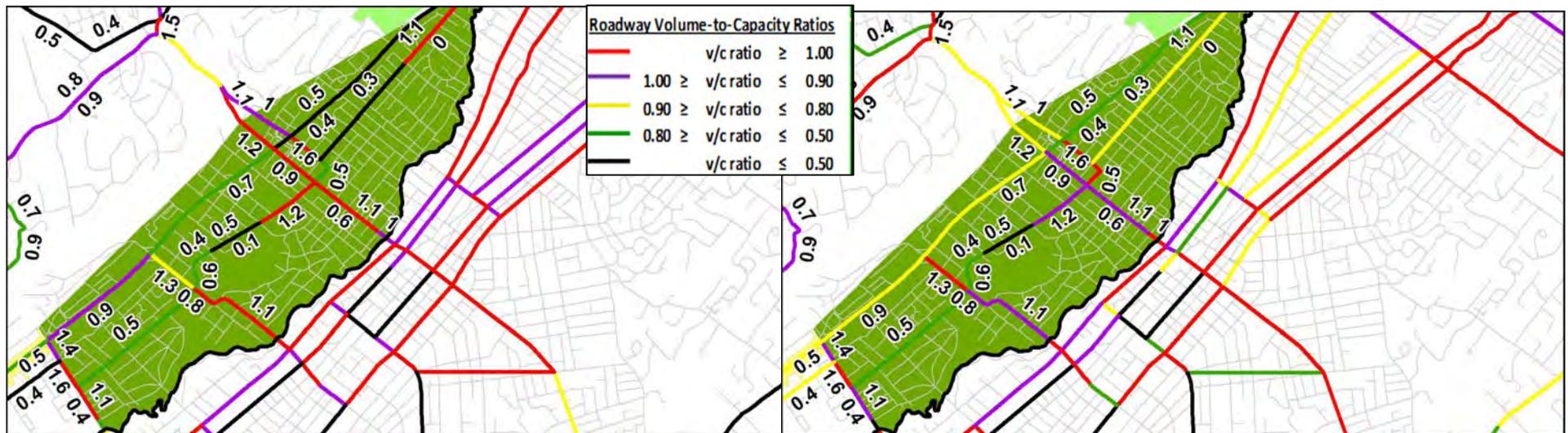
collector/distributor roadways to separate the competing traffic streams. Implementation of a fully adaptive traffic signal control system along this corridor is underway by NJDOT and will also improve mobility and further support increased development.

The local roadways providing north/south access to the PGIA and the Route 22 corridor are another matter. The more significant local roadways like Watchung Avenue (CR 531) and Somerset Street and West End Avenue experience congested operation during the AM and PM peak periods. Localized improvements such as upgrades to the existing traffic signal systems and prohibition of on-street parking during peak travel demand periods may be required to support any significant increase in development in this PGIA.

Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the following network plots.

AM Peak Period

PM Peak Period



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

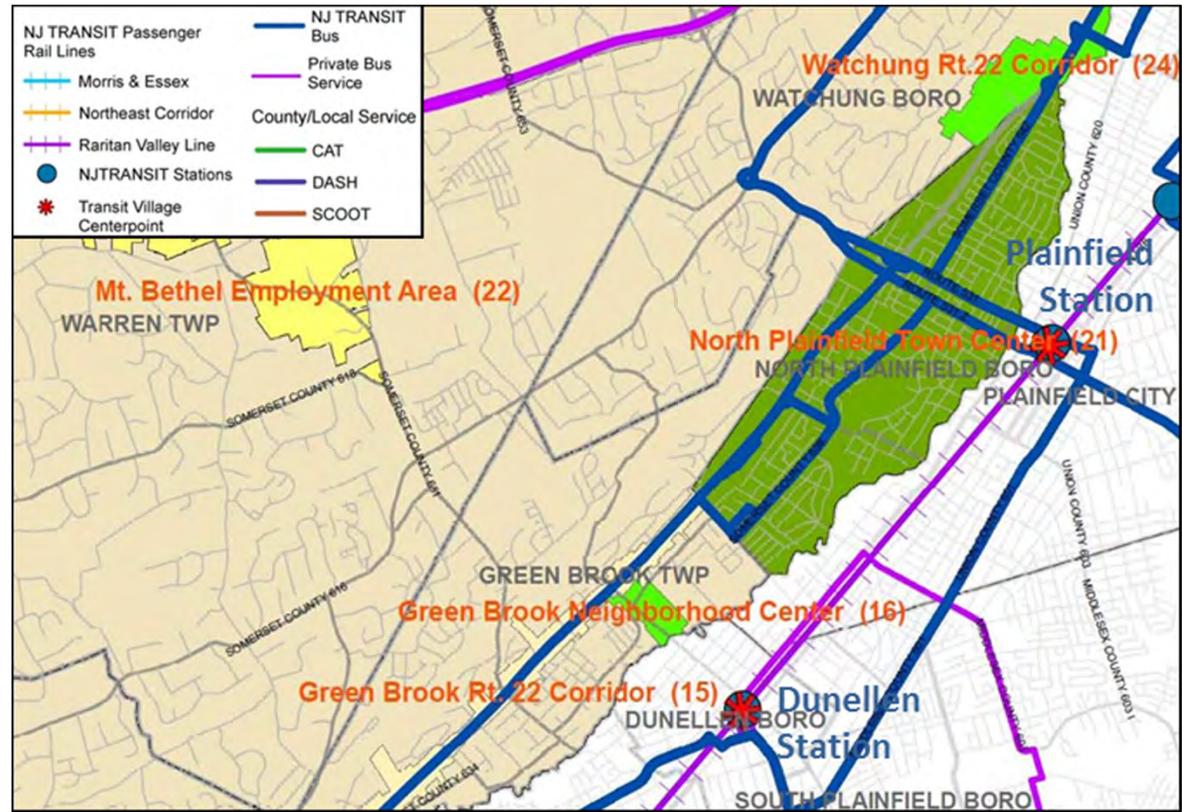
Public Transportation

NJ TRANSIT operates commuter and local bus service along the Route 22 corridor in this area. This bus service provides connection to the NJ TRANSIT rail station in Plainfield.

Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exists to accommodate increased development within this

PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity not considered an impediment to future development within the PGIA.



Natural Gas – Natural Gas service to this PGIA is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exist to accommodate increased development within the PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within the PGIA.

Sanitary Sewer – This PGIA is currently served by public sewer under the jurisdiction of the Middlesex County Utility Authority. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within this PGIA.

Water – NJ American Water is the Potable Water Purveyor servicing this PGIA and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exist to support increased development within this PGIA. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

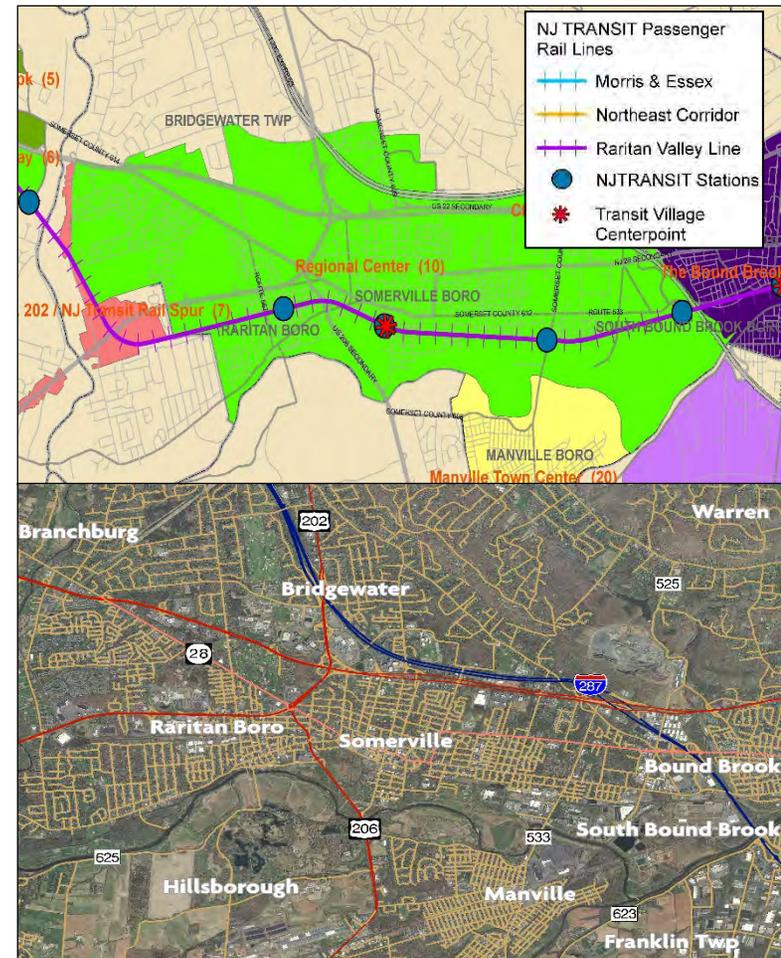
Communications – This PGIA is well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, this PGIA is served by multiple wireline and wireless broadband communication providers. This PGIA is served by copper wire, DSL, cable, and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

Somerset County Regional Center

Roadway Access and Constraints

A number of deficiencies exist along the Route 22 corridor serving the Regional Center, including weave conditions, ramp merges and constraints on mainline sections between ramps, and limited opportunities to cross Route 22. The Route 22 Sustainable Corridor Long Term Improvements Study focuses on the section of Route 22 between Routes 202/206 and Interstate 287. This study is currently being conducted by Somerset County and the NJDOT and is expected to identify opportunities to improve mobility and safety, coordinate access to local businesses and properties, and better accommodate alternate modes of travel.

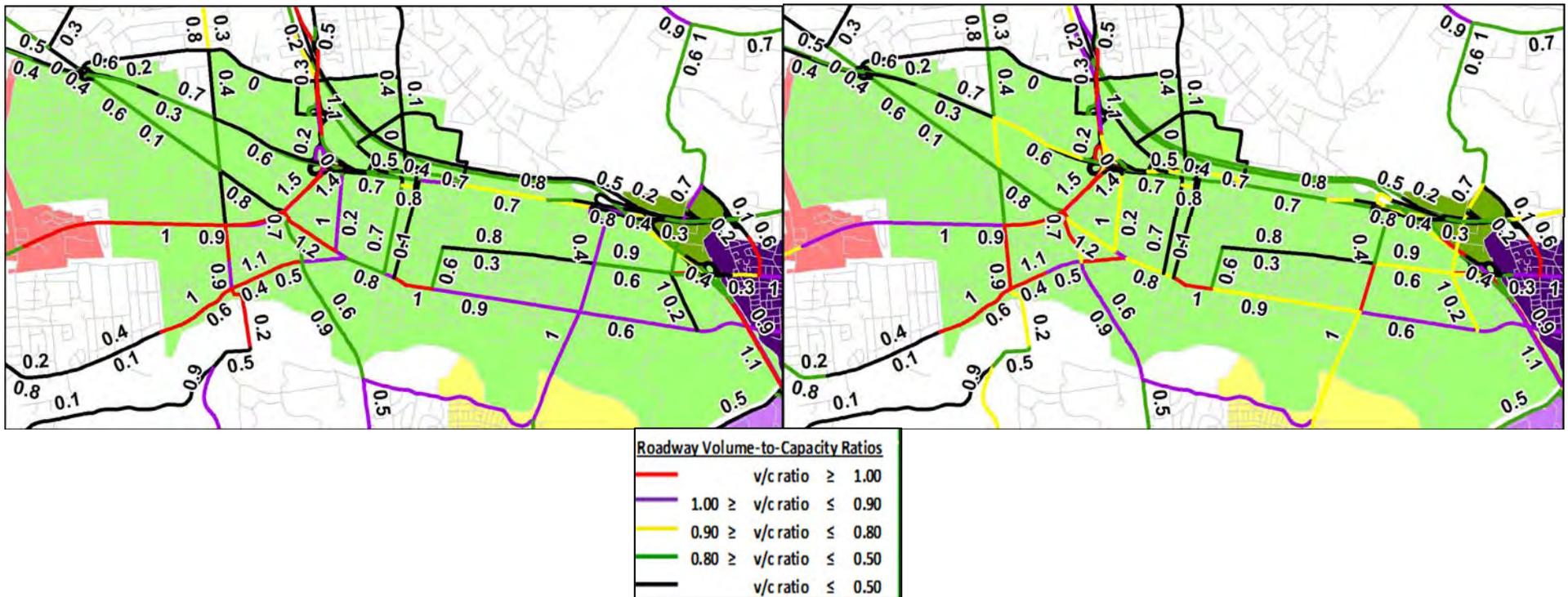
Constrained operations also exist on the primary local circulation corridors serving the Regional Center including along Route 28 (West Main Street, East Main Street, and Union Avenue) and Finderne Avenue. Major improvements to increase mobility along these corridors would be required to support significant increased development within the Regional Center.



Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the following network plots.

AM Peak Period

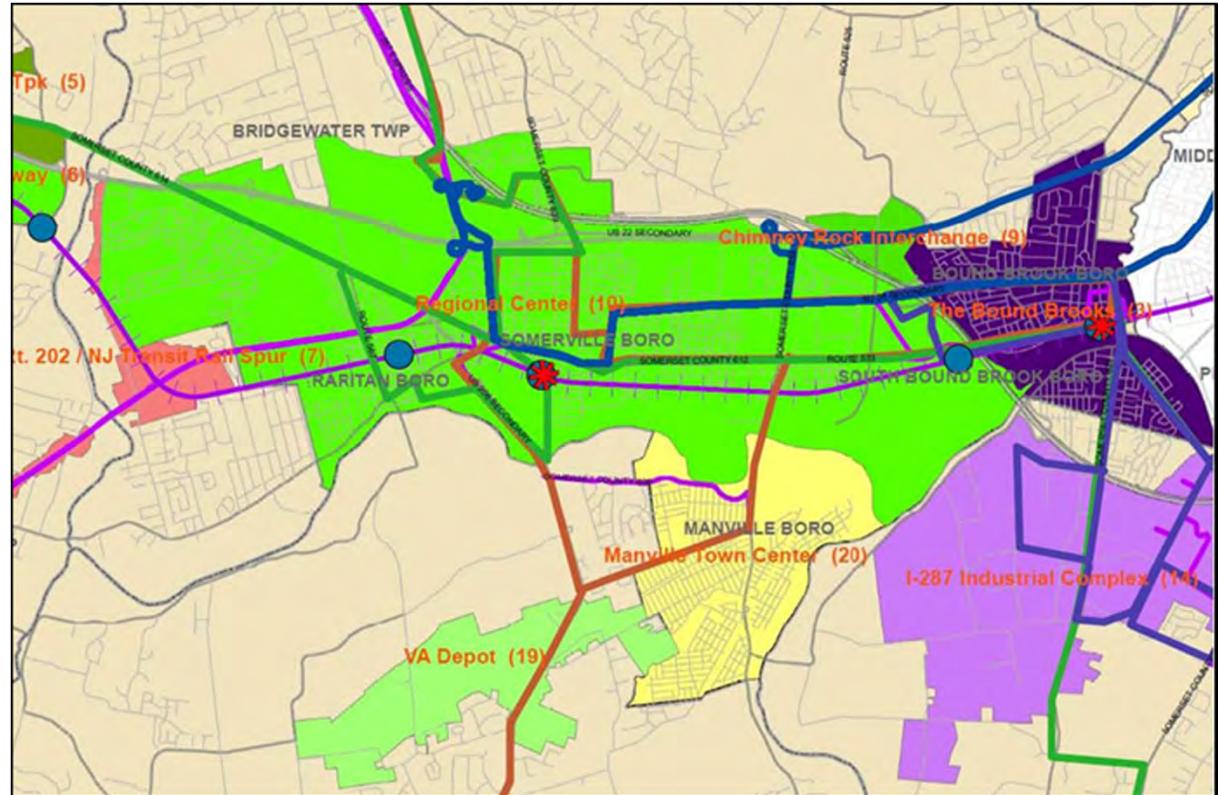
PM Peak Period



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

Public Transportation

The Regional Center is served by a variety of public transportation systems and services. NJ TRANSIT provides commuter rail service via the Raritan Valley Line with stations at Bridgewater, Somerville, and Raritan. Extensive commuter and local bus service is operated in the area providing connections between local employment centers, retail centers, residential districts, and regional transit access points. The Trans-Bridge Coach Line would potentially be accessible to new development within the western end of this PGIA.



Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exist to accommodate increased development. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity is not considered an impediment to future development within this PGIA.

Natural Gas – Natural Gas service to this PGIA is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exist to accommodate increased development within the PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within the PGIA.

Sanitary Sewer – This PGIA is currently served by public sewer and is under the jurisdiction of the Somerset Raritan Valley Sewerage Authority, and is incorporated into the Upper Raritan Water Quality Management Planning Area. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within this PGIA.

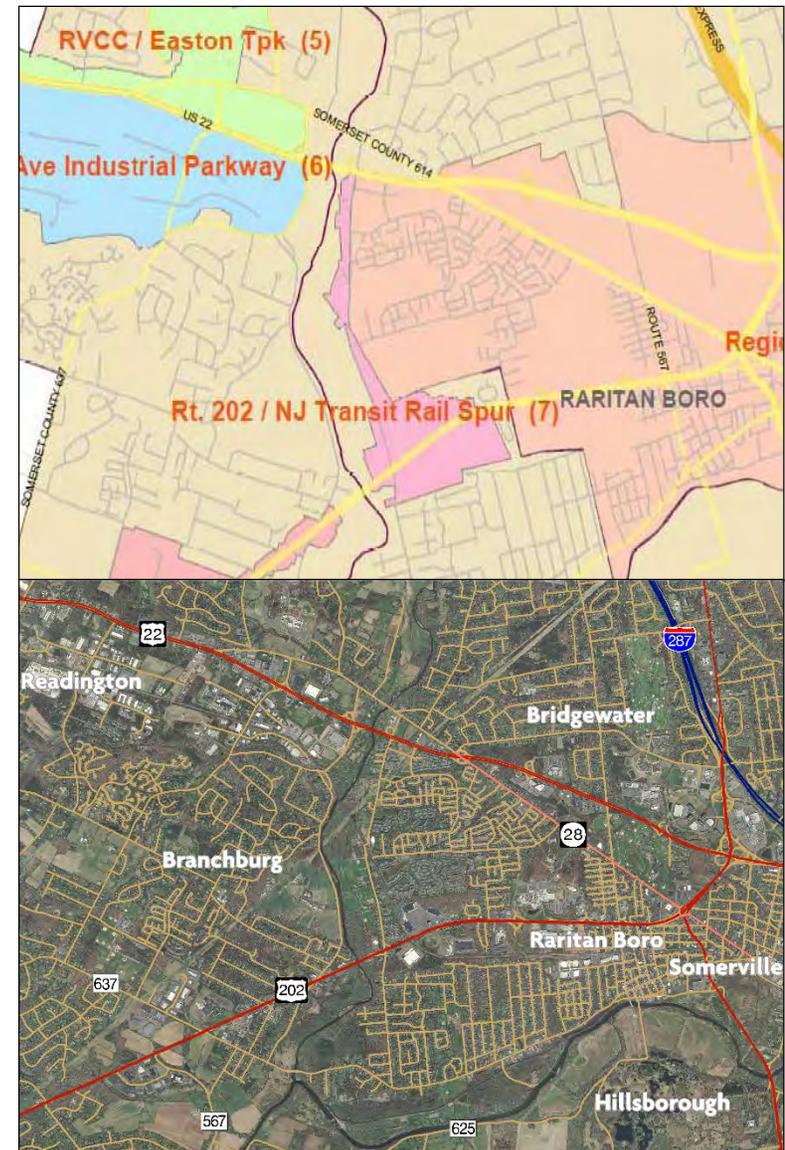
Water – NJ American Water is the Potable Water Purveyor servicing this PGIA and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exist to support increased development within this PGIA. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

Communications – This PGIA is well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, this PGIA is served by multiple wireline and wireless broadband communication providers. This PGIA is served by copper wire, DSL, cable, and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

Route 202/NJ TRANSIT Rail Spur

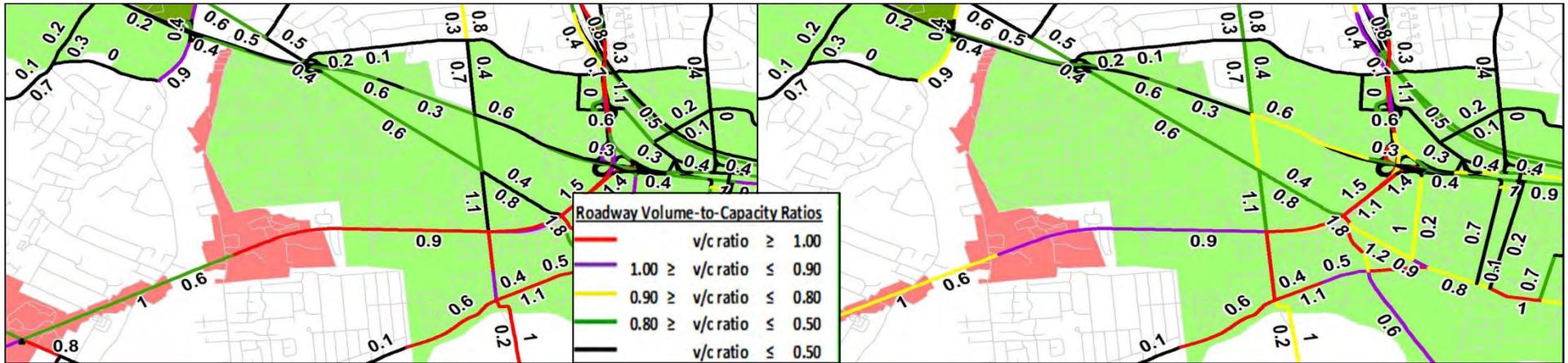
Roadway Access and Constraints

The bulk of this PGIA is centered on the Route 202 corridor, with Milltown Road providing a link through the site connecting both Route 22 to the north and Route 202 to the south. As a primary commuter corridor in this area, both Routes 22 and 202 experience congested operations in the eastbound direction during the AM peak period and in the westbound direction in the PM peak period. Queuing and congestion are generally attributable to the traffic signal operations at the intersection along these corridors, particularly northbound and southbound operations along Route 202 at Milltown Road in the AM and PM peak periods, respectively. Improvements to this intersection and upgrade of the traffic control system could provide increased mobility and capacity to accommodate increased development within this PGIA. Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the network plots on the following page.



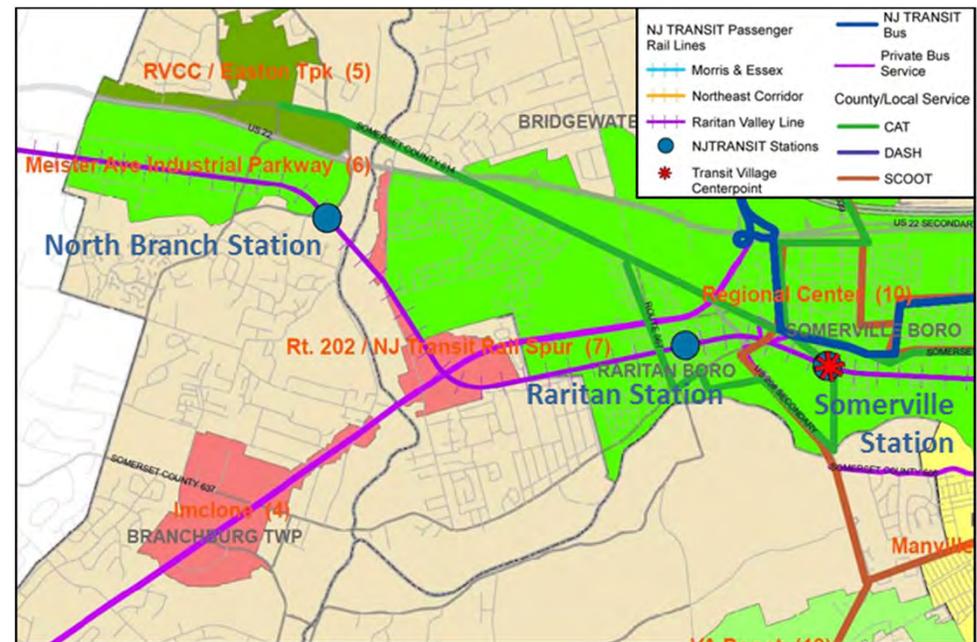
AM Peak Period

PM Peak Period



Public Transportation

The NJ TRANSIT Raritan Valley Line runs through the southern portion and abuts the eastern boundary in the northern portion of this PGIA. The North Branch Station is located adjacent to the northern end of this site at the corner of Station Road and River Road. While this station is closely proximate to the PGIA, it is separated from the development area by the North Branch of the Raritan River creating an impediment to direct non-vehicular access between the station and the site. Roadway access between the station and the southern portion of the site could be accommodated by River Road and Old York Road,



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

offering the potential to create a localized jitney service to provide transit access to the site. The Trans-Bridge Coach Line, which provides limited commuter period service to New York City via Route 202, Interstate 287, and Interstate 78, would potentially be accessible to new development in this PGIA.

Freight Infrastructure

The nearby Meister Avenue Industrial Parkway PGIA's smaller industrial businesses rely upon truck access from the Route 22 corridor, which provides connections to the interstate highway system at its interchange with I-287. While the NJ TRANSIT Raritan Valley Line runs through the Route 202/NJ TRANSIT Rail Spur PGIA, limited freight rail activity runs along this line, with existing businesses in the vicinity being truck-dependent.

Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exist to accommodate increased development. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity is not considered an impediment to future development within this PGIA.

Natural Gas – Natural Gas service to this PGIA is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exist to accommodate increased development within the PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within the PGIA.

Sanitary Sewer – This PGIA is currently served by public sewer and is under the jurisdiction of the Somerset Raritan Valley Sewerage Authority, and is incorporated into the Upper Raritan Water Quality Management Planning Area. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within this PGIA.

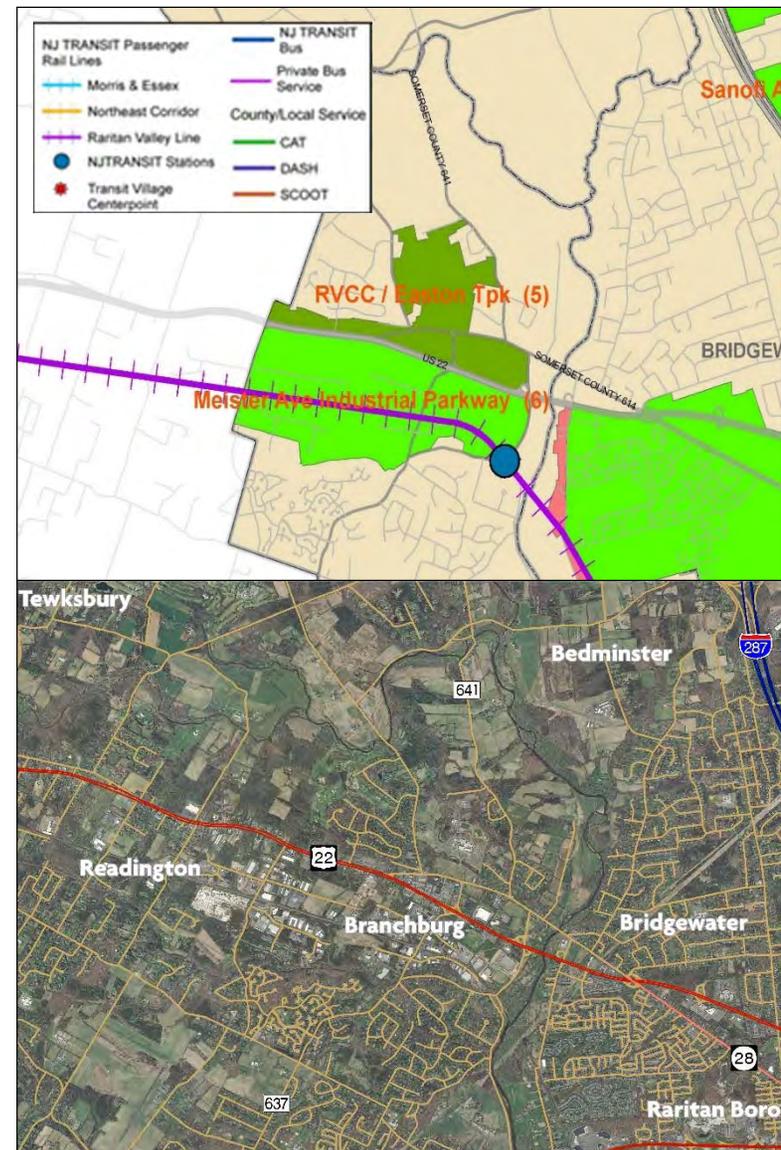
Water – NJ American Water is the Potable Water Purveyor servicing this PGIA and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exist to support increased development within this PGIA. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

Communications – This PGIA is well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, this PGIA is served by multiple wireline and wireless broadband communication providers. This PGIA is served by copper wire, DSL, cable, and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

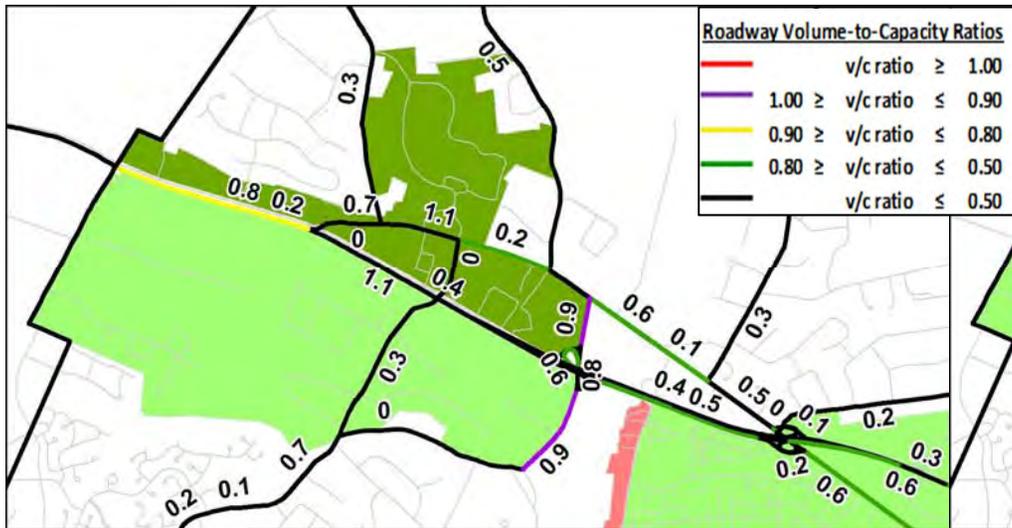
RVCC Easton Turnpike and Meister Avenue Industrial Parkway

Roadway Access and Constraints

Both of these PGIAs are served primarily by the Route 22 corridor, a divided roadway with multiple land access driveways and varying frequency of uncontrolled median openings along its length. As a primary commuter corridor in this area, Route 22 experiences congested operations in the eastbound direction during the AM peak period and in the westbound direction in the PM peak period. Local roadways such as Lamington Road and Readington Road provide local access to these PGIAs. These local roadways generally offer sufficient capacity to accommodate demand with the exception of southbound Lamington Road and westbound Easton Turnpike during the PM peak period. Queuing and congestion are generally attributable to the traffic signal operations at the intersection of these two roadways. Improvements to this intersection and upgrade of the traffic control system could provide increased mobility and capacity to accommodate increased development within these two PGIAs. Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the network plots on the following page.



AM Peak Period

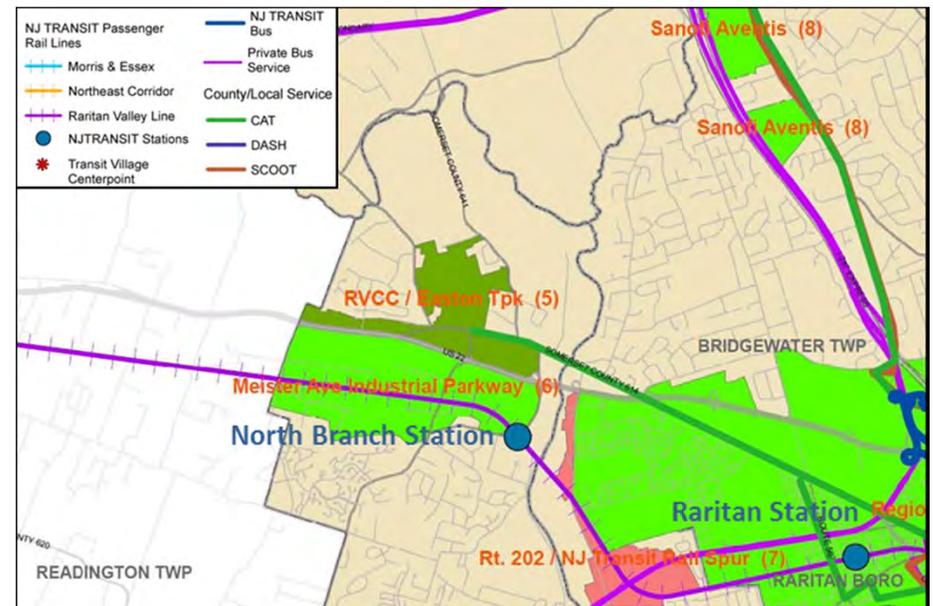


PM Peak Period



Public Transportation

The Route 22 corridor is not well served by public transportation in this area. However, these PGIAs are located within one mile of the North Branch Station of the NJ TRANSIT Raritan Valley Line. Creation of local shuttle/jitney service would support mobility and access, supporting increased development in these PGIAs. Existing services operated by Somerset County, particularly the CAT service, provide connection between these PGIAs and the larger residential, employment, and retail centers within Somerset County to the east.



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

Freight Infrastructure

The Meister Avenue Industrial Parkway is currently developed with a range of smaller industrial land uses. These existing businesses rely upon truck access from the Route 22 corridor which provides connections to the interstate highway system at its interchange with I-287. While the NJ TRANSIT Raritan Valley Line runs through this PGIA, limited freight rail activity runs along this line, with the existing businesses being truck-dependent.

Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within these PGIAs were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exist to accommodate increased development. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity is not considered an impediment to future development within these PGIAs.

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Sanitary Sewer – This PGIA is currently served by public sewer and is under the jurisdiction of the Somerset Raritan Valley Sewerage Authority, and is incorporated into the Upper Raritan Water Quality Management Planning Area. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within these PGIAs.

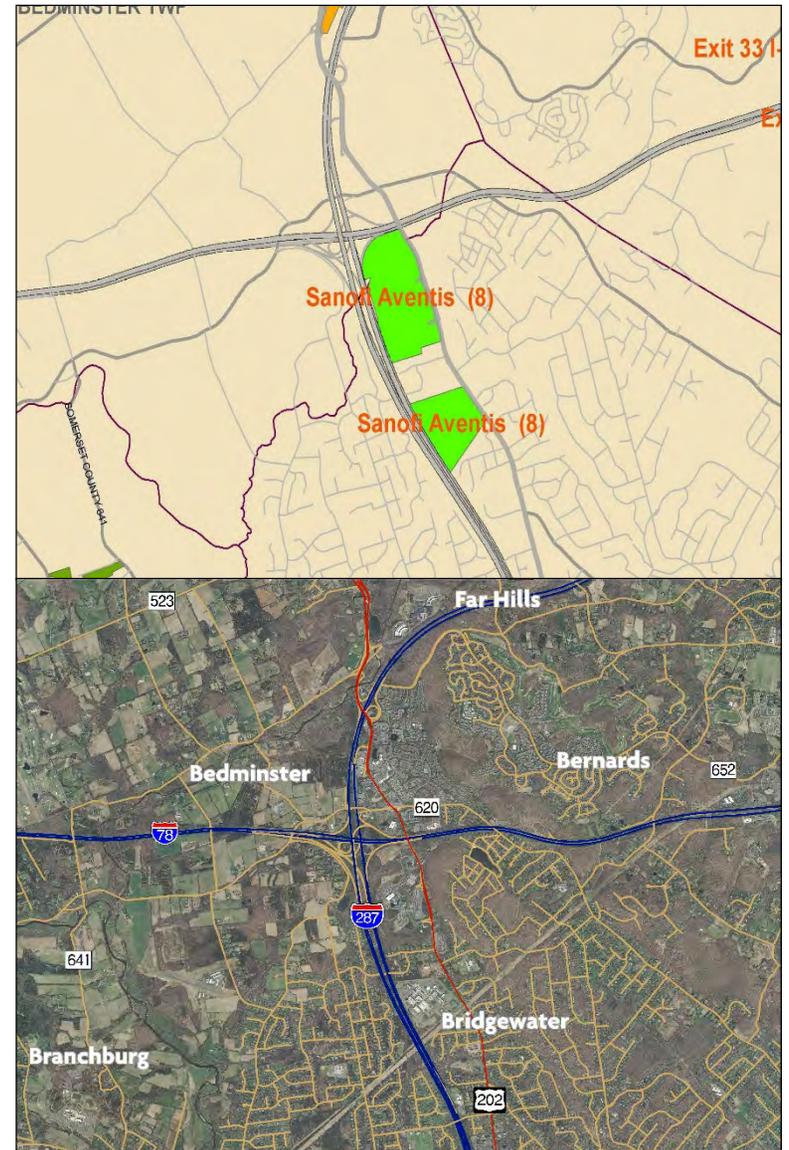
Water – NJ American Water is the Potable Water Purveyor servicing this PGIA and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exist to support increased development within these PGIAs. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

Communications – These PGIAs are well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, these PGIAs are served by multiple wireline and wireless broadband communication providers. These PGIAs are served by copper wire, DSL, cable and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving these PGIAs provide 100 mbps or greater download capacity on both the wireline and wireless networks.

Sanofi Aventis

Roadway Access and Constraints

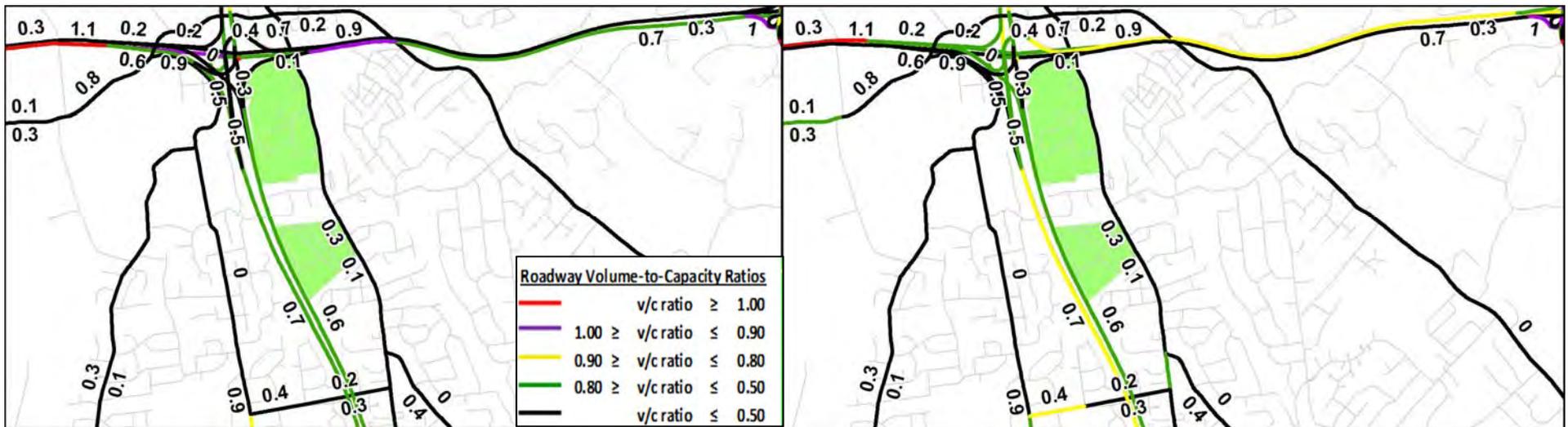
The Sanofi Aventis PGIA is directly served by the Route 202/206 corridor. While the Route 202/206 corridor adjacent to the site operates in a relatively congestion-free state, this portion of the corridor does not offer direct or easy connections to Interstates 78 or 287, both of which directly abut the site. Interchange spacing criteria preclude the ability to create direct connections to the site from the interstate highways. As such, traffic to and from the north must utilize Exit 22 on I-287, which is a partial interchange with Route 202/206. Entering traffic must travel northbound on Route 202/206 and execute a U-turn at a signalized jug-handle intersection and return southbound to access the site. Exiting traffic destined for I-287 southbound would be required to follow a similar path, traveling north on Route 202/206, executing a U-turn to return to Route 202/206 southbound to enter I-287 at Exit 22. Both of these movements require vehicles to travel through an already congested location. Significant reconfiguration of this interchange would be required to accommodate increased development on this site. In addition, improvements to the two-lane Washington Valley Road (CR 620) will likely be required to accommodate increases in local circulation traffic attributable to increased development of the site.



Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the following network plots.

AM Peak Period

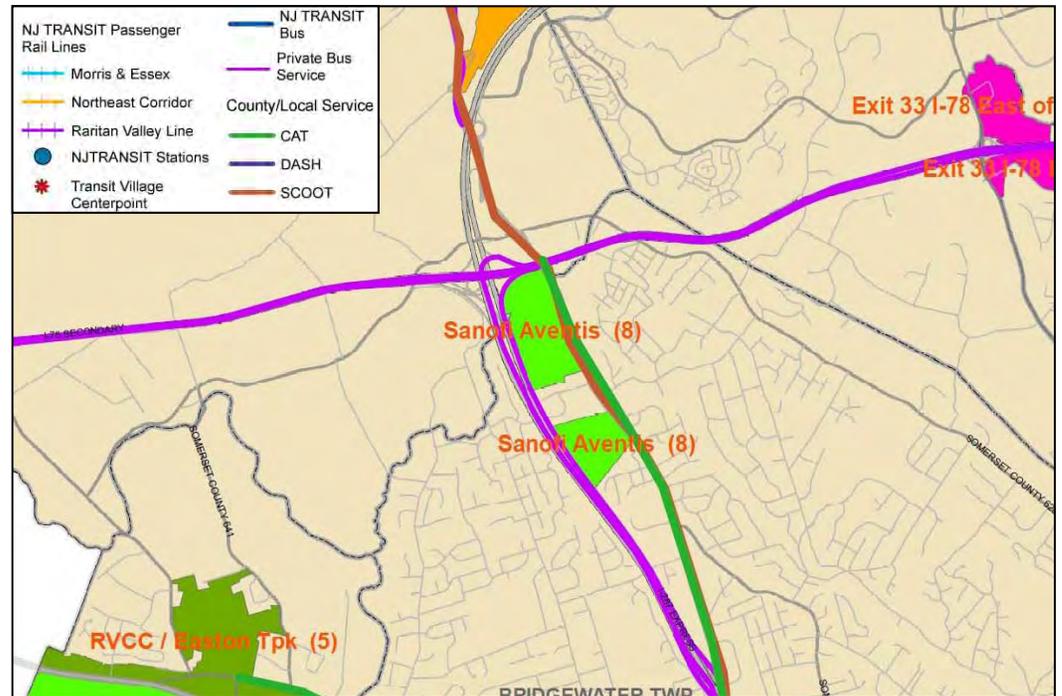
PM Peak Period



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

Public Transportation

The Route 202/206 corridor in the vicinity of this PGIA is not directly served by public transportation. However, this PGIA is located just under five miles from the Far Hills Station on the NJ TRANSIT Gladstone Branch. The Somerset County SCOOT system provides a connection between the site and the Far Hills Station. The existing CAT system, also operated by Somerset County, provides a connection between this site and the rail stations along the NJ TRANSIT Raritan Valley Line as well as the larger residential, employment, and retail centers within Somerset County to the east.



Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exist to accommodate increased development. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity is not considered an impediment to future development within this PGIA.

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Water – NJ American Water is the Potable Water Purveyor servicing this PGIA and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exist to support increased development within this PGIA. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

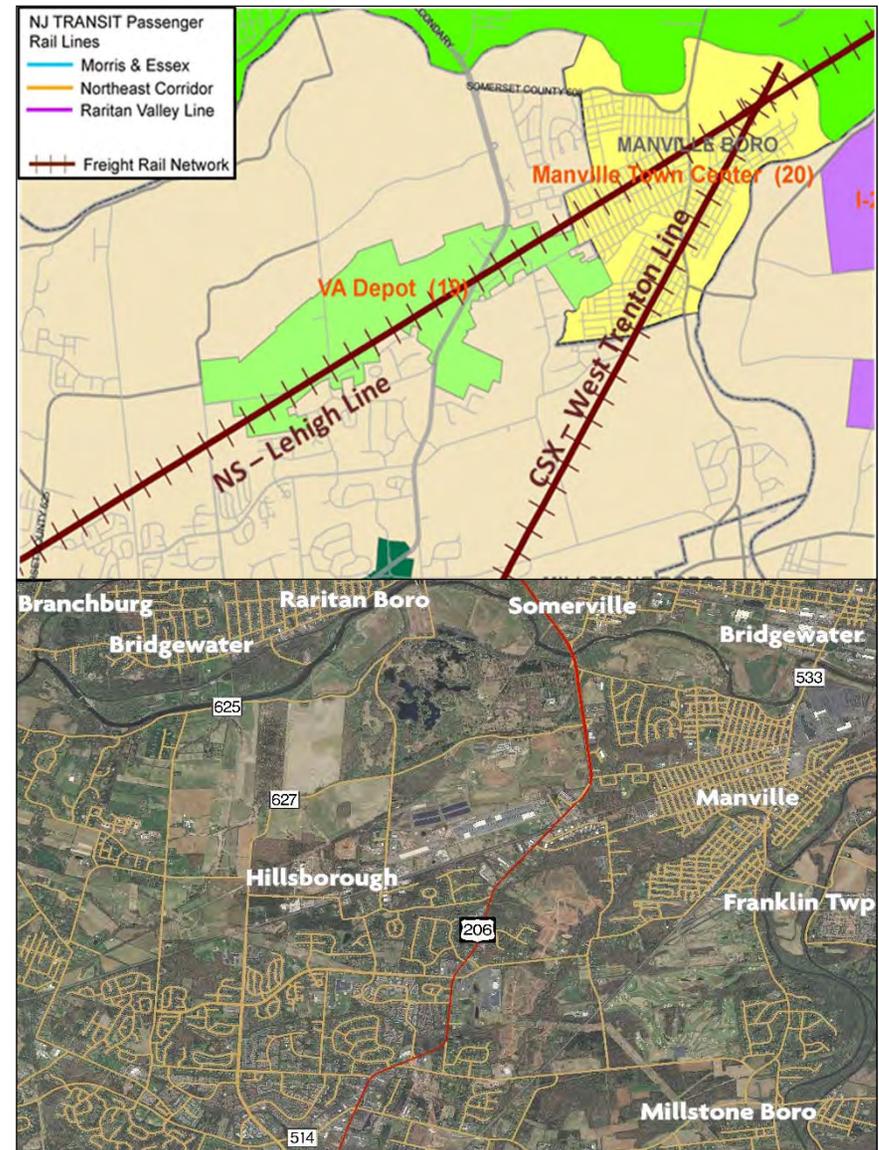
Communications – This PGIA is well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, this PGIA is served by multiple wireline and wireless broadband communication providers. This PGIA is served by copper wire, DSL, cable and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

VA Depot

Roadway Access and Constraints

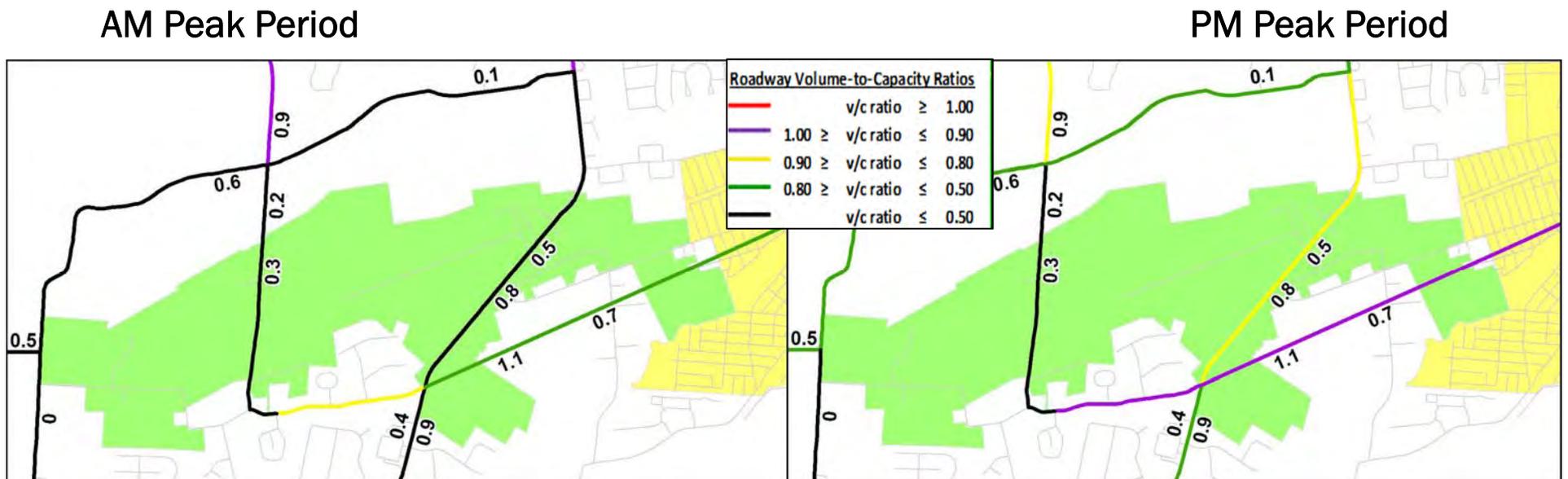
A study undertaken by Somerset County in 2008 investigated the potential for industrial development within the VA Depot site. While this study identified the potential for significant industrial development within this area, several constraints were also identified that would require capital investment to support the development-induced traffic growth. South of Brooks Boulevard, Route 206 narrows to a two-lane roadway and passes beneath the West Trenton Secondary rail line. This narrowing results in southbound merging and congestion immediately adjacent to the PGIA. While a majority of the industrial traffic that would be generated from expanded development of this site would be oriented to and from the north, the narrowing of the Route 206 corridor to the south represents a constraint. During the AM peak period, Route 206 northbound south of Valley Road is projected to operate over capacity, as is the portion of Route 206 northbound from Brooks Boulevard to the Somerville Circle. Upgrade of the traffic control system along this corridor would alleviate some of this congestion and support increased development within the PGIA.

Additional capacity could be provided from the capital improvement project Section 15N, which will dualize Route 206 between Brown Avenue and Old Somerville Road.



In addition to infrastructure constraints, the Duke Farms borders the PGIA to the north. This larger than 2,000 acre property is home to an extensive array of activities focused on environmental stewardship and education. While not necessarily a constraint, the environmentally sensitive nature of the Duke Farm property must be carefully accounted for and incorporated into any future development plans for this area.

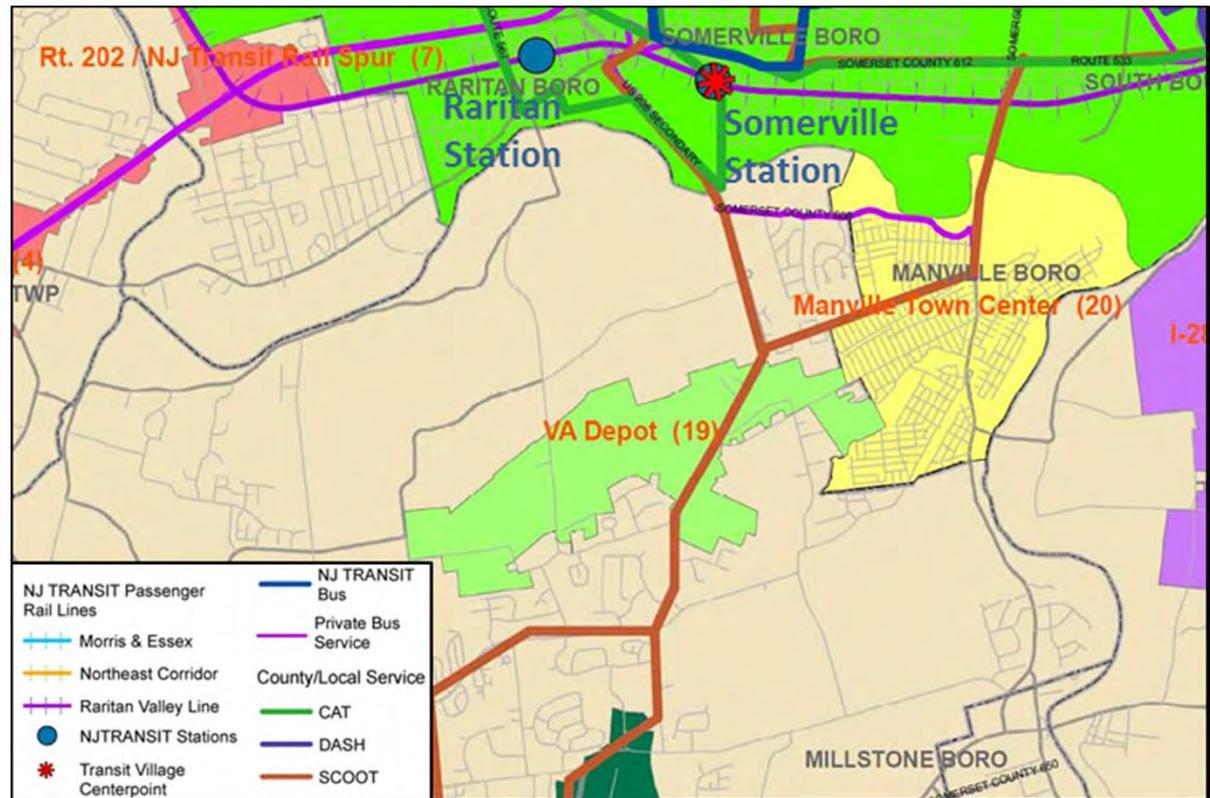
Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the following network plots.



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

Public Transportation

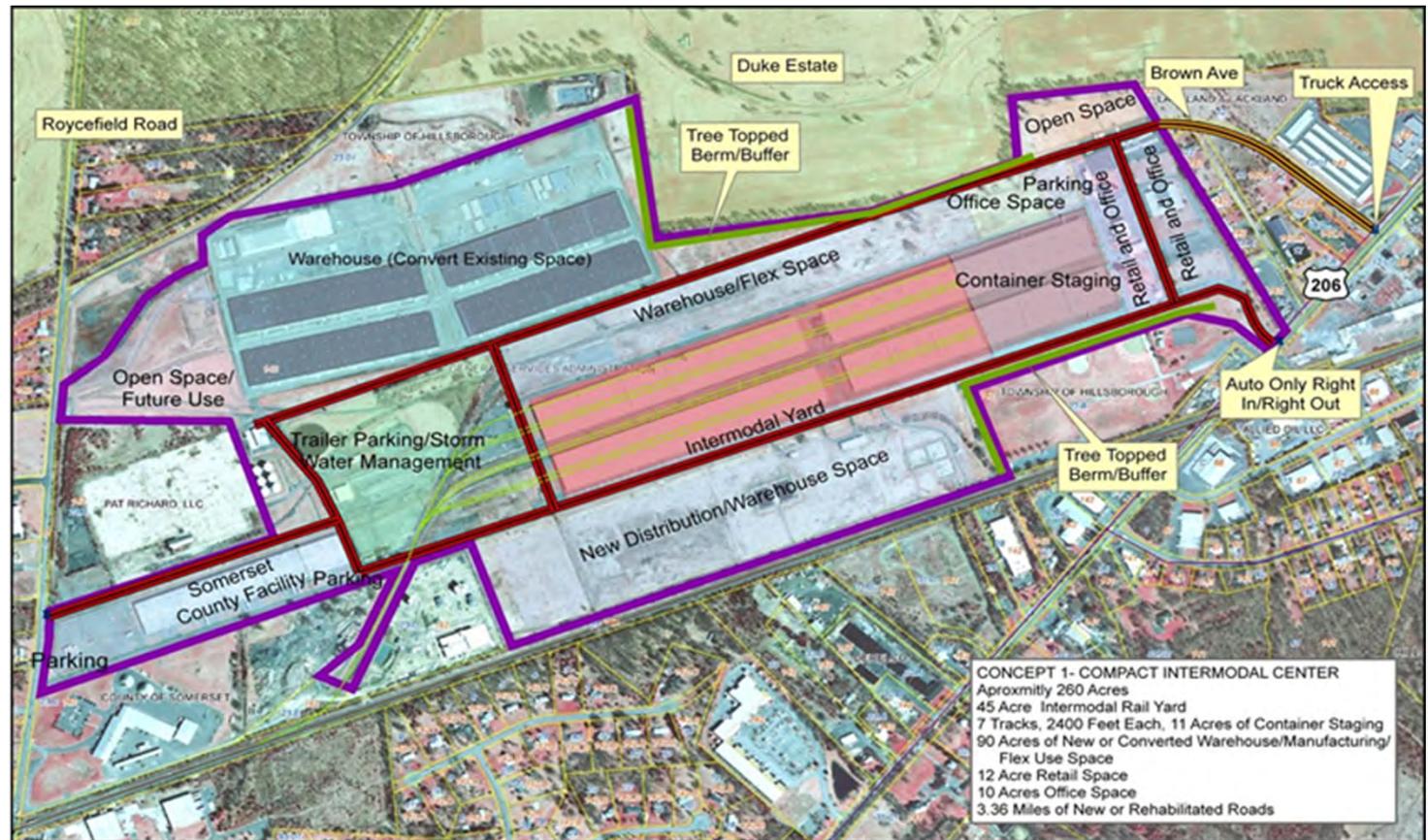
The VA Depot is not currently well served by public transportation. The only bus service available in the area is provided by Somerset County through the SCOOT local bus system. This service provides connections via Route 206 between the PGIA and the Regional Center linking the rail stations along the NJ TRANSIT Raritan Valley Line, as well as a spur connecting to the Far Hill Rail Station providing service along the NJ TRANSIT Gladstone Branch. No regional bus service is provided in the immediate vicinity of the PGIA.



NJ TRANSIT has undertaken studies of the reactivation of passenger rail service on the West Trenton Line. This line is currently utilized by CSX for freight service. If advanced, the passenger service would provide a rail connection from the Raritan Valley Line in Bridgewater via the proposed Reading Connector, to West Trenton, with a station stop in Hillsborough Township near the VA Depot. This passenger service, if activated, would provide significant support for increased development within the VA Depot PGIA.

Freight Access

The GSA/VA Supply Depot was the subject of the 2008 Somerset County study *Advancing Intermodal Freight Opportunities in Central Somerset County*. This study culminated in the preparation of a concept plan for redevelopment of the PGIA as a compact freight village. Reconfigured warehousing and manufacturing space would surround and be served by an intermodal rail yard. The yard would be served by Norfolk Southern via their Lehigh Line. Additional supporting uses including retail and services would support the employees of the site as well as serve the surrounding communities.



Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exists to accommodate increased development within this PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity not considered an impediment to future development within the PGIA.

Natural Gas – Natural Gas service to this PGIA is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exist to accommodate increased development within the PGIA. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within the PGIA.

Sanitary Sewer – This PGIA is currently served by public sewer and is under the jurisdiction of the Somerset Raritan Valley Sewerage Authority, and is incorporated into the Upper Raritan Water Quality Management Planning Area. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within this PGIA.

Water – NJ American Water is the Potable Water Purveyor servicing this PGIA and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exist to support increased development within this PGIA. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

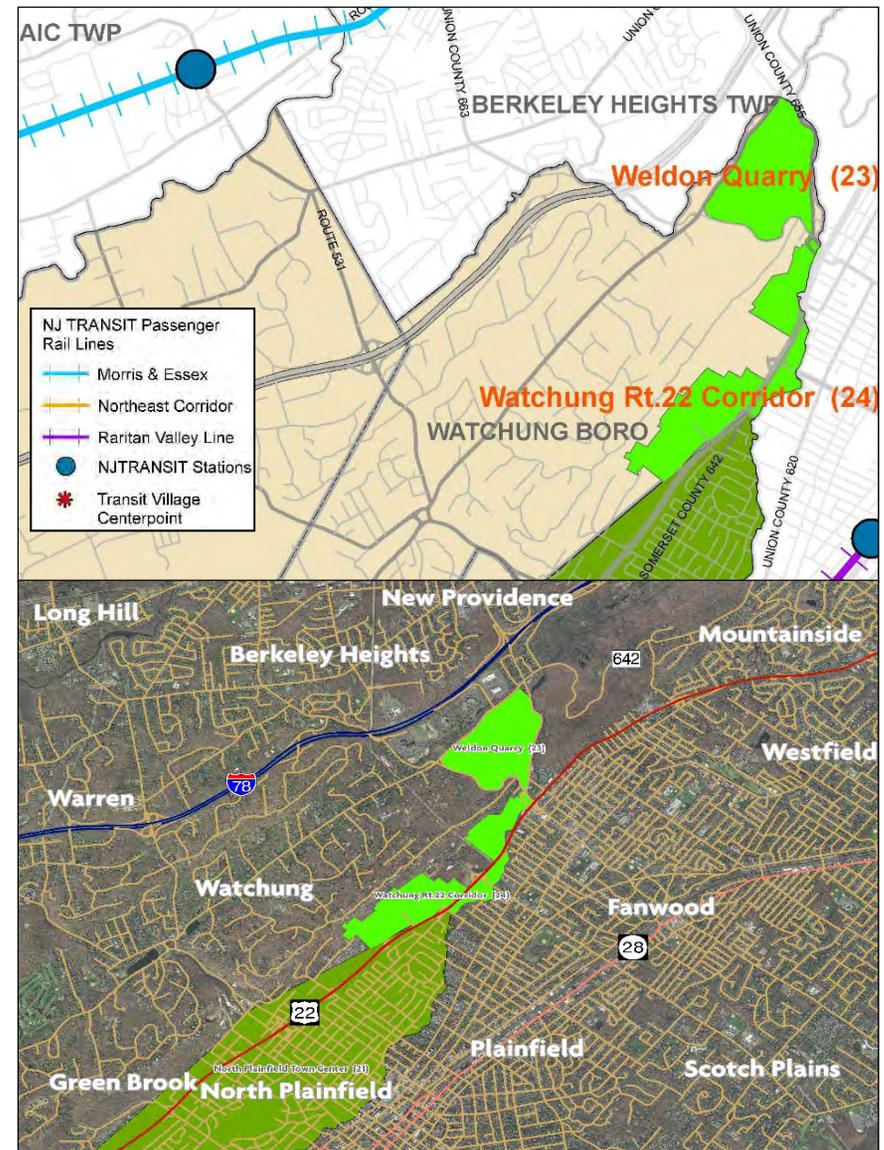
Communications – This PGIA is well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, this PGIA is served by multiple wireline and wireless broadband communication providers. This PGIA is served by copper wire, DSL, cable, and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

Weldon Quarry and Watchung Route 22 Corridor

Roadway Access and Constraints

Roadway access to Weldon Quarry is made particularly challenging due to the steep topography that characterizes the area. Primary access would be provided via I-78 and the interchange with Diamond Hill Road. This location currently operates at or near capacity during peak travel demand periods, and would require capacity increasing improvements to support development of the Weldon Quarry. North of Bonnie Burn Road, the four-lane Valley Road abutting the quarry offers sufficient capacity to accommodate increased development demand, although spot improvements such as dedicated left turn lanes at key intersections would likely be required. New Providence Road and Bonnie Burn Road, two-lane roadways that also abut the quarry, currently operate at or near capacity during the peak periods.

Access to the Watchung Route 22 Corridor PGIA is primarily provided via driveways with Route 22, with localized access afforded by Bonnie Burn Road/Park Avenue and Terrill Road. The mainline of the Route 22 corridor in this vicinity operates at or near capacity, with constrained capacity on the ramps and roadways entering both eastbound and westbound Route 22. Improvements

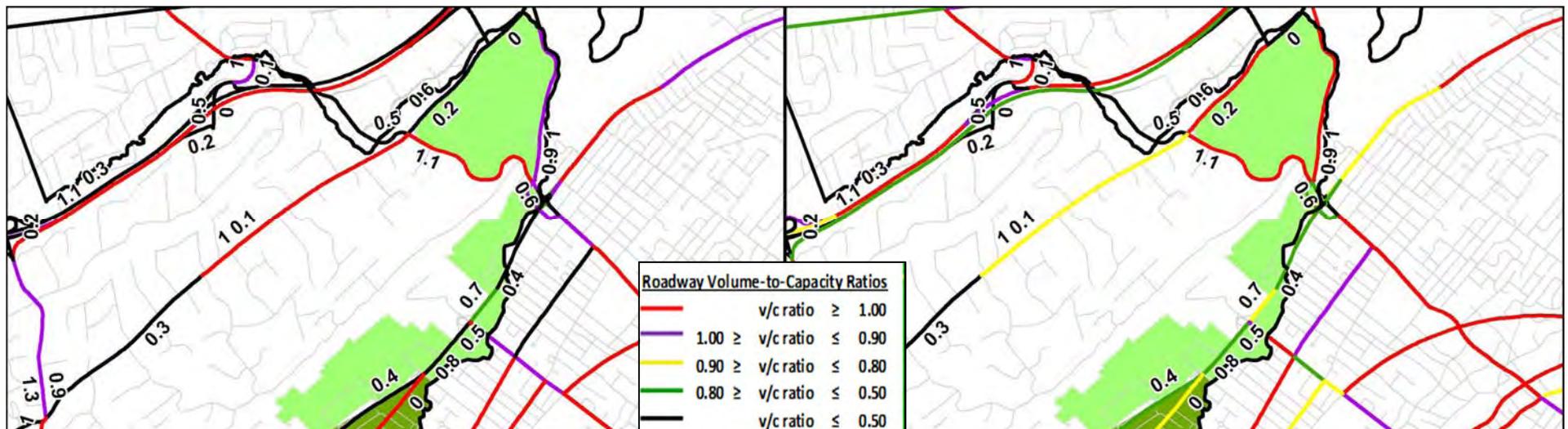


to the interchanges and signalized intersections along Route 22 would improve mobility and provide additional capacity to support increased development in this PGIA. NJDOT has a project underway to improve signal operations and coordination along Route 22. While this will help alleviate existing congestion, it may not on its own provide additional capacity for additional development.

Year 2040 projected volume-to-capacity ratios on key roadway links are depicted on the following network plots.

AM Peak Period

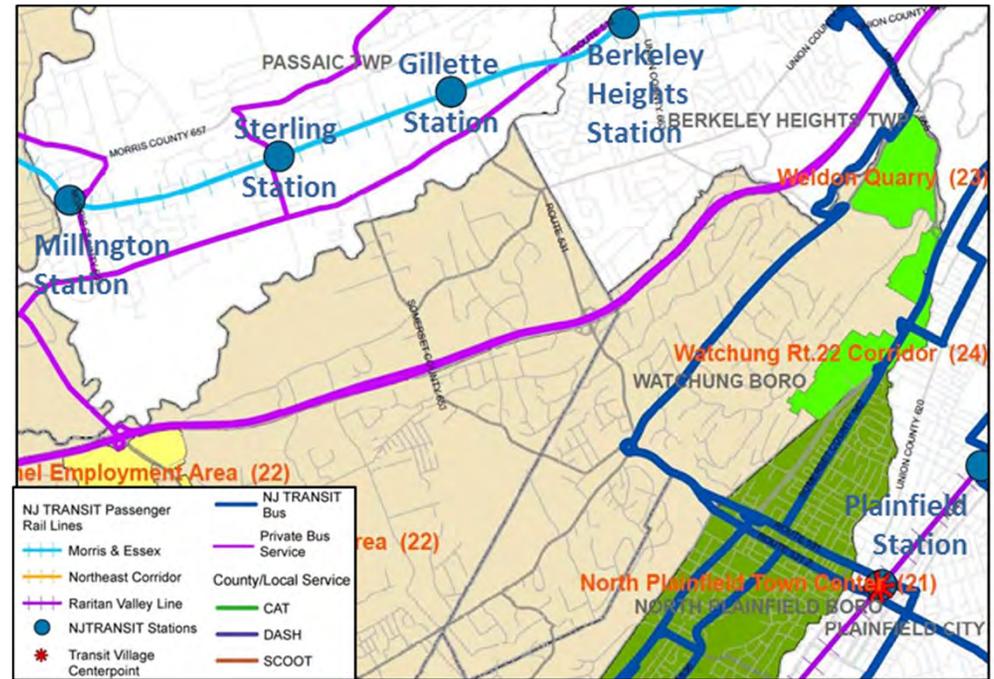
PM Peak Period



See page 330 for assumptions and limitations related to these volume-to-capacity ratios

Public Transportation

NJ TRANSIT operates commuter and local bus service along the Route 22 corridor in this area, with service provided by several bus lines including the 95, the 114, and the 117 routes. The 95 bus accesses the Park-and-Ride in the Sears parking lot at the intersection of Route 22 and Terrill Road. Connections are also provided between the Route 22 corridor and the NJ TRANSIT Raritan Valley Line at the Fanwood Station along Martine Avenue. The NJ TRANSIT Wheels 986 service provides service between the regional rail stations and the Weldon Quarry area along Diamond Hill Road. Alteration of this service could serve to support development within the Weldon Quarry site. Additionally, the NJ TRANSIT 65/66 bus service would be supportive of development within these PGIAs (there is a stop in North Plainfield at Mountain Avenue at Watchung Avenue).



Utility Infrastructure

Electric – Electric service to this area is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within these PGIAs were not provided, PSE&G indicated that adequate electrical generation and transmission infrastructure capacity exists to accommodate increased development within these PGIAs. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, electrical system capacity not considered an impediment to future development within the PGIAs.

Natural Gas – Natural Gas service to these PGIAs is provided by Public Service Electric & Gas (PSE&G). While details on the local distribution network within this PGIA were not provided, PSE&G indicated that adequate gas supply and transmission infrastructure exist to accommodate increased development within the PGIAs. Further, PSE&G indicated that they have an obligation imposed by the BPU to serve all areas, and that local service expansions would be made as required to accommodate increased demand resulting from any increased development. Accordingly, natural gas service is not considered an impediment to future development within the PGIAs.

Sanitary Sewer – These PGIAs are currently served by public sewer operated by the Warren Township Sewerage Authority. Wastewater generated in this area is currently discharged to surface water after treatment. It is expected that sufficient capacity in the wastewater conveyance infrastructure and wastewater treatment facilities exist to accommodate increased development within these PGIAs.

Water – NJ American Water is the Potable Water Purveyor servicing this PGIA and the surrounding area. NJ American Water indicates that in general, sufficient water production and distribution capacity currently exist to support increased development within these PGIAs. Further, localized system expansions would be made to accommodate any demand that could not be met by the existing infrastructure.

Communications – This PGIA is well served by the existing communication infrastructure. According to the NJOIT Broadband Initiative Broadband Provider Data Analysis Report issued in April 2013, these PGIAs are served by multiple wireline and wireless broadband communication providers. These PGIAs are served by copper wire, DSL, cable, and fiber optic networks, providing a range of communication options and sufficient existing capacity to accommodate increased development. Existing systems serving this PGIA provide 100 mbps or greater download capacity on both the wireline and wireless networks.

Takeaway: Infrastructure

Generally, development will not be constrained in the PGIAs due to lack of availability of electricity, natural gas, potable water supply or sewer service. The constraints, and potential future constraints to development, mainly come from the transportation infrastructure. Roadway capacity for access to and from many of the PGIAs is restricted as roads exist at or above capacity during the AM and PM peak travel periods.

Currently, there is likely additional development capacity in the Chimney Rock Interchange (due to recent capital improvements), Hillsborough Town Center/Gateway, and Homestead Road/Route 206 Bypass PGIAs (due to the Route 206 Bypass project). There is also modest room for development in the North Plainfield Town Center, Green Brook Neighborhood Center, and Green Brook Route 22 Corridor PGIAs, although poor road design in parts of these PGIAs leads to traffic friction.

Physical improvements and wise land use choices could be made in a number of the PGIAs to optimize traffic capacity. For example, it is recommended that non-residential land uses be encouraged in the Imclone PGIA that will promote a “reverse commute” such that increased traffic will occur during non-peak travel times.

Intersection reconfiguration could provide additional travel capacity to the Sanofi Aventis PGIA. Things such as street widenings, intersection improvement, and ramp improvements could be sufficient to allow additional development at the Exit 33 I-78, RVCC/Easton Turnpike, Meister Avenue Industrial Parkway, Route 202/NJ TRANSIT Rail Spur, Hamilton Street/Renaissance Redevelopment, Veronica Avenue, I-287 Industrial Complex, VA Depot, Manville Town Center, Mt. Bethel Employment Area, Weldon Quarry, and Watchung Route 22 Corridor PGIAs. Recent and current capital investment projects that are underway or have been completed will also provide additional capacity for development in the Chimney Rock Interchange, Imclone, Hillsborough Town Center/Gateway, Homestead Road/Route 206 Bypass, and VA Depot PGIAs.

Takeaway: Infrastructure

Traffic conditions are particularly constrained in Bound Brook Town Center and Regional Town Center PGIAs. Bound Brook and Somerville should capitalize on their transit village designations, and continue to encourage use of public transportation in these areas. Hot spots of particularly bad congestion also exist in the Bound Brooks (CR 527) during the PM commute, and Regional Center (Route 28, CR 567), both Green Brook PGIAs (Warrenville Road, Washington Avenue, Rock Avenue), and North Plainfield Town Center (Watchung Avenue, Somerset Street, West End Avenue) during both AM and PM commutes.

There are a number of steps that can be taken to increase transportation capacity to, from, and within the PGIAs. Specific locations where these recommendations could be implemented are noted throughout this report, and are summarized below and on the following page.

- Implement localized roadway widenings to create left turn storage areas
- Upgrade traffic control systems
- Consolidate adjacent site access driveways
- Create additional shuttle services between employment and housing nodes and alter or expand bus routes to provide more proximate and attractive routes
- Create additional river crossings in locations where traffic is highly constrained
- Promote higher densities and a mix of land uses to minimize vehicular travel demand volume during any single period of time and to support alternative travel modes
- Reconfigure inefficient interchanges (for example, partial interchanges and locations where vehicles must utilize jughandles and u-turns)
- Provide service/access roads, collector and distributor roadways to separate competing traffic streams

Takeaway: Infrastructure

- Increase bus service in areas of high demand and congestion
- Optimize traffic signalization timing along highway corridors
- Add pedestrian safety amenities

A final consideration is the need for adequate public transportation service for the PGIAs. This could increase development potential without necessitating intensive capital investment projects. It is recommended that public transportation alternatives and expansion be considered before major development occurs in the PGIAs.

Assessment of Current Land-Use Policies and Regulations

Introduction

Zoning codes are a primary factor in land development patterns in that they dictate the amount and type of development permitted to occur. Communities concerned with economic growth and development must be cognizant of the consequences of zoning: typically, zoning must be accommodative of this growth and development.

Zoning that accommodates economic development will generally allow for higher densities as well as more intensive land use. In this study, permitted dwelling unit densities per acre, permitted floor area ratios (FAR) for non-residential building, and the permission of mixed-use development as indicators of zoning's suitability for investment and growth in the PGAs are analyzed. Density for non-residential land uses is typically represented by FAR, whereas residential density is often represented as units per acre in zoning ordinances. The purpose of this exercise is to identify PGAs that (a) *could* accommodate more growth, and (b) *may require changes* to the zoning code in order to accommodate this growth.

Many of Somerset County's PGAs are complex areas encompassing multiple zones and municipalities. As such, a PGA may not have "adequate" or "inadequate" zoning in its entirety, but instead have certain zones with adequate support for growth, and others without adequate support. It is important to note that most PGAs should not be considered as uniform parcels since PGAs represent several different place-types ranging from mixed-use town centers to single-use corporate office parks.

The following pages explain the methodology of the exercise, as well as the recommendations for areas that should encourage further investment by adjusting local zoning codes.

Methodology

A matrix of the zones in each PGIA as well as permitted dwelling unit densities and non-residential FARs in each zone (see Appendices J, K, and L) was created. As certain zones are not appropriate for increased density, the following were removed from the matrix:

- Single-family residential and rural residential zones
- Open space/park/agricultural/preservation districts

As a first step, PGIAs were screened out as inappropriate for increased density if they lacked proximity to transportation infrastructure. Information on transit proximity was pulled from Somerset County's Investment Framework Criteria.

Next, remaining PGIAs were categorized based on whether they:

- Are already built out and sufficiently dense (based on land use intensity, as measured by population plus employment per acre. Due to place type differences among the PGIAs, land use intensity serves as a way of measuring development for both residential and employment areas in the PGIAs).
- Can accommodate further density and have proper zoning in place
- Could accommodate more growth, but do not have the necessary zoning in place

Permitted dwelling unit densities and FARs to detect which PGIAs have zones with overly onerous regulations were reviewed. General thresholds for zoning that is conducive to mixed-use, higher-density development are a minimum of 12 dwelling units permitted per acre, and a minimum FAR of four-to-one. Additionally, permission of mixed-use development is encouraged in places where it does not already exist.

Finally, in order to prioritize the importance of modifying zoning regulations in those PGIAs where it is appropriate, areas with concentrations of land with low improvement-to-land value ratios (ILV) as an additional indicator of land not meeting market expectations were reviewed.

Screening and Prioritization Criteria

The following table lists criteria used to screen and prioritize PGIs potentially needing modified zoning that is more accommodative of increased density and intensity of land use. Since *all* PGIs fall within the following categories, these factors were not part of the analysis: all PGIs are within an updated sewer service area, have minimal environmental constraints and adequate unconstrained areas, contain or are within one-half mile of a highway and/or transit corridor, zoned for non-residential or mixed-uses, and within a water purveyor service area.

Screening and Prioritizing PGIs		
Criteria	Screening Method	Reasoning
Proximity to transportation	Close to at least two forms of additional transit*	Land with intensive use will need to be better served by transportation, as more people will travel to and from the area.
Current development	Land use intensity (population plus jobs per acre)	Areas that are already built out and appropriately dense will not be considered for further density.
Current zoning regulations	Permitted dwelling unit density and FAR	These factors directly control the amount of development that is allowed.
Improvement-to-land value ratio	Low ILV ratio	Indicates the parcel is not performing to market standards as per assessed land and improvement values.

*As mentioned above, all PGIs contain or are within one-half mile of a highway and/or transit corridor. In order to further prioritize PGIs for increased density, we recognize the importance of access to multiple forms of transportation. Those used in the screening are listed on the “screening” page.

Zoning Assessment

PGIA Zoning Districts.
The PGIA:

Has appropriate land-use intensity

As demonstrated by population and employment density

Can handle greater land-use intensity and has zoning to do so

Has zoning in place allowing at least 12 units per acre and FAR of four-to-one

Can handle greater land-use intensity and does NOT have zoning to do so

Does not have residential/multi-family zoning in place allowing at least 12 units per acre; permitted FAR less than four-to-one

Balance between residential and non-residential uses

Mixed-use zoning is in place or there is an assortment of land use types permitted through zoning within the PGIA

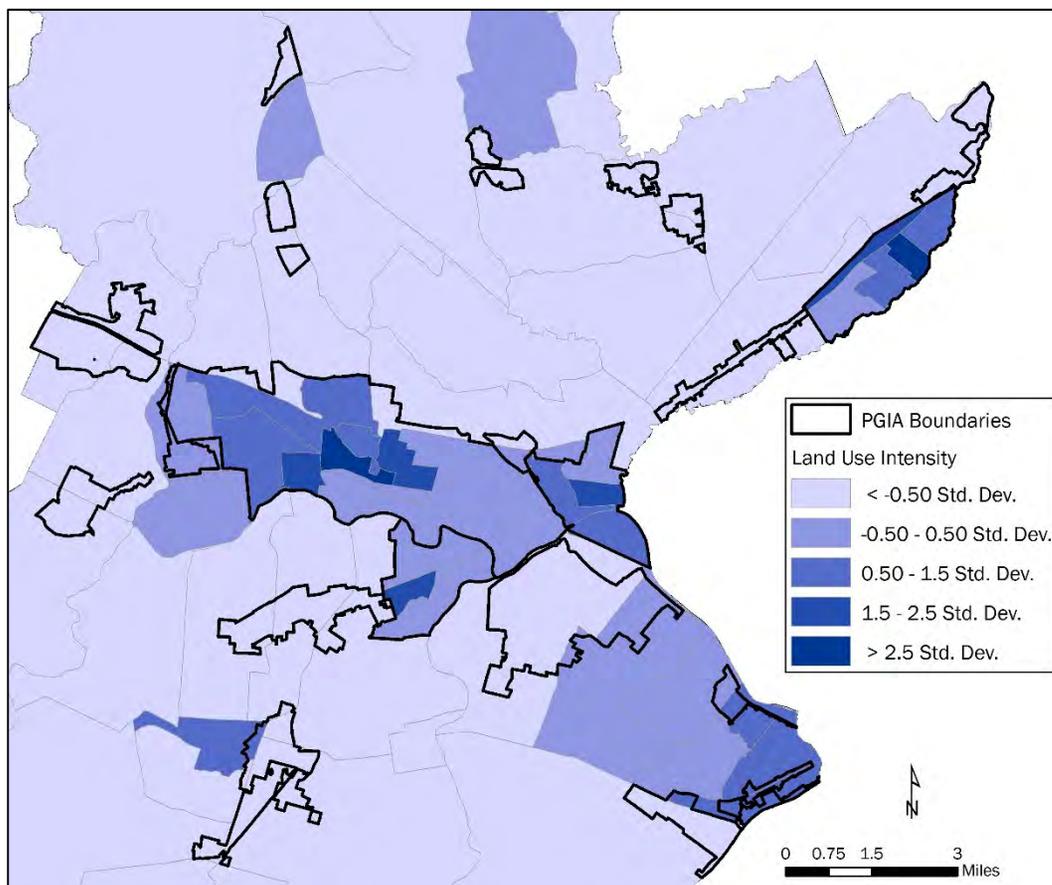
Screening

Using the Somerset County Investment Framework Criteria, PGAs not accessible by at least two forms of supplemental transportation were removed. These supplemental transportation methods include being within one-half mile of a passenger rail station, state highway, interstate interchange, or freight rail, or accessibility by bus. PGAs NOT meeting this criteria are **Imclone, Exit 33 I-78, and Mt. Bethel Employment Area**.

To determine which PGAs may already be built out under current zoning, land use intensity (a measure of population plus jobs per acre) was examined. Population numbers were taken from 2010 census data, and employment numbers from 2011 OnTheMap data. Since there are no standard thresholds for land use intensity, PGAs are instead compared to each other using standard deviations from the average land use intensity per acre.

Based on this measure, those PGAs with land use intensity of generally over half a standard deviation higher than average were

Land Use Intensity (population plus jobs per acre)



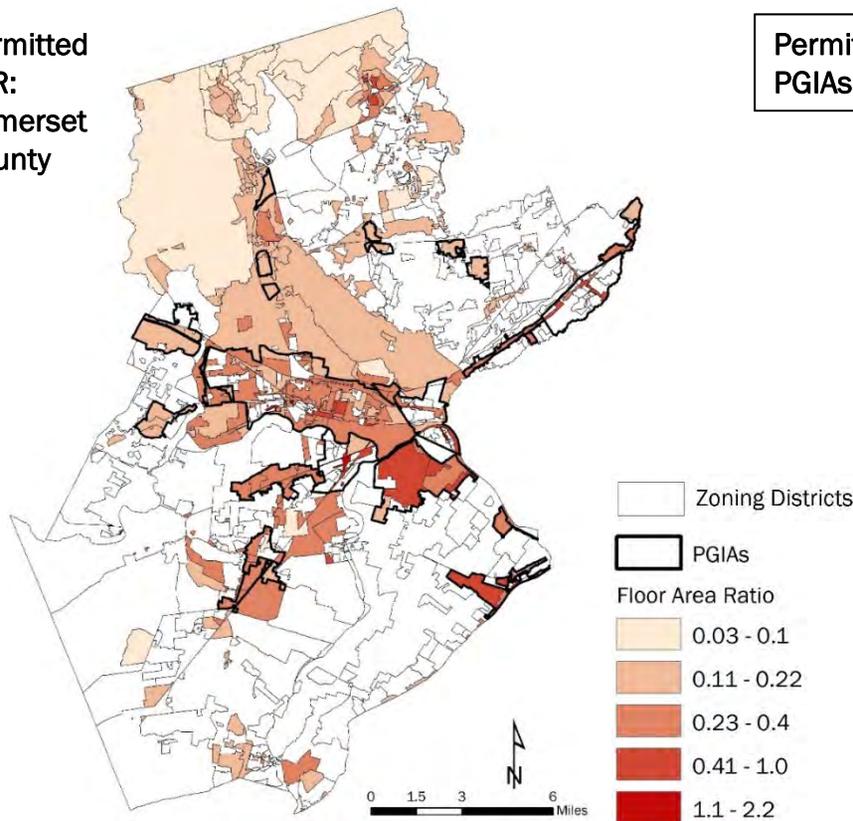
determined to be sufficiently dense, including **Easton Avenue Corridor, North Plainfield Town Center, the Regional Center, Hamilton Street/Renaissance Redevelopment, Manville Town Center, and the Bound Brooks**, although the eastern portions of the regional center and parts of Manville may be suitable for further growth.

Source: U.S. Census Bureau; OnTheMap

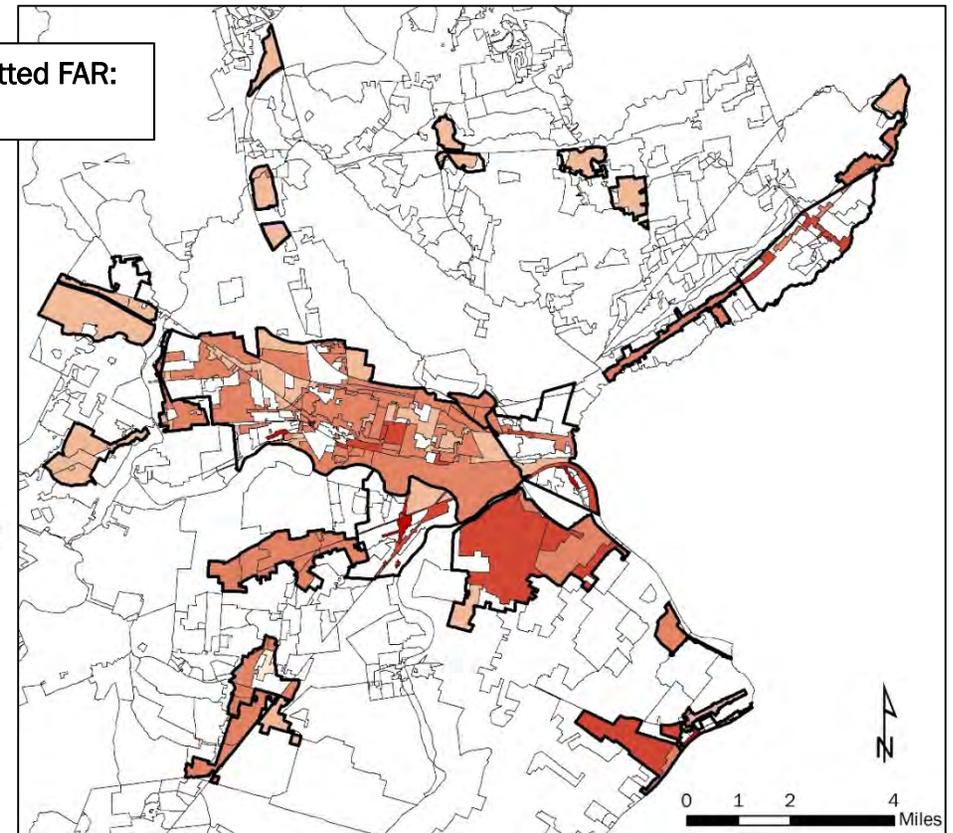
Floor Area Ratio (FAR)

Permitted FARs in Somerset County are generally low. While the threshold for sufficient FAR is four-to-one, no zone in Somerset County reaches this threshold. It should be noted, however, that the PGIAs generally correspond with areas in Somerset County that allow for higher FARs. The highest FARs (FARs from 1.1 to 2.2) are found in the Hamilton Street/Renaissance Redevelopment, Regional Center, the Bound Brooks, and Manville Town Center PGIAs. (Blank zones in the maps are those that do not have FAR requirements.) Permitted FARs by zone are provided in Appendix K.

Permitted FAR: Somerset County



Permitted FAR: PGIAs

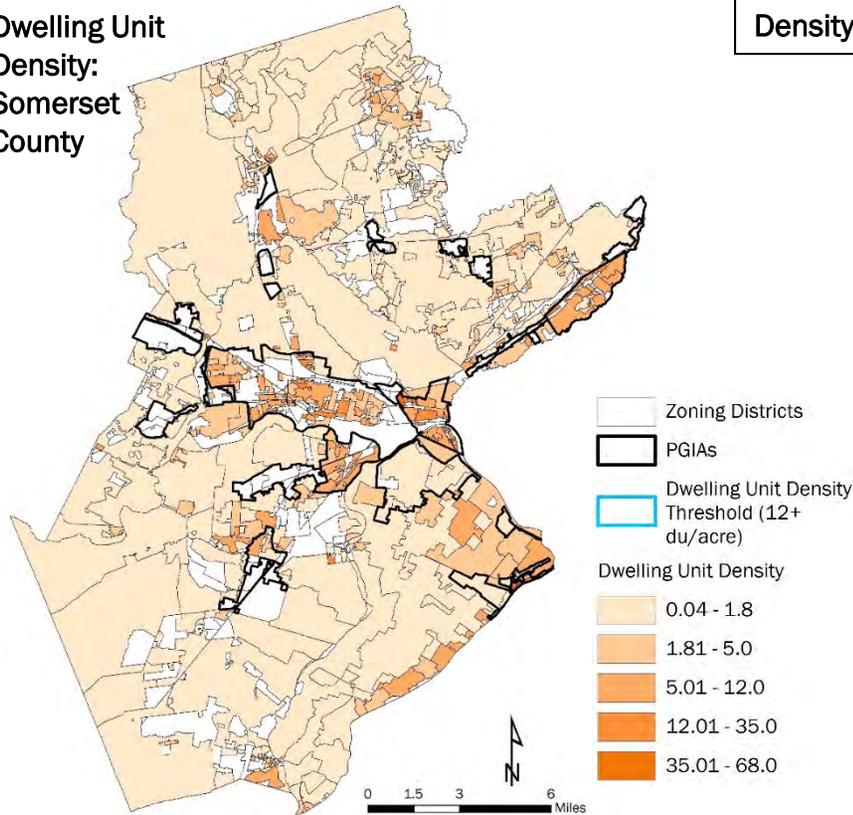


Source: Somerset County GIS

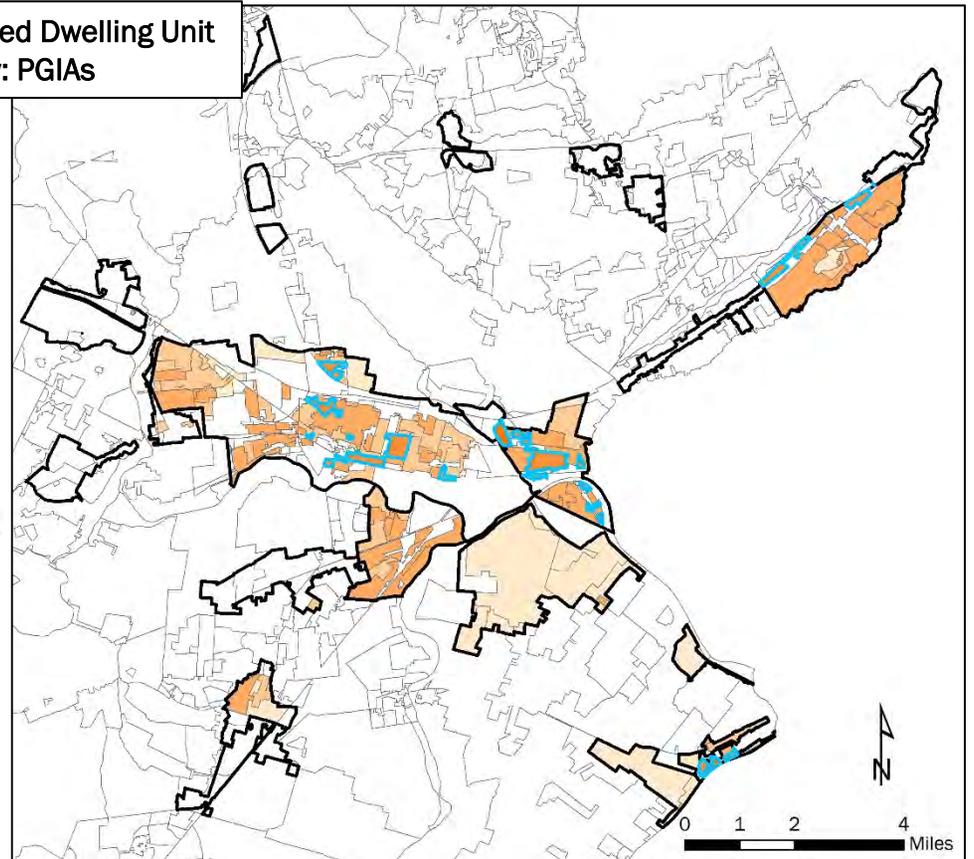
Dwelling Unit Density

There is a wide range of permitted dwelling unit densities throughout Somerset County and the PGAs. The highest permitted dwelling unit density is in Somerville Borough's Senior Citizen Housing District (68 units per acre) followed by Bound Brook's Regional Business/Senior Residential (60 units per acre) and Franklin Township's Churchill-Millstone Mixed Use zone (50 units per acre). Again, the PGAs generally correspond with areas in Somerset County that allow for higher dwelling unit densities. Zones that reach or exceed the threshold of 12 dwelling units permitted per acre are highlighted in the PGA map in blue. Permitted dwelling unit densities by zone are provided in Appendix L.

Permitted Dwelling Unit Density: Somerset County



Permitted Dwelling Unit Density: PGAs



Source: Somerset County GIS

Recommendations

As most of the PGIA's are composed of a number of zones, further examination of permitted dwelling unit densities and FARs in each zone (provided in the appendices) is recommended. Overarching recommendations for the PGIA's are given in the table at right.

In addition to increasing permitted dwelling unit densities and FARs, another key recommendation is to allow for additional mixed-use zoning in the PGIA's.

PGIA ZONING SCREENING RESULTS	
AT&T Campus	Increase FAR, allow for mixed uses
The Bound Brooks	Sufficient density
Chimney Rock Interchange	Increase FAR
Easton Avenue Corridor	Sufficient density
Green Brook Neighborhood Center	Increase FAR
Green Brook Route 22 Corridor	Increase FAR and permitted DU density
Hamilton St./Renaissance Redevelopment	Sufficient density
Hillsborough Town Center/Gateway	Increase FAR and permitted DU density
Homestead Rd/Rt. 206 Bypass	Increase FAR
Exit 33 I-78	Not appropriate for further density due to lack of transportation access
Imclone	Not appropriate for further density due to lack of transportation access
Manville Town Center	Sufficient density in general, but increase permitted DU density and FAR in portions of PGIA where land use intensity is lower
Meister Avenue Industrial Parkway	Increase FAR
Mt. Bethel Employment Area	Not appropriate for further density due to lack of transportation access
North Plainfield Town Center	Sufficient density
Regional Center	Sufficient density in general, but increase permitted DU density and FAR in portions of PGIA where land use intensity is lower (eastern and northern portions)
Rt. 202/NJ TRANSIT Rail Spur	Increase FAR and permitted DU density
I-287 Industrial Complex	Increase FAR and permitted DU density
RVCC/Easton Turnpike	Increase FAR and permitted DU density
Sanofi Aventis	Increase FAR
VA Depot	Increase FAR and permitted DU density
Veronica Avenue	Increase FAR
Watchung Route 22 Corridor	Increase FAR
Weldon Quarry	Increase FAR; allow for mixed uses

Further Prioritization

PGIAs that could benefit from zoning adjustments can be further prioritized by addressing those areas with high amounts of low-ILV land as well as those with greater transportation access (large amounts of low-ILV land correspond to land that is not meeting market expectations, and areas already accessible to transportation will require minimal infrastructure updates). Further detail on methods of transit access are provided in Appendix M. PGIAs with 50 or less acres of low-ILV land are considered to have a “low” amount of it, those with 50 to 100 acres a “medium” amount, and those with over 100 acres a “high” amount. Based on these measures, **Meister Avenue Industrial Parkway** is a top candidate for enhanced zoning; it has a large amount of low-ILV land and many transportation options. Other PGIAs to be prioritized include **I-287 Industrial Complex** and the **VA Depot**, followed by **Green Brook Route 22 Corridor**, **Route 202/NJ TRANSIT Rail Spur**, and **Veronica Avenue**.

PGIA ZONING PRIORITIZATION		
PGIA	Amount of Low ILV Land	Methods of Transit Access
AT&T Campus	None	3
Chimney Rock Interchange	Low	3
Green Brook Neighborhood Center	Low	2
Green Brook Route 22 Corridor	Medium	2
Hillsborough Town Center/Gateway	Low	3
Homestead Road/Rt. 206 Bypass	Low	3
Meister Avenue Industrial Parkway	High	4
Rt. 202/NJ TRANSIT Rail Spur	Medium	2
I-287 Industrial Complex	High	2
RVCC/Easton Turnpike	Low	2
Sanofi Aventis	Low	2
VA Depot	High	2
Veronica Avenue	Medium	2
Watchung Route 22 Corridor	Low	2
Weldon Quarry	Low	3

Takeaway

Zoning has a great impact on the potential for growth and development. In order to encourage and support development, zoning codes must permit appropriate dwelling unit densities, FARs, and zoning types.

This report identified PGAs able to accommodate additional growth as well as those that may need zoning changes in order to accommodate this growth. Once again, however, most of the PGAs cover large land areas, and may support additional growth in one section but not another. Priority PGAs that should be examined further for potential updates to their zoning codes include Meister Avenue Industrial Parkway (located in Branchburg Township), the I-287 Industrial Complex (Franklin Township), VA Depot (Hillsborough Township), Green Brook Route 22 Corridor (Green Brook), Route 202/NJ TRANSIT Rail Spur (Bridgewater), and Veronica Avenue (Franklin Township).

While land use intensity based on population and employment density is not necessarily an exact indicator of land development, this topic will be further examined in the Build-out Analysis chapter.



Counterfactual Analysis

Summary: Why Do We Care?

A counterfactual analysis helps us better understand the potential economic impacts (e.g. production of goods and services, employment, or local taxes) from growth or decline in a given industry sector (e.g., manufacturing, professional services, etc.) within a particular geography (e.g., state, county, or metro).

Some geographies have nurtured specific industries (such as technology, finance, manufacturing, and advertising) so that firms can satisfy all their production needs locally. However, firms located in geographies with less prominent industries may need to find support/supplier firms from outside the geography, resulting in leakage of indirect economic impacts. In other words, jobs, economic output, and/or tax revenues will be captured by another county, state, or even country. In areas where a prominent industry currently satisfies a large percentage of its goods and services orders from outside its own county, there may be opportunity to develop a supplier network (either through existing suppliers in Somerset County or by assisting the creation of start-up suppliers) within the county or state.

The purpose of this analysis is to identify how existing industries within Somerset County are impacted by future growth or decline in potential industry sectors. This is the first step in identifying economic development strategies (e.g., land use policy and/or industrial investment) that support local industries and related businesses, and have the most potential to create and retain related employment within the county over the next ten years.

Approach: Counterfactual Analysis

A Hypothetical Five-Percent Impact

In order to better understand the potential economic impacts from the growth or decline in a given industry in Somerset County, a professional economic impact assessment software system (IMPLAN) to examine a hypothetical five-percent change (increase or decrease) in total economic input for the county by selected industry sector was utilized. Additionally, a \$10 million change in output for each industry was analyzed.

Industry Sectors

The following five industry sectors are used for the purposes of this analysis:

- Finance & Insurance
- Information
- Manufacturing (durable and non-durable goods)
- Professional, Scientific, & Technical Services
- Wholesale Trade

In particular, the five sectors represent industries that have some or all of the following characteristics:

- Are top five industries in Somerset County by output
- Collectively employ over 81,000 people within the county
- Align with the industry cluster findings and PGIA analysis

Glossary of Terms

Direct effects: The set of expenditures applied to the predictive model (i.e., I/O multipliers) for impact analysis. It is a series (or single) of production changes or expenditures made by producers/consumers as a result of an activity or policy. These initial changes are determined by an analyst to be a result of this activity or policy. Applying these initial changes to the multipliers in an IMPLAN model will then display how the region will respond, economically to these initial changes.

Indirect effects: The impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money leaks from the local economy, either through imports or by payments to value added. The impacts are calculated by applying Direct Effects to Multipliers.

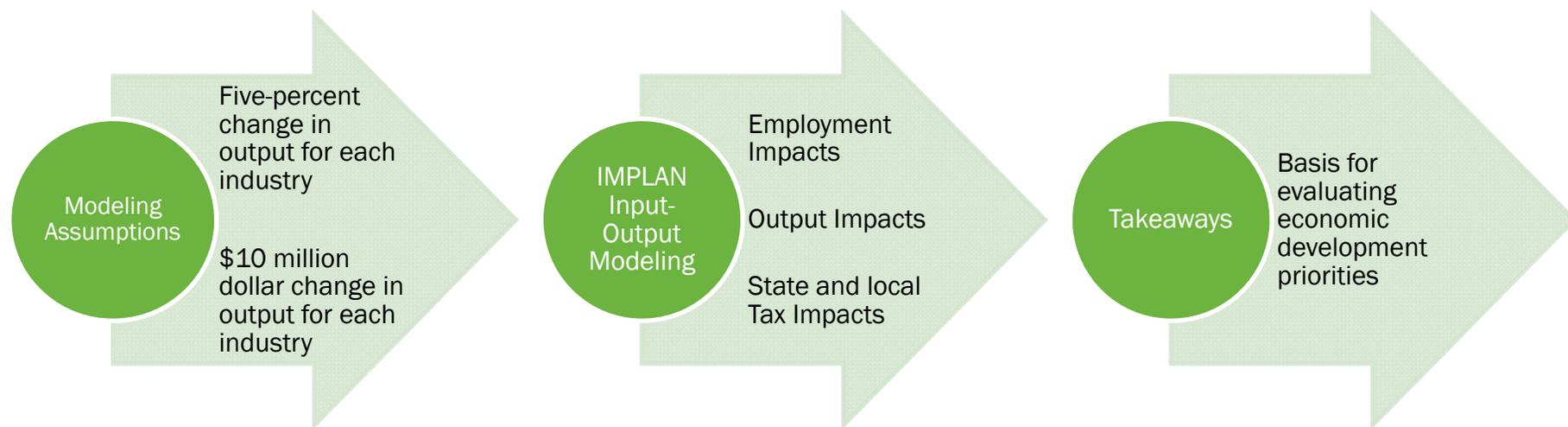
Induced effects: The response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not a leakage to the regional economy. This money is recirculated through the household spending patterns causing further local economic activity.

Source: IMPLAN glossary, accessed at https://implan.com/index.php?option=com_glossary&Itemid=0

Methodology: Counterfactual Analysis

IMPLAN Professional 3.0, a widely used economic impact assessment software system, was utilized to conduct a counterfactual analysis for Somerset County. IMPLAN is designed to simplify and expedite the input-output accounting process (e.g., commodity flows from producers to intermediaries to final consumers, and all related multipliers associated with output and employment for a given geography).

A hypothetical five-percent decline and increase in total output for five selected industries, occurring over the next five years (2014-2019), was modeled. For ease of comparison, all figures are expressed in current dollars.

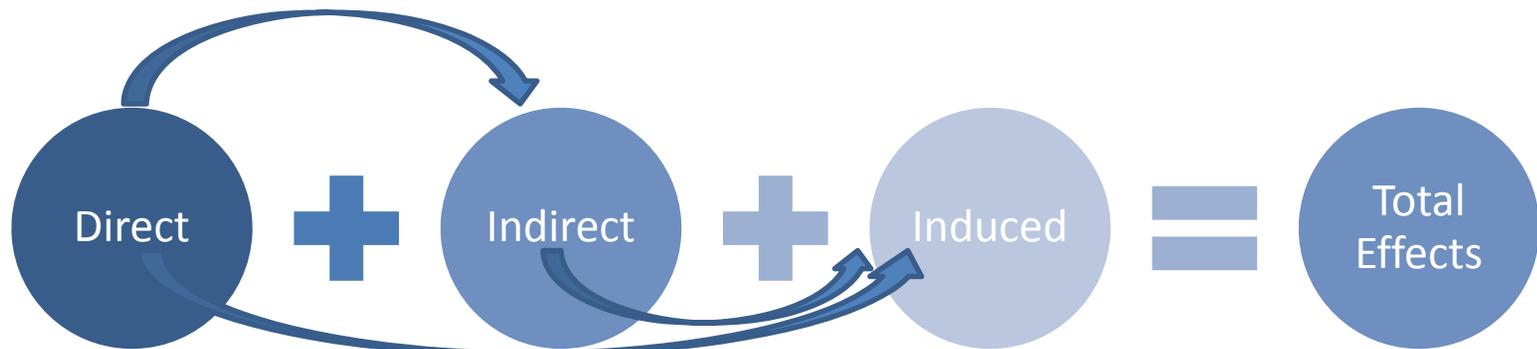


Methodology: General Input-Output Impact Modeling

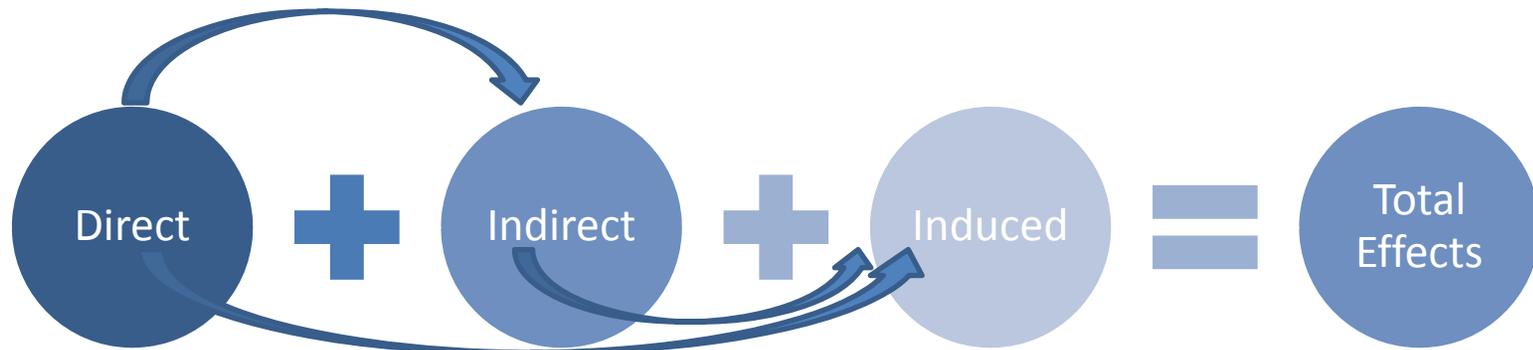
Economic impact analysis involves applying a final demand change to a predictive economic input-output model, and then analyzing the resulting changes in the economy under study.

More concisely, an impact analysis is an assessment of change in overall economic activity as a result of change in one or several specific economic activities.

Economic impacts, whether for employment or output, are typically referenced as *direct*, *indirect*, and *induced*. These three terms are defined on page 430 as per IMPLAN's glossary. The estimated direct, indirect, and induced impacts for each industry in this analysis are expressed.



Methodology: General Input-Output Impact Modeling Example



Direct impacts are the result of a change in final demand.

For example, if \$10 million is invested in building construction, increasing demand for buildings by \$10 million...

Indirect effects result from changes in demand for factors of production.

...the \$10 million increase in the construction industry sector revenue causes a \$4 million increase in purchase orders to related industries, like lumber and heavy machinery.

Induced effects result from changes in household spending.

Building construction, lumber production, and heavy machinery manufacturing pay their workers wages to deliver various products, enabling workers to spend an additional \$100,000 within the regional economy.

Total effects are the combination of direct, indirect, and induced effects.

The total effect of a \$10 million increase in building construction demand, then, is equal to \$14.1 million (\$10 million + \$4 million + \$100,000).



Counterfactual Analysis Findings

Economic Impacts of a Five-Percent Change in Output

A hypothetical five-percent change in output (either an increase or decrease ranging between \$158 million for Wholesale Trade and over \$692 million for Manufacturing) over the five years following the baseline year (2011) is highlighted in the table below. The greatest direct employment consequences would occur in the Professional Services industry, with over 1,000 jobs created. By a considerable margin, Manufacturing has the highest implications for output, with a five-percent change resulting in over \$822 million in output. Further, the tax revenues gained could be significant, ranging from nearly \$13 million in the Professional Services industry and over \$24 million in Wholesale Trade.

Economic Impacts of a Hypothetical Five-Percent Increase/Decrease in Output in Over the Next Five Years

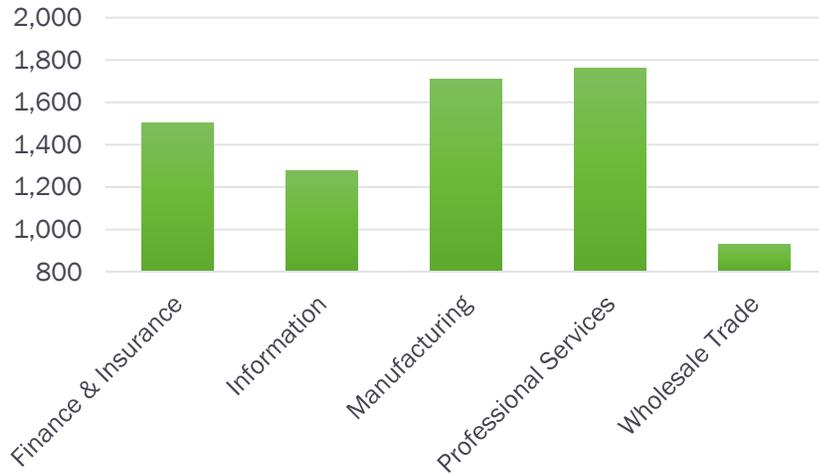
Somerset County

	Baseline Year (2011)	Five-Percent Output Change (in millions)	Direct Employment Change	Total Employment Change	Direct Output Change (millions)	Total Output Change	Total Change in State and Local Taxes
Finance & Insurance	\$5,159	\$257.9	745	1,505	\$228.2	\$378.8	\$16,383,091
Information	\$5,102	\$255.1	496	1,278	\$264.1	\$409.1	\$21,172,732
Manufacturing	\$13,845	\$692.2	661	1,708	\$626.2	\$822.8	\$19,226,871
Professional Services	\$4,674	\$233.7	1,079	1,760	\$203.2	\$316.8	\$12,908,269
Wholesale Trade	\$3,160	\$158.0	511	932	\$152.0	\$220.8	\$24,277,596
Total	\$31,939.3	\$1,597.0	3,492	7,183	\$1,473.6	\$2,148.4	\$93,968,559

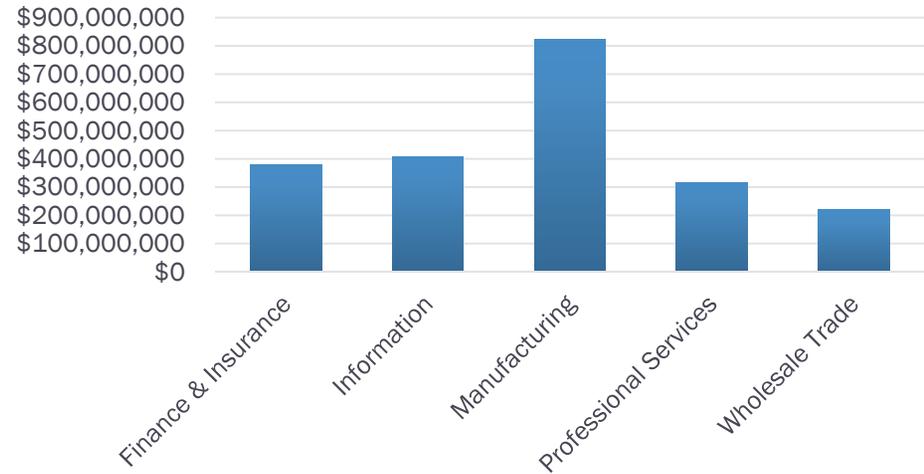
Source: IMPLAN 3

Economic Impacts of a Five-Percent Change in Output

Total Employment

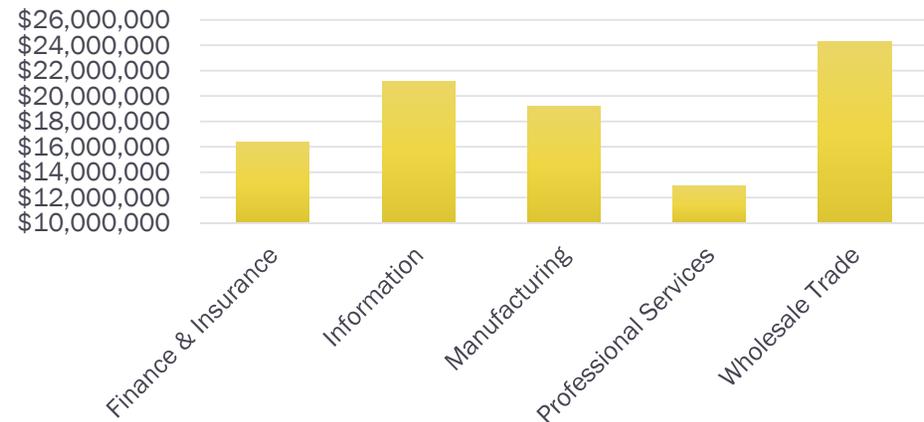


Total Output



Professional Services leads in total employment created, while Manufacturing would result in the greatest increase in output, consistent with this industry's generally high labor productivity and capital-intensive nature. Despite being the lowest performing in the categories of employment and output under a hypothetical five-percent expansion or contraction, Wholesale Trade would result in the greatest consequences for state and local tax revenue.

Total State and Local Taxes



Source: IMPLAN 3

Top Industry Sectors by Indirect and Induced Employment Impact

In accordance with the five-percent change in output scenario, the quantity of indirect and induced jobs by industry is highlighted below. Manufacturing is the industry with the greatest change in indirect and induced jobs at over 1,000, affecting the Professional Services, Retail Trade, and Healthcare industries the most.

Finance & Insurance

	Employment
Health & social services	81.3
Professional- scientific & tech svcs	77.6
Retail trade	73.5
Accommodation & food services	54
Other services	51

Manufacturing

	Employment
Professional- scientific & tech svcs	142.3
Retail trade	118.6
Health & social services	115.8
Administrative & waste services	81.4
Finance & insurance	71.1

Information

	Employment
Professional- scientific & tech svcs	124.3
Health & social services	88.1
Administrative & waste services	85.6
Retail trade	80.4
Accommodation & food services	59.2

Professional, Scientific, and Technical Services

	Employment
Health & social services	102.2
Retail trade	91.9
Professional- scientific & tech svcs	83.5
Administrative & waste services	70.2
Accommodation & food services	68.5

Wholesale Trade

	Employment
Health & social services	73.1
Retail trade	65.9
Professional- scientific & tech svcs	40.2
Finance & insurance	34.9
Accommodation & food services	33.4

Source: IMPLAN 3

Economic Impacts of a \$10 Million Change in Output

For purposes of demonstrating the relativity of the economic impacts of each industry in absolute terms, as opposed to the previous five-percent increase or decrease used (inevitably involving varying bases by which the percentage was calculated), the below table illustrates the employment, output, and taxes that would be gained or lost under a hypothetical increase or decrease of \$10 million dollars in industry output over the next year. The exercise is much smaller in scale than a five-percent change in output, but nevertheless demonstrates how each industry compares in absolute terms. For both direct and total employment, Professional Services would create or lose the most jobs by a significant margin, followed by Finance & Insurance and Wholesale Trade.

Economic Impacts of a Hypothetical \$10 Million Increase/Decrease in Output Over the Next Year

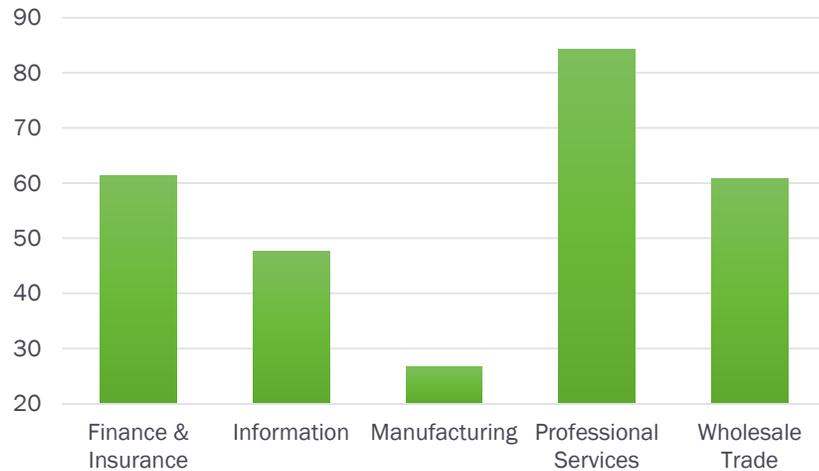
Somerset County

	Direct Employment Change	Total Employment Change	Total Output Change (millions)	Total Change in State and Local Taxes
Finance & Insurance	32	64	\$16.2	\$713,527
Information	19	48	\$15.3	\$789,809
Manufacturing	10	27	\$12.9	\$301,177
Professional Services	52	84	\$15.2	\$617,996
Wholesale Trade	33	61	\$14.4	\$1,584,722
Total	146	281	\$73.9	\$4,007,231

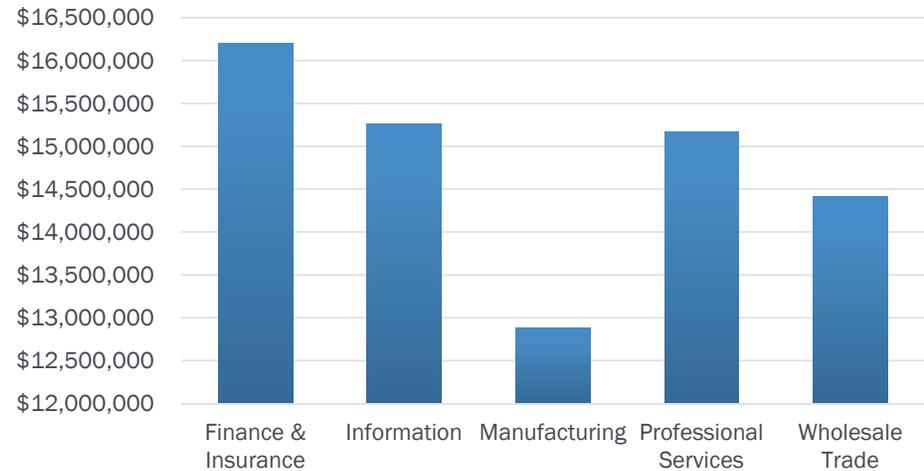
Source: IMPLAN 3

Economic Impacts of a \$10 Million Change in Output

Total Employment

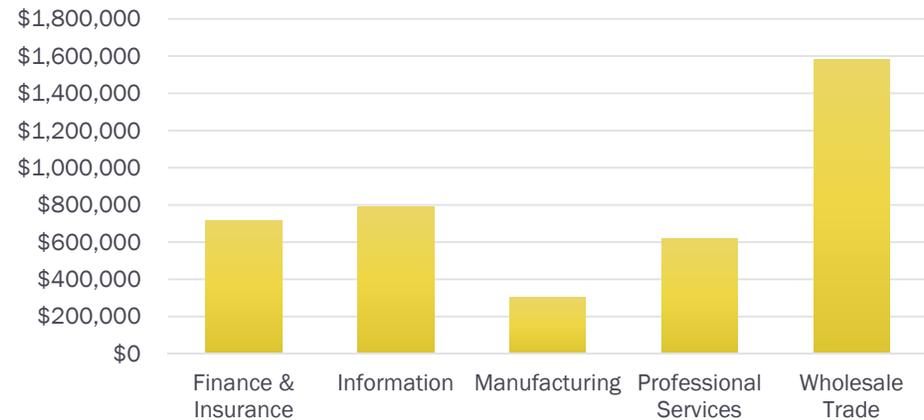


Total Output



A \$10 million change in output would result in the greatest total employment change for Professional Services, while Finance & Insurance would lead to the highest change in total output. Similar to the five-percent scenario, Wholesale Trade exhibits the highest rate of taxation by a significant margin, at nearly \$1.6 million for every \$10 million change in output.

Total State and Local Taxes



Source: IMPLAN 3

Takeaway

In general, county-wide and local policies must determine economic development priorities (e.g., job creation, increased economic output, supporting growth industries or economic diversity and self-sufficiency) before determining in which industry sector to invest. Given the key findings of the counterfactual analysis, the following outlines which industries have the most potential to meet these economic development priorities:

- **Job Creation:** Of all of the industries analyzed, the Professional, Scientific, and Technical Services industry would have the greatest impact on total job creation in Somerset County, in both percentage growth and absolute terms – that is, total jobs created would be highest in this industry if all of the others grew at the same rate or increased output by the same amount.
- **Economic Output:** The Manufacturing industry has the greatest impact on total economic output (value of goods and services produced) under a five-percent growth or contraction scenario, in part because it is the industry with the highest economic output in Somerset County. In absolute terms, the Finance & Insurance industry is characterized by the greatest output impact.

Land use policies, particularly within the PGIAs, could have significant economic implications for the expansion or contraction of the highlighted industries.

**Identification of Areas
within PGIAs Suitable for
Workforce Housing
Opportunities**

Introduction

In support of Somerset County's analysis of its Priority Growth Investment Areas (PGIAs), a series of evaluation criteria were developed to categorize parcels within the 24 PGIAs according to suitability for new workforce housing opportunities (particularly, housing suited for local workers). For purposes of this study, workforce housing refers to housing affordable to households that meet the income eligibility requirements for low- and moderate-income units created pursuant to the New Jersey Fair Housing Act, as well as housing affordable to households earning between 80 and 120 percent of median household income based on US Department of Housing and Urban Development Housing Regions.

The evaluation process used in this analysis is based on principles developed by Somerset County in the Investment Framework Screening Criteria and Methodology, as well as various methods used to identify parcels that are particularly suited to higher concentrations of housing. Parcels were evaluated based on size, current land use, proximity to both transit and employment opportunities, and the degree to which underutilized real estate could be redeveloped on these parcels.

Local development patterns and community characteristics are taken into account as well. In a broad sense, areas suitable for denser workforce housing do not comprise existing residential neighborhoods within established communities that are dominated by single-family housing. The smart growth principles contained in the 2001 State Development and Redevelopment Plan and the Draft Final State Strategic Plan, as well as the Somerset County Investment Framework, were applied in this analysis. In addition, the findings and recommendations from the other sections of this report informed the decision to focus attention on the vacant and underutilized commercial sites and vacant potentially developable land located in areas within PGIAs. These sites, by their nature, are closest to multiple transportation options and are also well served by public utilities and community services.

Introduction

This analysis emphasizes the re-use of underutilized commercial properties for lower-cost attached housing types including residential/mixed use redevelopment, creating greater opportunities for workforce housing in close proximity to employment opportunities and multi-modal transportation options. Many of the county's PGAs include existing downtown business districts as well as existing highway-oriented commercial corridors and employment nodes, which are well served by transportation infrastructure and utilities. However, due to the county's suburban development patterns and land use intensities, Somerset County remains largely auto-dependent. Somerset County currently has limited access to transit opportunities in the form of bus and passenger rail service as compared to the more urban portions of the region. Most bus service in Somerset County is limited to portions of a few state highway corridors. However, by supporting higher density, mixed-use redevelopment and re-use of underutilized sites along the county's transportation corridors, existing infrastructure investments can be maximized, and land use intensities can be achieved that support the provision of additional transit services in the future.

Few if any opportunities for the re-use of developed suburban residential lands, or the development of vacant land in residential neighborhoods, are currently available, and many existing residential neighborhoods are farther removed from employment and transportation opportunities. Furthermore, new mixed-use and attached housing types can be provided at more affordable pricing levels than single-family housing types, but require higher density land use policies that are compatible with areas within PGAs where more intense development patterns exist and are supported by existing transportation infrastructure and utilities. Additionally, many of the county's mixed-use and higher density residentially zoned areas are built-out, or already planned for future low- and moderate-income housing pursuant to adopted municipal housing elements and fair share plans.

Introduction

Affordable workforce housing plays an important role in improving the economic competitiveness of Somerset County, and in creating vibrant live-work environments that are less auto-dependent. Pro-active efforts have been underway for many years by Somerset County's municipalities in meeting the requirements of the 1985 State Fair Housing Act. Many affordable housing developments have been built in Somerset County in accordance with the NJ Council on Affordable Housing's (COAH) Substantive and Procedural Rules that were in effect. All but one of the county's municipalities have adopted third round housing elements and fair share plans. COAH Substantive Certification has been granted for third-round plans in six municipalities; another 10 municipalities have petitioned to COAH for certification, and two more municipalities that are under the jurisdiction of the courts have filed third round plans with COAH.

A total of 6,543 new housing units that are affordable to low- and moderate-income qualified households were proposed or completed in Somerset County as of March 2015. As a result of the inclusionary zoning provisions in COAH's previous Substantive Rules (which allow builders to proceed with a development at a higher density than would otherwise be permitted under existing zoning, provided that 20 percent of the new residential units created are set aside for low- and moderate-income eligible households), four market-rate units can be constructed for every affordable unit that is built as part of an inclusionary development project. As such, there are 19,050 market-rate units associated with the low- and moderate-income units proposed or constructed in the county. These efforts to create new affordable housing opportunities, together with the implementation of scattered-site rehabilitation of affordable housing units, have made living in Somerset County possible for many hard-working, low- and moderate-income eligible households, including entry-level workers. See Appendix M for the map and inventory list of affordable housing projects in the county.

Workforce Housing Criteria

The following table lists criteria used to screen and prioritize parcels that may be receptive to workforce housing. The first four criteria, seen as requirements, were used to screen parcels, while proximity to employment centers was used to prioritize parcels that passed screening.

Screening and Prioritization Criteria		
Criteria	Screening Method	Reasoning
Parcel size	At least two acres	Assuming 15 dwelling units/acre, parcel size shall not be less than two acres to ensure that attached residential development is efficient and justifiable
Current land use	Commercial or vacant potentially developable land (VPDL)	Previously developed industrial land may not be suitable due to potential requirements to clean up sites to residential standards. Commercial and VPDL should face minimal constraints for residential (re)development
Improvement-to-land value ratio	Low-ILV ratio	Indicates the parcel is not performing to market standards and could benefit from redevelopment
Proximity to transportation, including passenger rail stops, bus lines, US and state highways, and interstate interchanges	½ mile	Accessibility to both transit and transportation opportunities is important for supporting concentrated areas of housing
Proximity to employment center	Within ½ mile of census tract with high concentration of jobs	There are positive land use implications and efficiencies associated with housing that is close to jobs

Workforce Housing Criteria

While the criteria discussed on the previous page are not the only elements important to housing development, they were identified as being the most appropriate for this study, which intentionally uses a more inclusive approach for identifying potential workforce housing opportunities. The sites identified through this process will be subject to a more detailed analysis during Phases II and III. Furthermore, the criteria and approach used in this study recognize that in order to reposition vacant, underutilized suburban single-use office and employment areas in the county, land use policies that allow for more intense redevelopment and a mix of uses, including higher-density residential, will be needed to help transform these areas to become more economically competitive, and to better align them with the growing demand for mixed-use, vibrant, walkable live/work environments. Future infrastructure and transit investments may also be required to achieve this goal.

Source: Somerset County Investment Framework Screening Criteria and Methodology

Workforce Housing Criteria

Additionally, access to resources such as community facilities (educational, emergency, administrative and health), parks and other residential neighborhoods is important to support dense, mixed-use residential and employment centers. In order to illustrate their proximity to such resources, Somerset County planning staff developed a map entitled “Workforce Housing Opportunities & Surrounding Land Uses” (see Appendix O), which shows the existing generalized land uses that surround the potential workforce housing sites identified through this study. The generalized land use categories shown on the map were derived from New Jersey Department of Environmental Protection’s 2007 Land Use/Land Cover dataset, to which the Somerset County Planning Division’s Preserved Lands and Community Facilities datasets were added.

This map shows that although the potential workforce housing sites identified through this study are within commercial areas, the majority are also near existing neighborhoods and community amenities. This is consistent with the county’s suburban land use patterns and the nature of its PGAs (which are comprised of mixed-use centers, commercial corridors and employment nodes). This map demonstrates the overall suburban make-up of the county, and shows that all PGAs contain or are in close proximity to open space as well as community facilities, which are concentrated in the developed, suburbanized portions of the county. Due to the county’s established suburban development patterns, all of the potential workforce housing sites have similar, if not better, access to community and open space assets, as well as employment opportunities, as compared to other existing residential areas within the county.

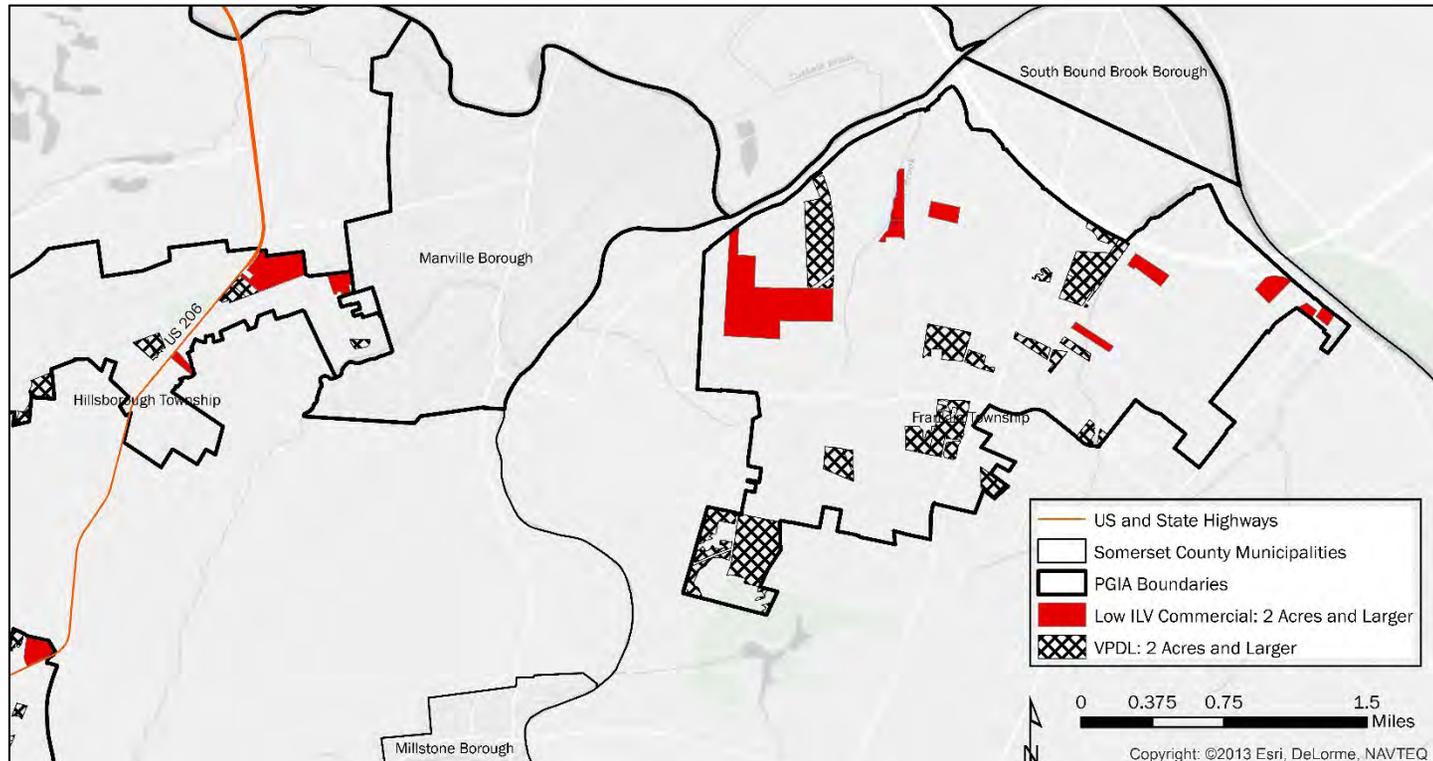
As part of Phase II and III of the county’s “Supporting Priority Investment in Somerset County” initiatives, strategies that improve livability and quality of life, including but not limited to public art, parks and recreation opportunities and pedestrian amenities, will be identified which are applicable to the PGAs as a whole, as well as workforce housing opportunity areas.

Screening: Land Use and Parcel Size

Geographic Information Systems (GIS) software was used to select all parcels having commercial land use and low ILV ratios, as identified in a previous technical report. From this list, parcels two acres or larger were selected as a result of this initial screening. Additionally, Somerset County's Vacant Potentially Developable Land (VPDL) dataset was used and screened in a similar fashion.

There are a total of 210 parcels in the PGIA that satisfy the above criteria. These parcels were then screened based on proximity to transportation.

Sample
Map: Parcels
Meeting
Initial
Screening
Criteria



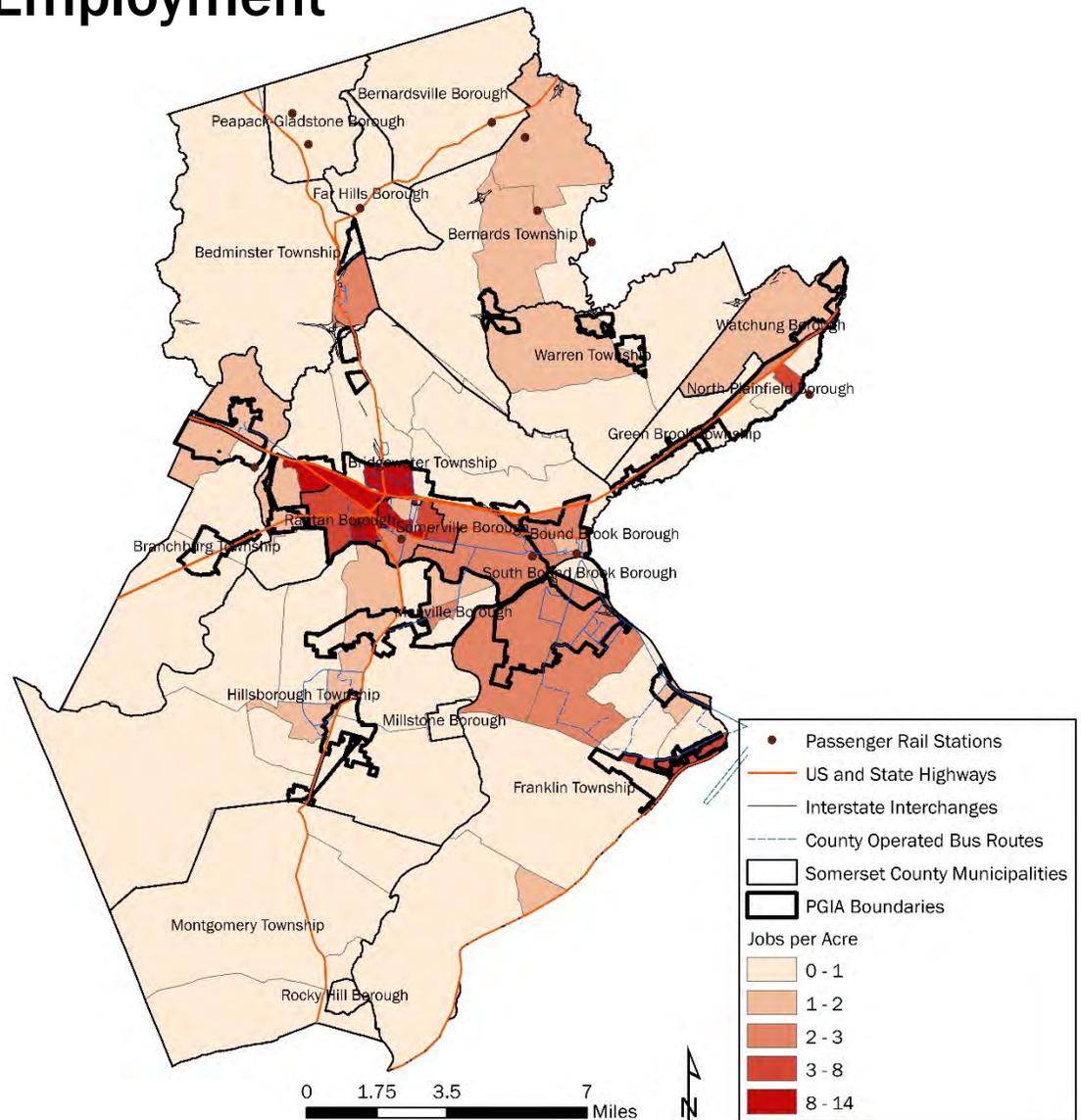
Source: Somerset County GIS

Prioritization: Proximity to Employment

Using OnTheMap software, data for the number of jobs in each Somerset County census tract as of 2011 were obtained. These data were then brought into GIS to calculate employment density (jobs per acre).

Parcels were then selected based on proximity to census tracts featuring high densities of employment. High priority parcels fall within one-half mile of a top ten census tract by employment density. Fifty-eight parcels fit this criteria, and are considered **high priority** candidates for workforce housing development.

Subsequently, parcels within one-half mile of the census tracts ranked 11-20 by employment density were selected (removing those that also fit the above prioritization criteria). Twenty-one parcels fit this criteria, and may be considered **medium priority** candidates for workforce housing development.

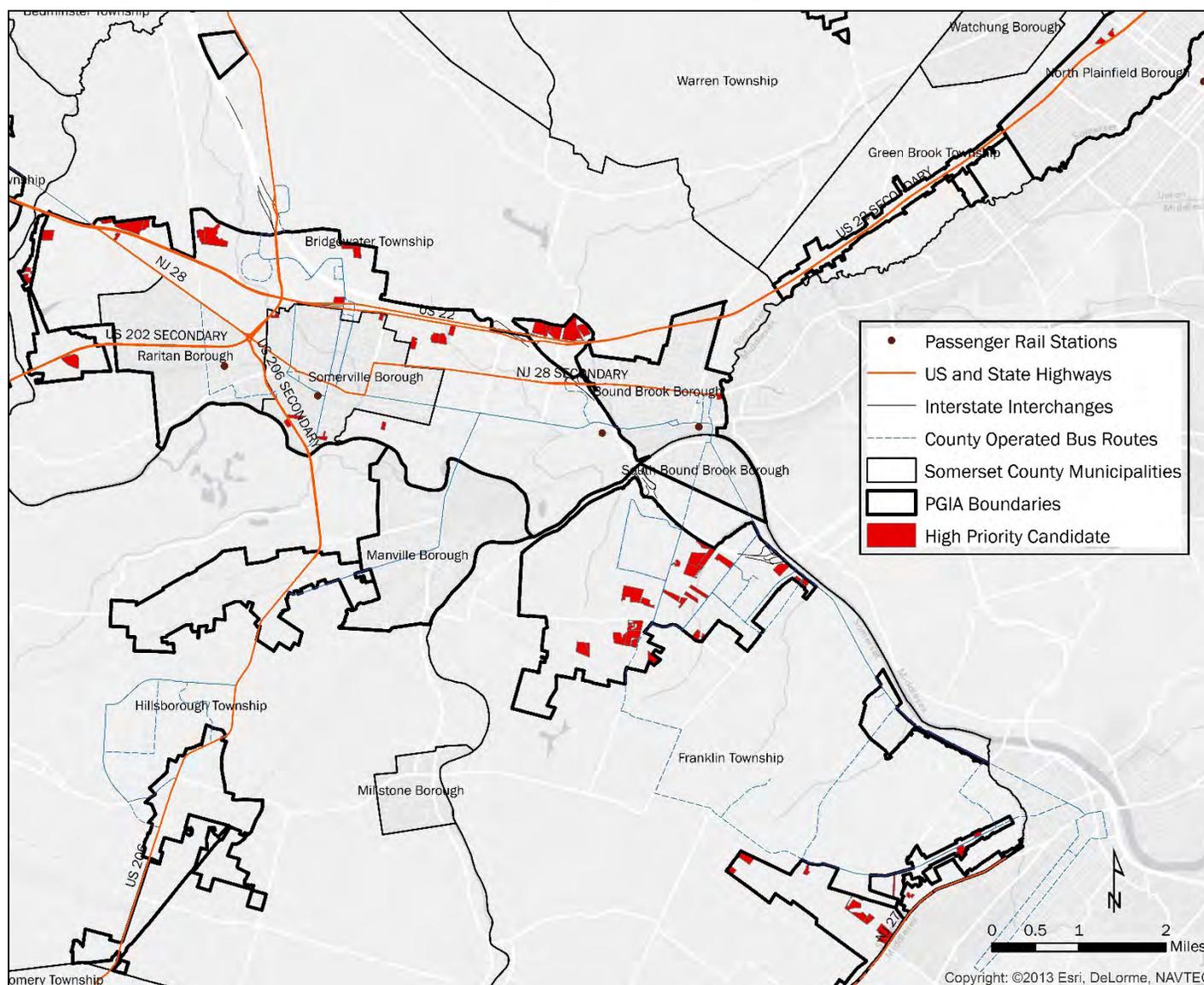


Source: OnTheMap

Workforce Housing Opportunities: High Priority

The 57 parcels (listed in a matrix on the following pages) that were determined to be high priority candidates for workforce housing development are shown in the map at right.

In addition to passing the initial screening, these parcels are within one-half mile of Somerset County's top 10 census tracts by employment density.



Source: Somerset County GIS; NJDOT GIS

Identification: High Priority Parcels

PGIA	Address / PIN*	Zoning	Owner	Size (AC)
<i>Chimney Rock Interchange</i>	Chimney Rock Rd / 1806-711-6-QFARM	M3	Stavola Construction Materials, Inc.	11.32
	Route 22 / 1806-711-7-QFARM	LC	Joaned Properties Cali Associates	17.8
	Chimney Rock Road / 1806-730-1.01	LC	Chimney Rock Crossing LLC - Bldg B	24.29
	Thompson Ave / 1806-730-1.02	LC	Somerset County Improvement Authrty	8.72
<i>Hamilton St/Renaissance Redevelopment</i>	1022 Hamilton St	M2	Hamilton Street Investors, LLC	3.27
	28 Voorhees Ave	CI	Voorhees Property LLC	2.07
	718 Hamilton St	HBD	Levin Properties LP	8.14
	621 Hamilton St	HBD	Parko Properties LLC, C/O Bering Mgt	3.11
<i>I-287 Industrial Complex</i>	1760 Easton Ave	GB	Easton-Franklin State Shopping Ctr.	3.45
	1850 Easton Ave	CB	Broadway-Somerset LLC	9.42
	7 Cedar Grove La	GB	ENC Realty LLC	2.61
	750 New Brunswick Rd	CB	S/A Associates-Atrium South LP	6.44
	297 Davidson Ave	CB	297 Davidson Avenue, LLC	5.68
	315 Davidson Ave	CB	Royal Somerset Inn LLC	4.23
	421 Elizabeth Ave	CB	The Palace Tic III, LLC	9.58
	1808-502.02-12	M-2	Unknown	13.5
	1808-502.02-13	M-2	Unknown	13.26
	Rt. 287 / 1808-502.02-32	M2	E & J Equities LLC	5.26
	1808-502.02-33.01	M-2	Unknown	9.63
	195 Davidson Ave	CB	Rond LLC, Northstar Somerset Mngt	9.2
	1808-506.01-18.02	M-2	Unknown	2.5
	1808-507-46	M-1	Unknown	7.74
	1808-514-20.01	M-1	Unknown	10.8
	1808-514-20.03	M-1	Unknown	3.81
1808-514-24.01	M-1	Unknown	22.27	
12 Jensen Dr	M1	Heller, Isaac	13.78	
230 Belmont Dr	M1	Kharbanda, Basant & Veena	21.57	
1 Wiley Dr	M1	One Wiley Drive, LLC, Susan Sabatura	5.36	

*In this and the following tables, a parcel's PAMS PIN is provided when an exact street address is not given

Source: Somerset County GIS

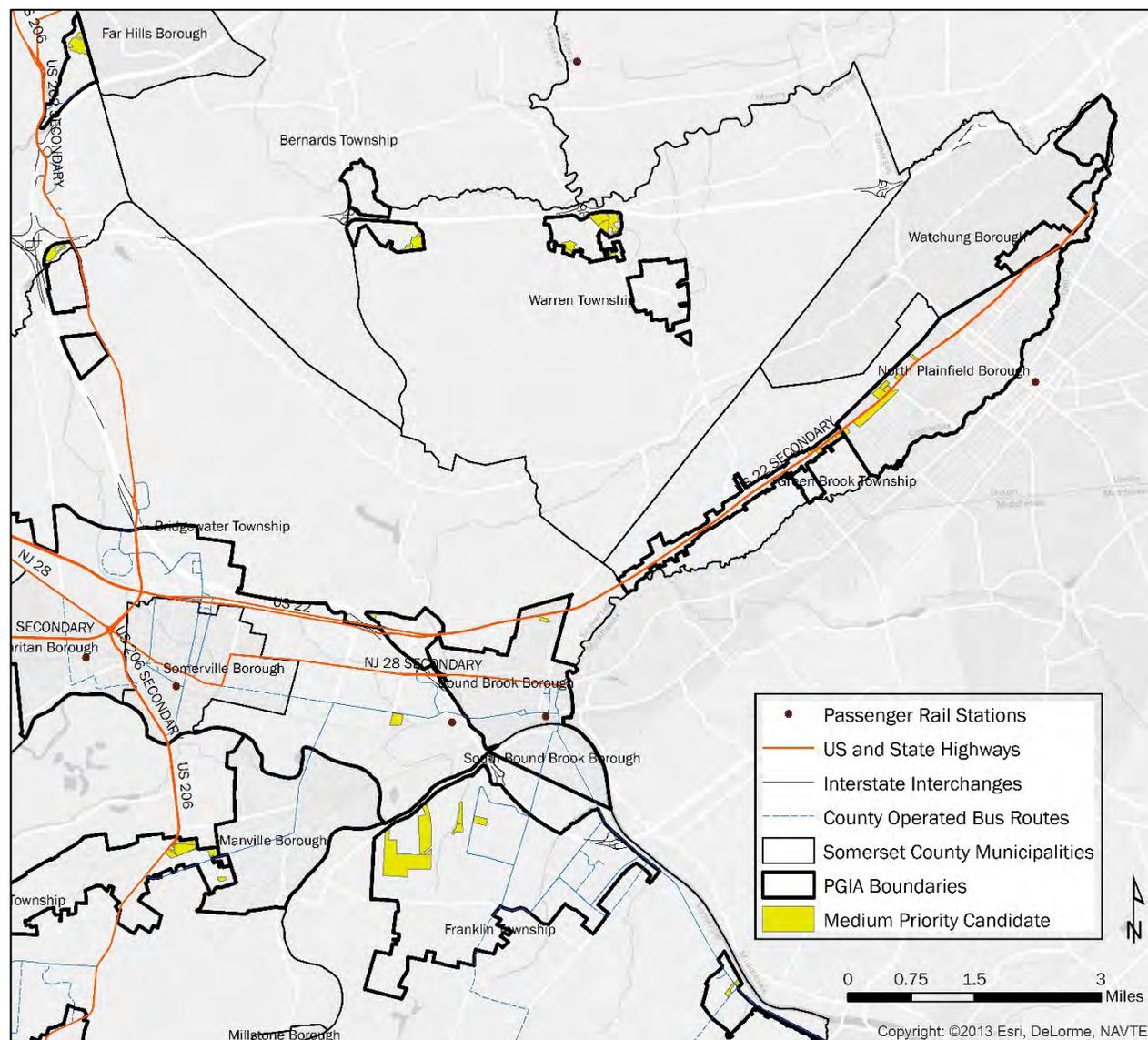
Identification: High Priority Parcels

PGIA	Address / PIN	Zoning	Owner	Size (AC)
<i>North Plainfield Town Center</i>	825 Rt. 22 West	B-3	Realty Income Corporation PM #0989	3.26
	751 Rt. 22 West	B-6	Vince, William, LLC, c/o VIP Honda	2.60
<i>Regional Center</i>	Milltown Road / 1806-175-2	R40	JCP & LFE Service Tax Dept.	9.84
	100 Monroe Street	M1B	Friends Retirement Concepts Inc.	5.52
	229 Adamsville Road	M1B	KSM Holding Advantage IQ	3.98
	1220 Route 22	M1B	Bridgemark Hospitality LLC	5.87
	1210 Route 22	M1B	Bridgemark Devel LLC	6.19
	Elizabeth Street / 1806-300-20-QFARM	R10	Rosania, H M & Meyer, E J & M S	2.23
	379 Route 28	C3	Chesson, Peter L.	2.29
	270 Garretson Road	R40	Brokaw, Ruth F.	4.49
	Route 22 / 1806-408-5	C3	Metlife Cushman & Wakefield-tax Pmt	30.22
	555 Route 22	M1	Ethicon, Inc. Carlos Cortes	7.66
	600 Garretson Road	R40	Board Of Ed., Bwt-rar Reg School	26.13
	3 Vogt Drive	R40	Somerset County Bd Of Chosen Freeho.	13.19
	961 Route 22	C-3	PSEG, Corp. Properties Dept. (T6B)	5.44
	32 Route 206	I-1	Bernhardt, Edward	2.93
	39 Route 206	B-6	S.J.S. Holding, Onc. - C/O L. Moye	3.99
	278 Route 202-206	B-5	Somerset Hills Investments Inc.	2.08
	22 Fifth Street	I-1	Castela Development LLC	3.34
1062 Highway 22	B-5	1062 Rt. 22, LLC	2.28	
<i>Rt. 202 / NJ TRANSIT Rail Spur</i>	481 Milltown Road	P2	Weinberg, Jeffrey & Elizabeth	7.56
	755 Route 202	M1	Fisher Scientific Co.	13.29
<i>The Bound Brooks</i>	600 East Union Avenue	O-B	Bank Of America C/O Corp Assmts	2.69
<i>Veronica Ave</i>	105 Commerce Dr	M2	L'Oreal USA Accounts Payable Dept.	4.15
	100 Commerce Dr	M2	L'Oreal USA Accounts Payable Dept.	9.5
	1165 Rt. 27	GB	Veronica Plaza Investors LLC	4.79
	955 Rt. 27	GB	Cleary, W.A. Corp.	16.47
	1089 Rt. 27	M2	Cleary, W.A. Corp.	15.89
	315 Churchill Ave	M2	Dayal Enterprises LLC	3.24

Workforce Housing Opportunities: Medium Priority

The 33 parcels (listed in a matrix on the following page) that were determined to be medium priority candidates for workforce housing development are shown in the map at right.

These parcels passed the initial screening, and are within one-half mile of Somerset County's top 11 through 20 census tracts by employment density, but *not* within a half-mile of a top 10 census tract by employment density.



Source: Somerset County GIS; NJDOT GIS

Identification: Medium Priority Parcels

PGIA	Address / PIN	Zoning	Owner	Size (AC)
<i>AT&T Campus</i>	900 Rt. 202/206 1 AT&T Way	OR	Metropolitan Tower Life Insurance C	24.3
<i>The Bound Brooks</i>	Watchung Road / 1804-98.01-2	R-2	Elizabethtown American Water	2.83
<i>Chimney Rock Interchange</i>	1381 Frontier Road	LC	DJD Amusements LLC	5.09
<i>Easton Ave</i>	2 JFK Blvd	GB	Two JFK Blvd LLC, D. Rubin	3.79
<i>Exit 33 I-78 East of Exit</i>	15 Mountain View Road	CR	Somerset Assoc. C/O Chubb & Son	18.89
<i>Green Brook Route 22 Corridor</i>	82-98 Rt. 22 West	RHC	New Private Restaurant Properties	2.51
	29-39 Rt. 22 East	RHC	JLS Greenbrook CO LLC, James Botsaco	2.08
	15-19 Rt. 22 East	RHC	Simoes Family Partnership	2.51
	57-71 Rt. 22 East	RHC	Ferraez Brothers Solomon 2, LLC	3.63
<i>I-287 Industrial Complex</i>	701 Randolph Rd	M1	Elizabethtown Water General Tax	98.85
	Randolph Rd / 1808-516-11.01-QFARM	M-1	Unknown	45.5
	300 Memorial Dr	M1	Pay For Play Investments, LLC	5.67
	100 Memorial Dr	M1	Pay For Play Investments, LLC	8.09
	400 Cottontail La	M1	Hsu Property Holdings LLC	8.28
<i>Mt. Bethel Employment Area</i>	283 King George Road	OR	Warren Corp Cent. C/O SJP Prop	5.73
	285 King George Road	OR	Warren Corp Cent. C/O SJP Prop	14.99
	256 Mountain Avenue	CR	CMG Chelsea, LLC	2.86
	294 King George Road	OR	Mack Warren Company LLC	15.58
	284 King George Road	OR	Mack Warren Co.	7.35
	249 Mountain Avenue	OR	Mack Warren Company LP	14.11

Source: Somerset County GIS

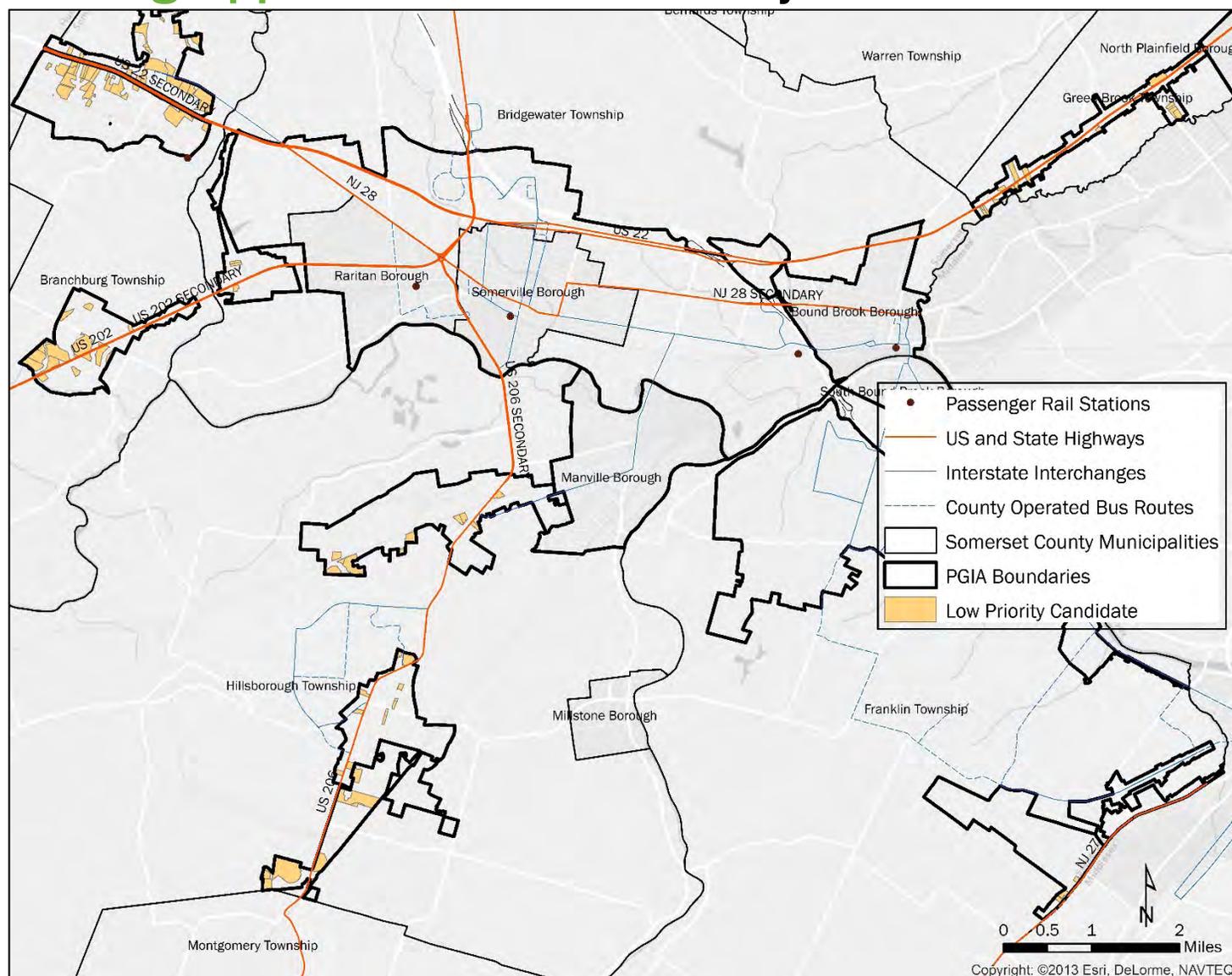
Identification: Medium Priority Parcels

PGIA	Address / PIN	Zoning	Owner	Size (AC)
<i>North Plainfield Town Center</i>	1099 Rt. 22 West	M1	Global Motors Corp	8.04
	933 Rt. 22 West	OR	933 Route 22 West, L.L.C.	2.31
	1200 Rt. 22 East	OR	Vornado Inc.	28.90
	455-65 West End Ave	CR	North Plainfield R.E. Assoc., LLC	3.92
	1025 Rt. 22 West	OR	Ratan Irvington, LLC	2.80
	350 Rock Avenue/Rt. 22 East	OR	Valley National Bank	2.87
	1015 Route 22 West	OR	Mainship Enterprise I-IV LLC	2.38
	<i>Regional Center</i>	5 Polhemus	M2	PSEG, Corp. Properties Dept. (T6B)
<i>Sanofi Aventis</i>	20 Route 206	OR	Alfieri-little Falls, I.L.C.	17.16
<i>VA Depot</i>	Route 206 / 1810-65-12.03	HS	West Essex Industrial Park	4.72
	135 Route 206	HS	West Essex Industrial Park	29.01
	2124 Camplain Road	I1	Copart Of Connecticut, Inc.	7.81
	Estelle Street / 1810-86-21	R	Sherman Brothers C/O Max Sherman	2.73

Source: Somerset County GIS

Workforce Housing Opportunities: Low Priority

The 79 parcels shown in the map at right passed the initial screening criteria, but are not within one-half mile of an employment center. They should be considered candidates for workforce housing only after opportunities for high and medium priority parcels are exhausted.



Source: Somerset County GIS; NJDOT GIS

Identification: Low Priority Parcels

PGIA	Address / PIN	Zoning	Owner	Size (AC)
<i>Green Brook Neighborhood Center</i>	922 Washington Ave.	CA	Murray, Susan	2.54
	916 Washington Ave.	CA	Plainfield Union Water/Am.Water SSC	3.72
	916 Washington Ave.	CA	Plainfield Union Water/Am.Water SSC	5.42
	1013 Washington Ave.	LC	1013 Property LLC-C/O Vesuvio	2.73
<i>Green Brook Rt. 22 Corridor</i>	366-368 Route 22 West	RHC	White Castle Systems, NJ 22	2.41
	340-44 Route 22 West	RHC	P J Paoletta LLC	8.58
	328-332 Route 22 West	RHC	Public Storage-dept 21015	4.06
	229-231 Route 22 East	RHC	Waltann Greenbrook II LLC	2.33
	351-353 Route 22 East	RHC	Sebrings Mills Realty Associates	2.21
	371 Route 22 East	RHC	Perone, Benjamin IV	2.13
	367 Route 22 East	RHC	Louis Holdings LLC, C/O Captain	2.12
	329-331 Route 22 East	RHC	Somerset Tire Service	2.04
	325-327 Route 22 East	RHC	P J Paoletta LLC,	2.76
	307-311 Route 22 East	RHC	Mitrani Associates L.L.C.	4.28
	108-146 Route 22 West	RHC	Giant Realty LLC	12.37
	<i>Hillsborough Town Center / Gateway</i>	380 Route 206 South	O-2	Commerce Bank NA (TD Bank)
Route 206 / 1810-155.01-67		C1	Hillsboro Club Plaza Associates	2.96
434 Route 206		C1	Ajajian, James & Julia E.	4.05
758 Route 206		HOO	Clover Asset Management, LLC	3.11
616 Route 206		TC	Fleet Nat'l Bank C/O Corporate Real	2.81
Amwell Road / 1810-199-51		HOO	Davidovich, J et al C/O Trombadore	4.92
386 Amwell Road		HOO	Autozone Northeast Inc.	2.92
739 Route 206		GI	Tobia, Ronald P & Dorothy J	4.28
<i>Homestead Rd./206 Bypass</i>	279 Homestead Road	LI	279 Homestead Road, LLC	9.67
	Homestead Road / 1810-201-1-QFARM	LI	Reckitt & Colman Inc. C/O A Murphy	36.33
	Tara Drive / 1810-180.01-32	AG	Thompson, W Bryce IV	4.12
	Pleasant View Road / 1810-180.01-39	AG	Thompson, W Bryce IV	8.46
	Rt. 206 / 1810-180.01-41-QFARM	HS	Thompson, W Bryce IV	46.72
Rt. 206 / 1810-202-4	LI	Hillsborough 206 Holdings, LLC	18.12	

Source: Somerset County GIS

Identification: Low Priority Parcels

PGIA	Address / PIN	Zoning	Owner	Size (AC)
<i>Imclone</i>	255 Evans Way	I-2	Stoney Brook Associates	3.87
	Evans Way / 1805-58-36	I-2	Stoney Brook Associates	6.00
	Old York Rd / 1805-61-1.01	OL	Friedrich D & Weill J, Suc-Co-Trustee	25.40
	Rt 202 / 1805-61-14-QFARM	OL	KDC Solar Branchburg LLC	23.73
	Rt 202 / 1805-61-16-QFARM	OL	202 Branchburg Associates LLC	27.87
	Rear Old York Rd / 1805-61-5-QFARM	OL	KDC Solar Branchburg LLC	13.51
	Imclone Dr & Chubb Way / 1805-68.04-5	I-2	Imclone Systems Corp	3.97
	Rt 202 & Old York Rd / 1805-68.05-1-QFARM	OL	Branchburg 202 LLC	17.90
	1211 Rt 202 & 71 Imclone Dr	I-2	Bellemead Dev Corp	3.97
	1050 Rt 202	R/S2	Terraplasty LLC	2.63
<i>Meister Ave Industrial Parkway</i>	Meister Ave / 1805-9.01-2-QFARM	I	Meister Assocs LLC	12.56
	Meister Ave / 1805-9-15-QFARM	I	Red Shale Assocs LLC	16.72
	3311 RT 22 / 100 Meister Av	I-1	The Vollers Group LLC	10.92
	Suthlo Dr.	I-IP	Som Thor Bldg Rlty Holdings LP	11.20
	3355 Rt. 22	I-1	3355 Rt 22 LLC	3.52
	3351 Rt. 22	I-1	3351 Route 22 LLC	2.63
	3331 Rt. 22	I-1	3331 Route 22 LLC Att:h Herman	9.66
	3321 Rt. 22	I-1	Red Shale Assocs LLC	4.72
	3379 Rt. 22	I-1	Red Shale Assocs LLC	7.66
	3373 Rt. 22	I-1	3373 Route 22 LLC	2.93
	3091 Rt. 22	I-1	Guttmann Karen Etal Appleman	26.12
	Rt. 22 / 1805-10-8	I1	Parker N Et Als J Appleman	4.42
	3305 Rt. 22	I-IP	Meister Assocs LLC	2.02
	Meister Ave & S Rt. 22 / 1805-9-21-QFARM	I	Spaden Assocs LLC	5.85
	3281 Rt. 22	I-IP	Pfauth H & A & Pfauth R Jr & A	13.82
3221 Rt. 22	I-1	JKPM LLC	3.28	
<i>Route 202 / NJ TRANSIT Spur</i>	300 Milltown Road	P-2	unknown	2.04
	290 Milltown Road	P-2	unknown	2.22
	779 Route 202	C-1	Commerce Bank TD Bank - 12 FL	2.63

Source: Somerset County GIS

Identification: Low Priority Parcels

PGIA	Address / PIN	Zoning	Owner	Size (AC)
<i>RVCC / Easton Tpk</i>	118 Lamington Rd	CF	Raritan Valley Community College	62.61
	1285 Rt. 28	R/S1	New Orleans Rest Stony Brook Grill	2.76
	3210 Rt. 22 & Rt 28	RS-1	Northwest Properties LLC	5.48
	3260 Rt. 22	R/S1	Ansuya Enterprises Inc.	2.98
	3220 Rt. 22	RS1	Bercaw Joseph A & Assunta Ten Com	2.47
	3070 Rt. 22	I, IP	Schering Merck Tax Dept M/S Ws2f-96	8.38
	Rt. 28 & RVCC Dr. / 1805-7-1.03	I	Pizzo Kenneth S Sr	10.15
	1114 Rt. 28	MH	Mobile Park Realty LLC	4.98
	3040 Rt. 22	I	Advance At Bburg II LLC adv Rlty Gr	26.27
	Rt. 22 / 1805-5.11-6	O	The Business Centr@Branchburg Condo	2.66
	3400 Rt. 22	O	Ansuya Enterprise of Clinton LLC	4.13
<i>VA Depot</i>	183 Route 206	HS	Wu, Nick	3.34
	Route 206 South / 1810-142-31.01	I2	Hillsboro Self Storage LLC	4.09
	Route 206 / 1810-142-31.02	I2	PNJ Realty Co, LLC	3.93
	406, 412, 420 Roycefield Rd	I2	O'Dowd, Kenneth J & Zina	11.76
	320 Valley Road	G1	Aeropres Corp	5.39
	Valley Road / 1810-151.09-227	I2	Valley Road Flex Park Assoc, LLC	30.33
	Route 206 / 1810-65-12.02	HS	US 206-Hillsborough Self Storage LLC	4.12
<i>Veronica Ave</i>	11 Bennetts La	GB	Rao, Vatsala	2.72
	1233 Rt. 27	GB	Baker Automotive Real Estate LLC	2.54
	10 Bennetts La	R40	M&M at Bennetts Lane, LLC	4.75

Source: Somerset County GIS

Takeaway: Prospective Workforce Housing Sites

Ensuring a sufficient workforce housing stock should be an economic growth priority for Somerset County. The term “workforce housing” as applied in this report is inclusive of low- and moderate-income housing, as well as housing affordable to those who earn less than 120 percent of the region’s median income. Even those who meet the eligibility requirements for low- and moderate-income housing pursuant to the State Fair Housing Act must demonstrate they have steady, fulltime employment. Workforce housing targets households whose members are employed, but at entry-level or lower wage jobs. In Somerset County, where the cost of living and housing prices are very high, many households struggle to find affordable rental and for-purchase housing opportunities in areas close to their places of employment. Proximity to place of employment is important in an economic sense (there are costs associated with long commutes), as well as in terms of land-use and infrastructure efficiency. Increased workforce housing opportunities are needed in Somerset County to strengthen the local labor force and ensure that entry-level professionals, teachers, nurses, police officers, and service workers (among others) are able to both live and work in Somerset County.

A number of parcels in Somerset County’s PGAs may provide opportunities for workforce housing development. These parcels are identified based on size, land use, and market appropriateness for redevelopment. Proximity to transportation and employment centers provide additional clarity on a parcel’s appropriateness for workforce housing.

According to this analysis, 21 of the 24 PGAs contain parcels that may be appropriate for additional workforce housing. It is important to note that this analysis is simply an initial screening based on broad criteria, and more in-depth review and community outreach would need to be done before saying with certainty that any given parcel is appropriate for higher-density residential or mixed-use development.

Build-out Analysis

Introduction

A build-out analysis is an estimate of development that could occur in a locality if all land was built out as allowed per zoning laws. The analysis provides a picture of the development that *could* potentially happen in a given area based on current zoning, and is not necessarily an indication of what *will* happen. Build-out analyses allow localities to develop an understanding of potential future development based on current land use policies and characteristics, thereby allowing them to anticipate possible future needs for things such as infrastructure and community services, as well as potential costs and benefits related to development.

Somerset County commissioned a comprehensive analysis of its Priority Growth Investment Areas (PGIAs). The last step of the process is a build-out analysis of the PGIAs. This analysis was performed by the Somerset County Planning Board utilizing the ArcGIS Modelbuilder tool and adaptation of the Environmental Build Out Analysis it performed as part of the County Wastewater Management planning process. All GIS datasets necessary for performing the analysis were developed by the County Planning Board. This build-out analysis considers potential development for both residential and non-residential development. Detailed methodology is provided in Appendix P of this report.

Glossary of Terms

- **Approved undeveloped projects (AUP)** – projects that have local approval to be developed and are in the project pipeline but have not yet been built
- **Redevelopment areas** – designated areas in need of redevelopment pursuant to the State Redevelopment and Housing Act
- **Vacant potentially developable land (VPDL)** – land that is currently vacant and environmentally unconstrained that could be developed based on zoning and other land use controls
- **Council on Affordable Housing (COAH)** – state body within the Department of Community Affairs responsible for ensuring that New Jersey municipalities provide their fair share of low and moderate income housing pursuant to the State Fair Housing Act of 1985. Although the requirements are currently in flux, proposed COAH housing units provided in this report are those that meet the income requirements established by COAH and are proposed in municipally-adopted third round housing elements and fair share plans.

Methodology

This build-out analysis was completed using methodology developed by Somerset County which is summarized below. It should be noted that this analysis does not account for potential growth associated with vacant or underutilized buildings or reduction in available land due to ongoing open space preservation efforts.

Somerset County's build-out analysis took into consideration growth associated with:

- Approved undeveloped projects (AUP)
- Redevelopment areas
- Vacant potentially developable land (VPDL)

In addition to these three layers, the PGIA Boundaries and Somerset County Municipal Base Zoning layers were utilized.

The VPDL dataset was geo-processed using the “identify” tool along with the Municipal Base Zoning dataset to assign zoning attribute data to the VPDL dataset records. The AUP dataset includes proposed affordable housing projects (as per COAH) identified in municipally-adopted Housing Elements and Fair Share Plans.

The datasets representing the three contributing sources to the new development – Approved Undeveloped Projects, Redevelopment Areas, and Vacant Potentially Developable Land – were geo-processed separately along with the PGIA Boundaries dataset to obtain datasets representing new development happening inside PGIA boundaries by each contributing source. It is important to note that information regarding potential new units and non-residential square feet associated with planned redevelopment areas is not available for some. This means that redevelopment potential for some planned redevelopment areas is not known at this time.

Methodology

All of the necessary calculations for new development inside the PGIAs were then made using data in the resulting geo-data processing feature classes by applying the Pivot Table View tool in Microsoft Access.

Build-out results for individual PGIAs are given on the following pages. These pages list the additional number of dwelling units and total additional square footage of non-residential land that can be developed in each of the PGIAs. Zoning information is also provided for VPDL data.

Key Findings: Build-out Analysis

Build-out capacity in all but one PGIA

Easton Avenue Corridor is the only PGIA that does not contain any redevelopment areas, vacant potentially developable land, or approved undeveloped projects. The Easton Avenue Corridor PGIA is substantially built-out, and as such, has limited capacity for future growth based on current land use policies.

1,900 residential units and 25 million non-residential square feet

In sum, over 19,000 new residential units (approximately 6.4 percent of which will be income-restricted pursuant to COAH) and upwards of 25 million square feet of non-residential space can potentially be developed in the PGIAs.

Potential residential development

The greatest amount of residential development could potentially occur in the Hillsborough Town Center/Gateway PGIA, with a potential additional 6,911 dwelling units. This is followed by the Homestead Road/Route 206 Bypass and the Regional Center PGIAs, each with over 3,000 potential additional new dwelling units.

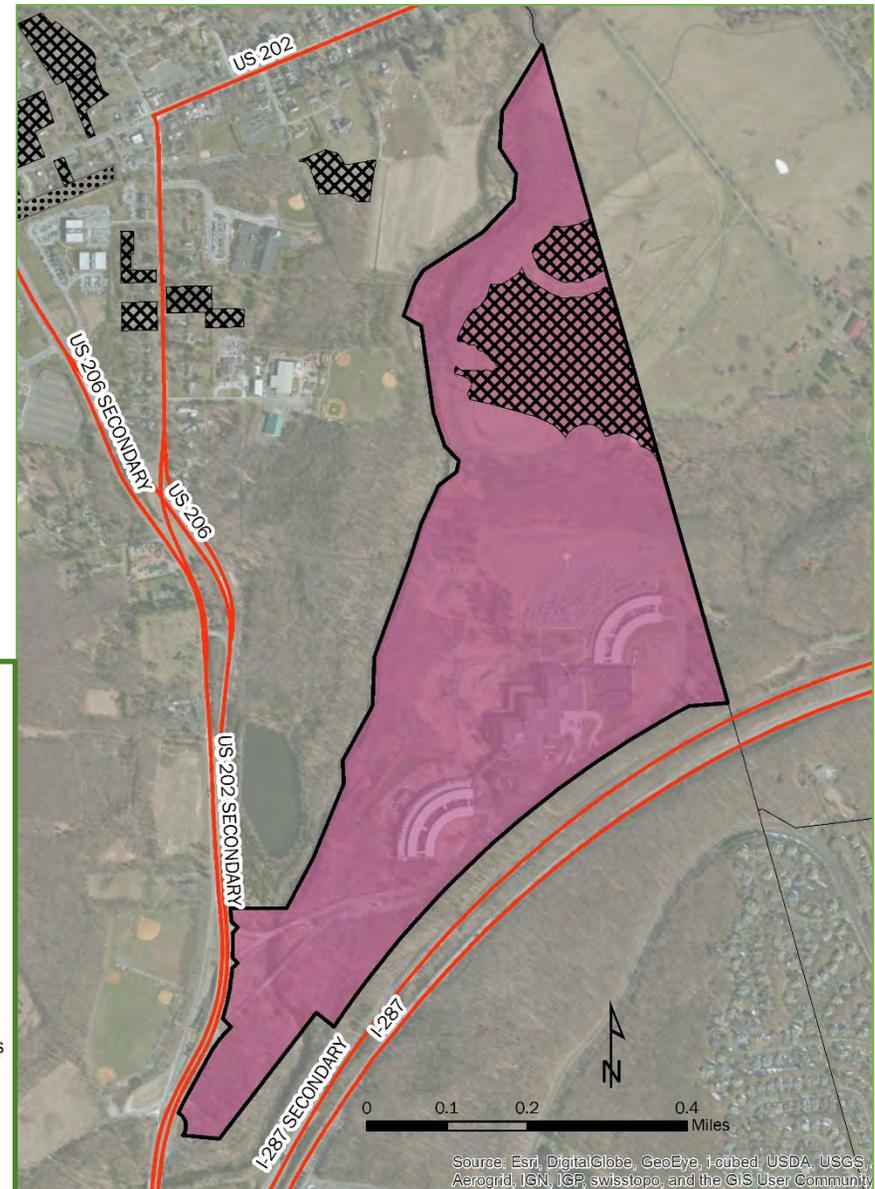
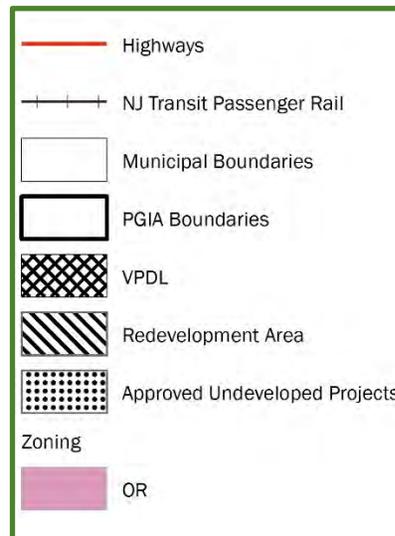
Potential non-residential development

The greatest amount of non-residential development could potentially occur in the I-287 Industrial Complex PGIA, at over six million square feet. This is followed by the Hillsborough Town Center/Gateway and Homestead Road/Route 206 Bypass PGIAs, with three million potential additional square feet each.

PGIA Build-out Profiles

Build-Out Summary: AT&T Campus

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
VPDL:	24.30	0	179,921
Office Research (OR) Zone:	24.30	0	179,921
TOTAL:	24.30	0	179,921

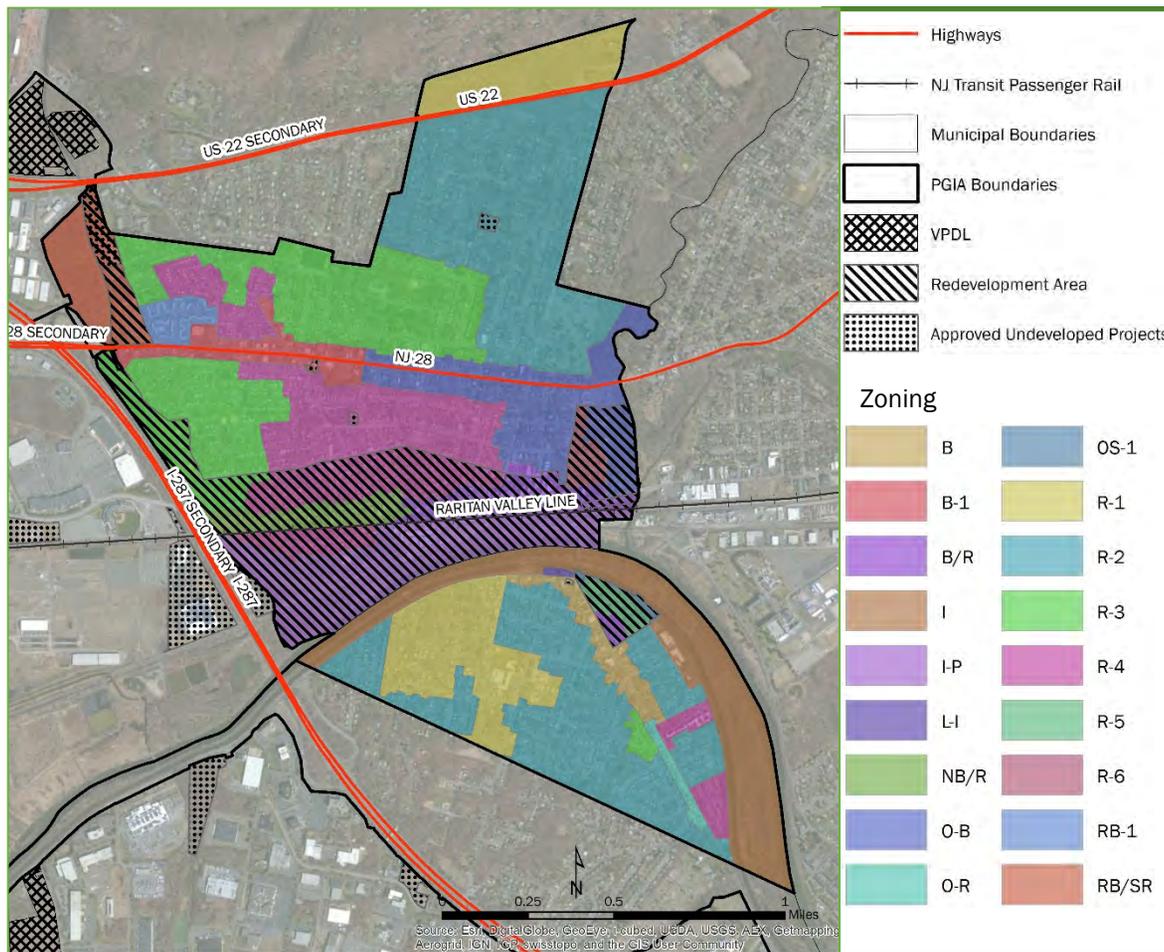


Source: Somerset County GIS

Build-Out Summary: The Bound Brooks

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
Redevelopment:	337.55	754	231,560
AUP:	11.74	150*	1,352
TOTAL:	349.29	904	232,912

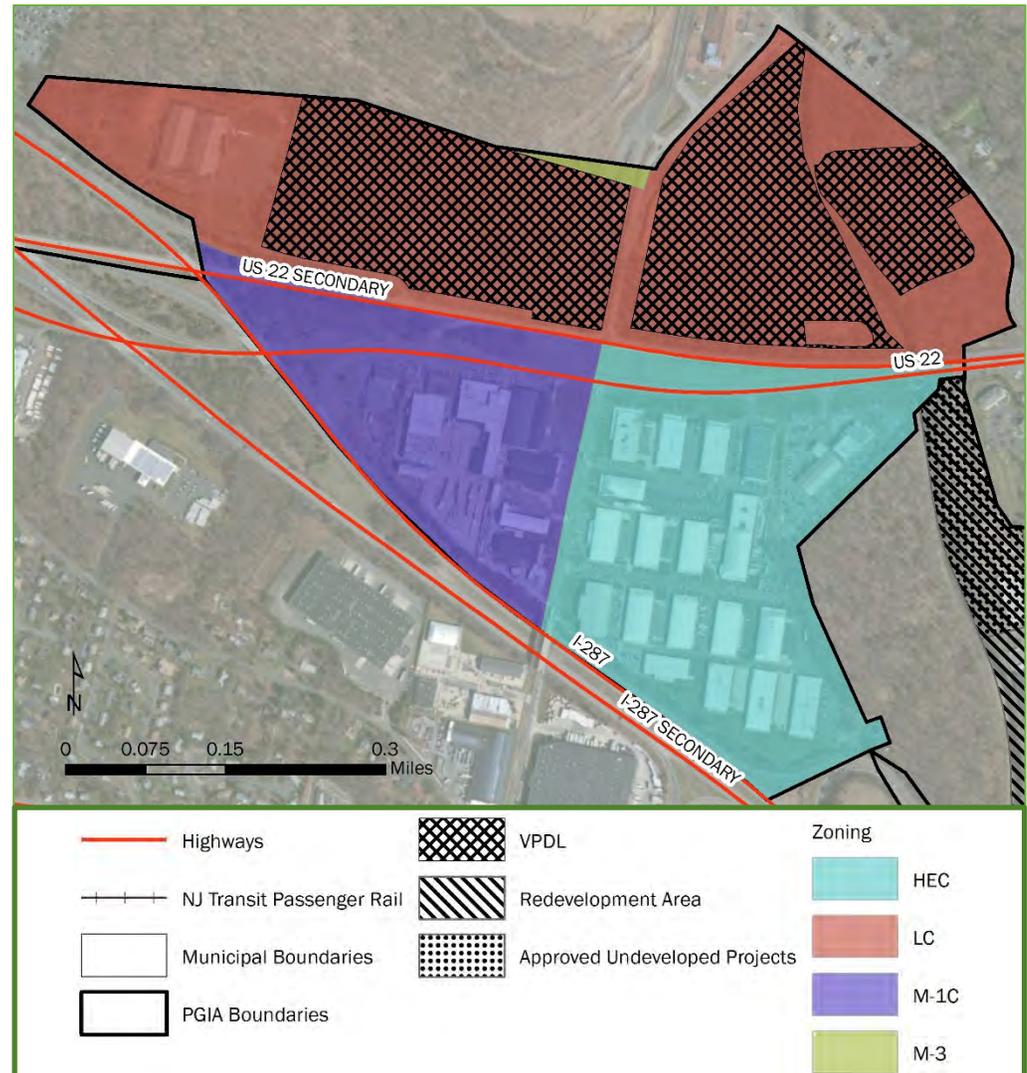
*10 of the 150 AUP dwelling units are income-restricted pursuant to COAH



Source: Somerset County GIS

Build-Out Summary: Chimney Rock Interchange

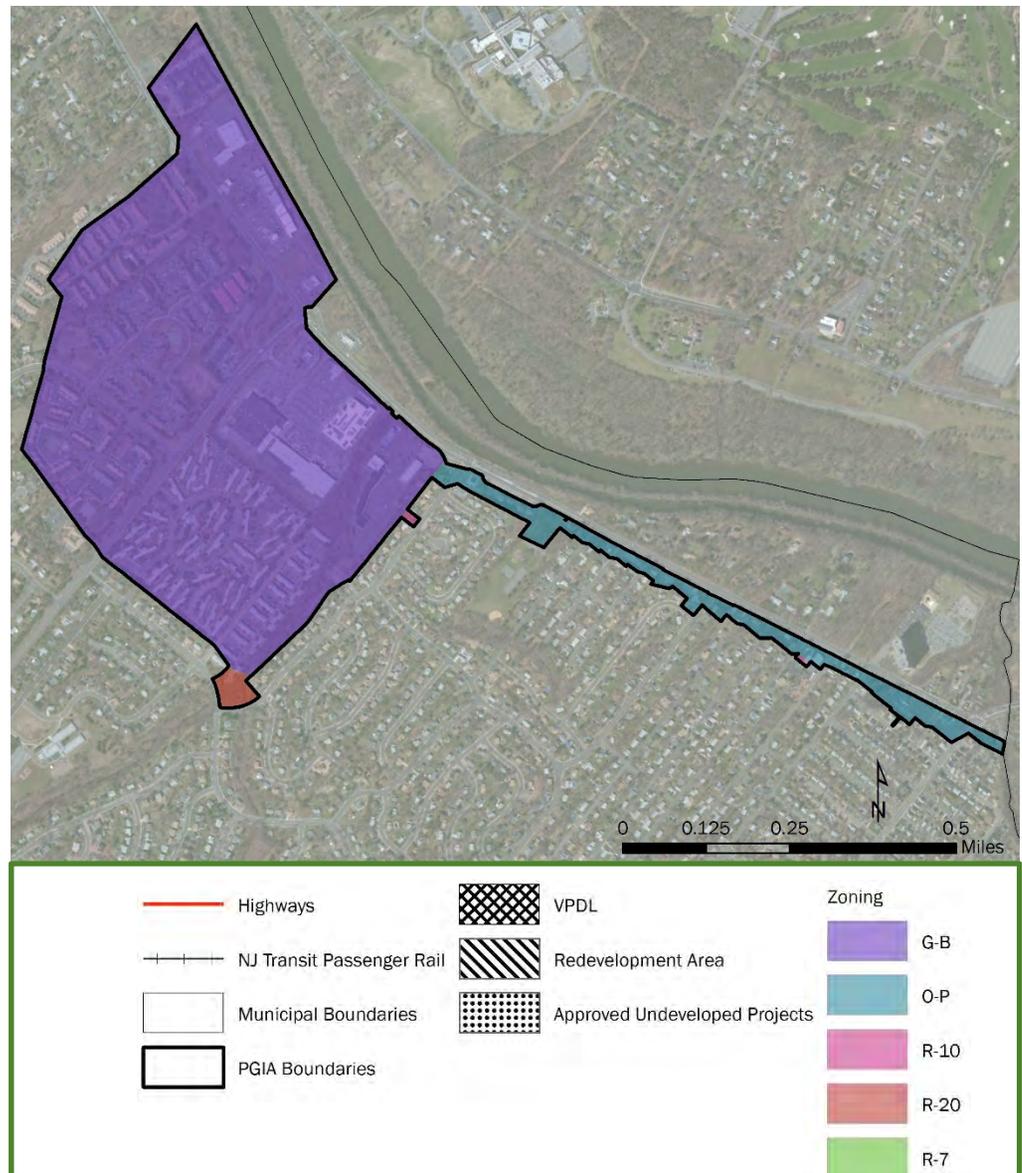
	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
VPDL:	63.37	0	828,110
Limited Commercial (LC) Zone:	63.37	0	828,110
TOTAL:	63.37	0	828,110



Source: Somerset County GIS

Build-Out Summary: Easton Avenue Corridor

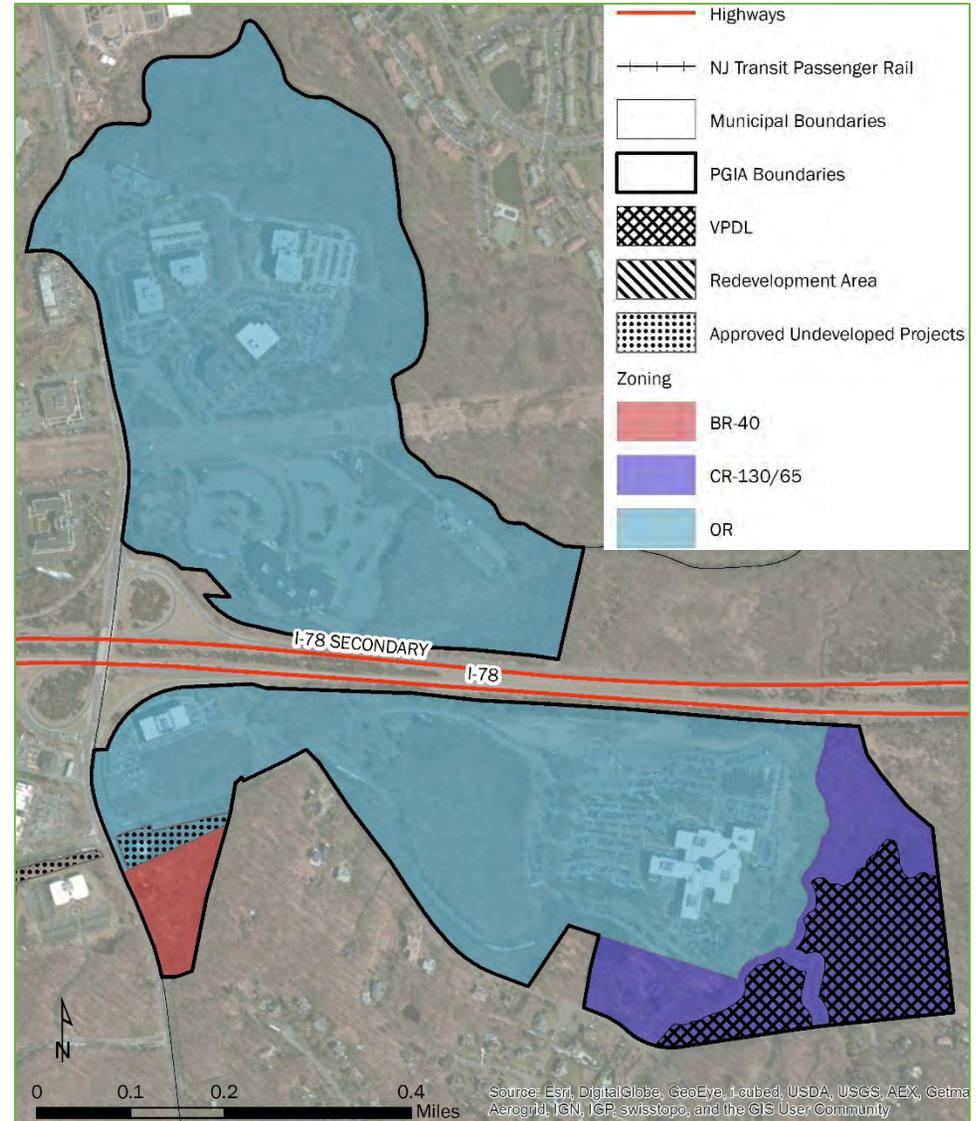
There is no redevelopment, VPDL, or AUP land in the Easton Avenue Corridor PGIA.



Source: Somerset County GIS

Build-Out Summary: Exit 33 I-78

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
VPDL:	18.89	5	0
3 - 1 ½ Acre Environmental Critical Rural Residential (CR-130/65) Zone:	18.89	5	0
AUP:	1.9	0	3,848
TOTAL:	20.79	5	3,848

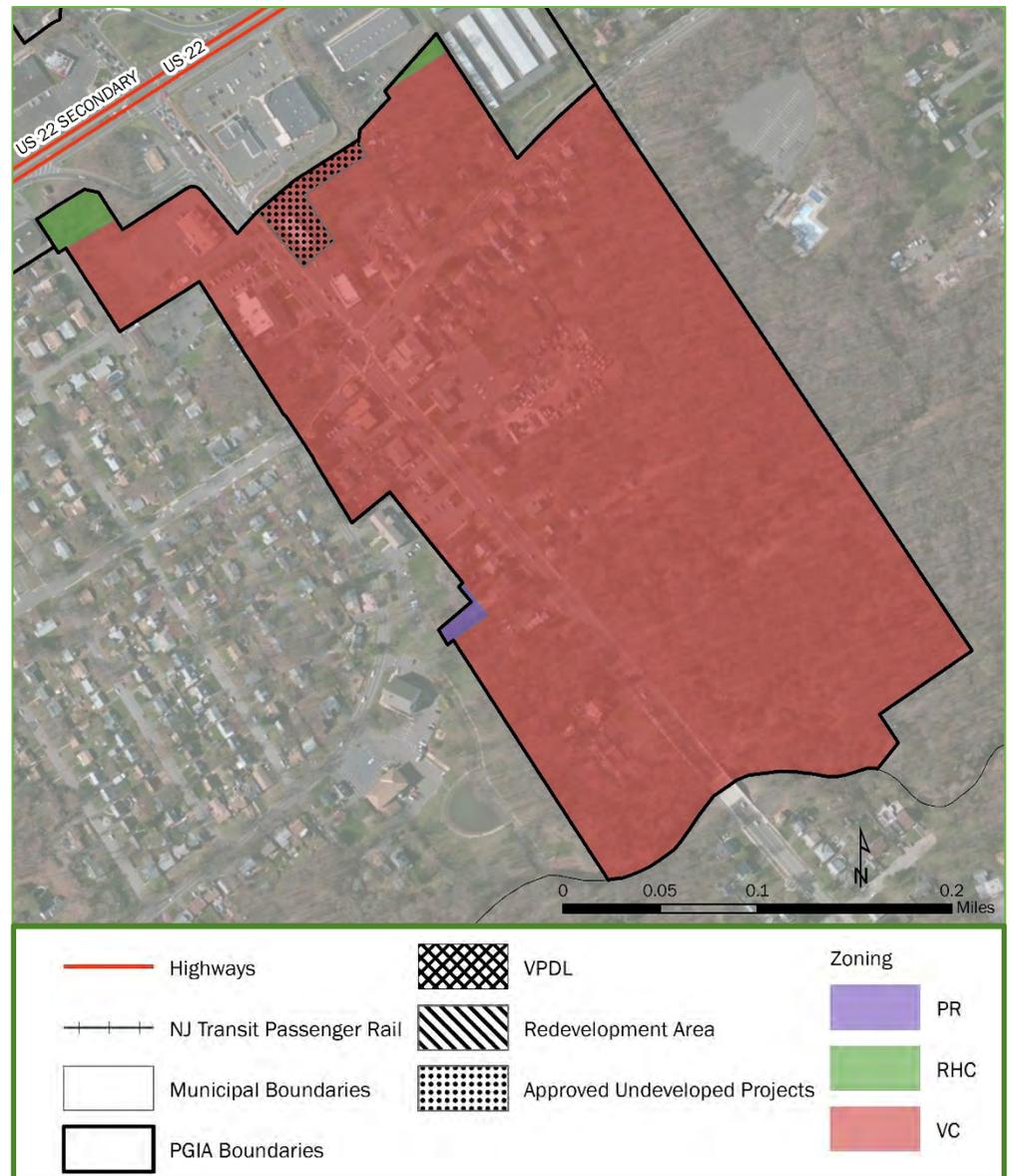


Source: Somerset County GIS

Build-Out Summary: Green Brook Neighborhood Center

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
AUP:	0.76	5*	6,730
TOTAL:	0.76	5	6,730

*2 of the 5 AUP units are income-restricted pursuant to COAH

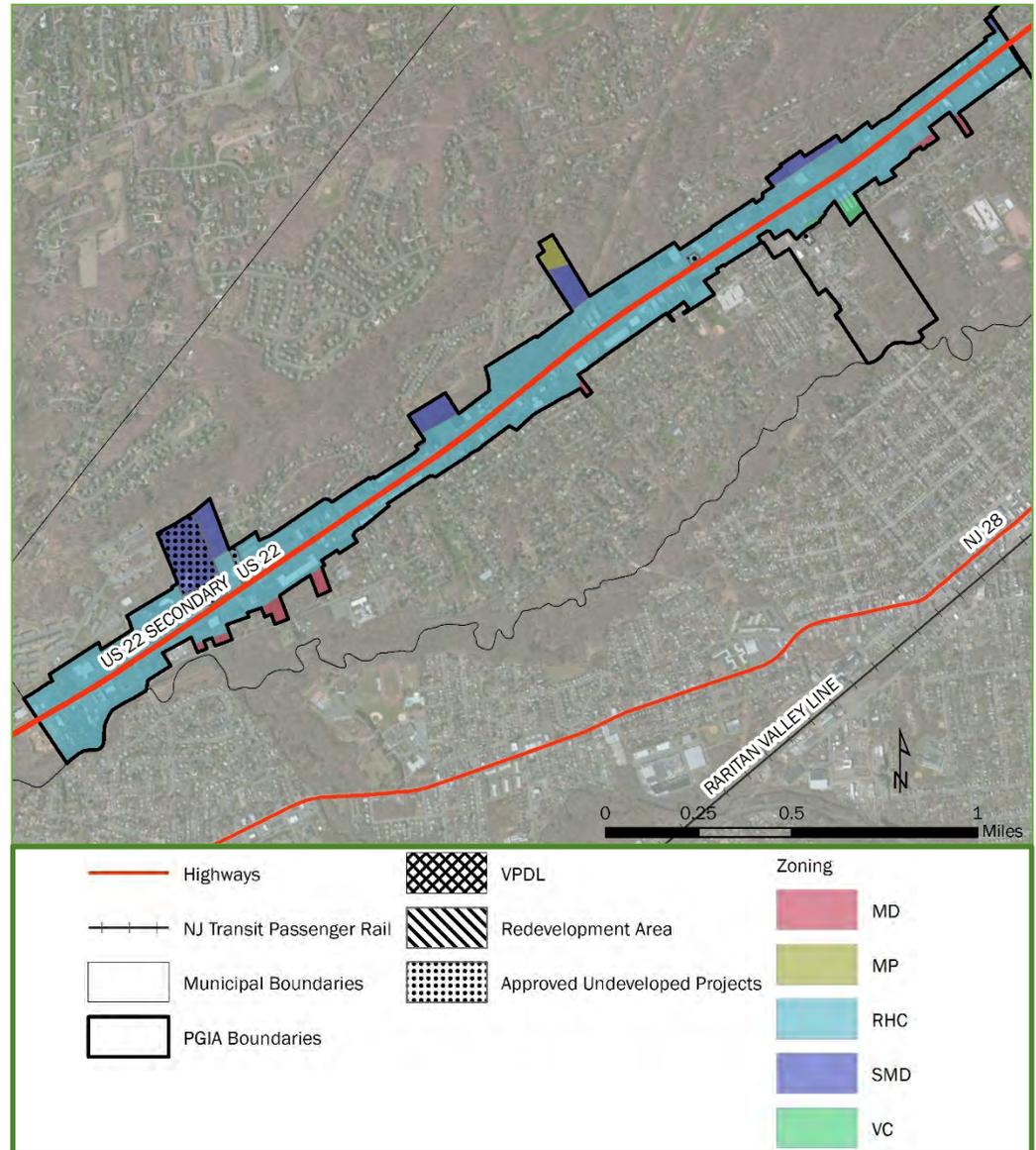


Source: Somerset County GIS

Build-Out Summary: Green Brook Route 22 Corridor

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
AUP:	16.70	125*	3,923
TOTAL:	16.70	125	3,923

*25 of 125 AUP units are income-restricted pursuant to COAH



Source: Somerset County GIS

Build-Out Summary: Hamilton Street/Renaissance Redevelopment

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
Redevelopment:	54.32	812	150,000
AUP:	23.64	234*	4,600
TOTAL:	77.96	1,046	154,600

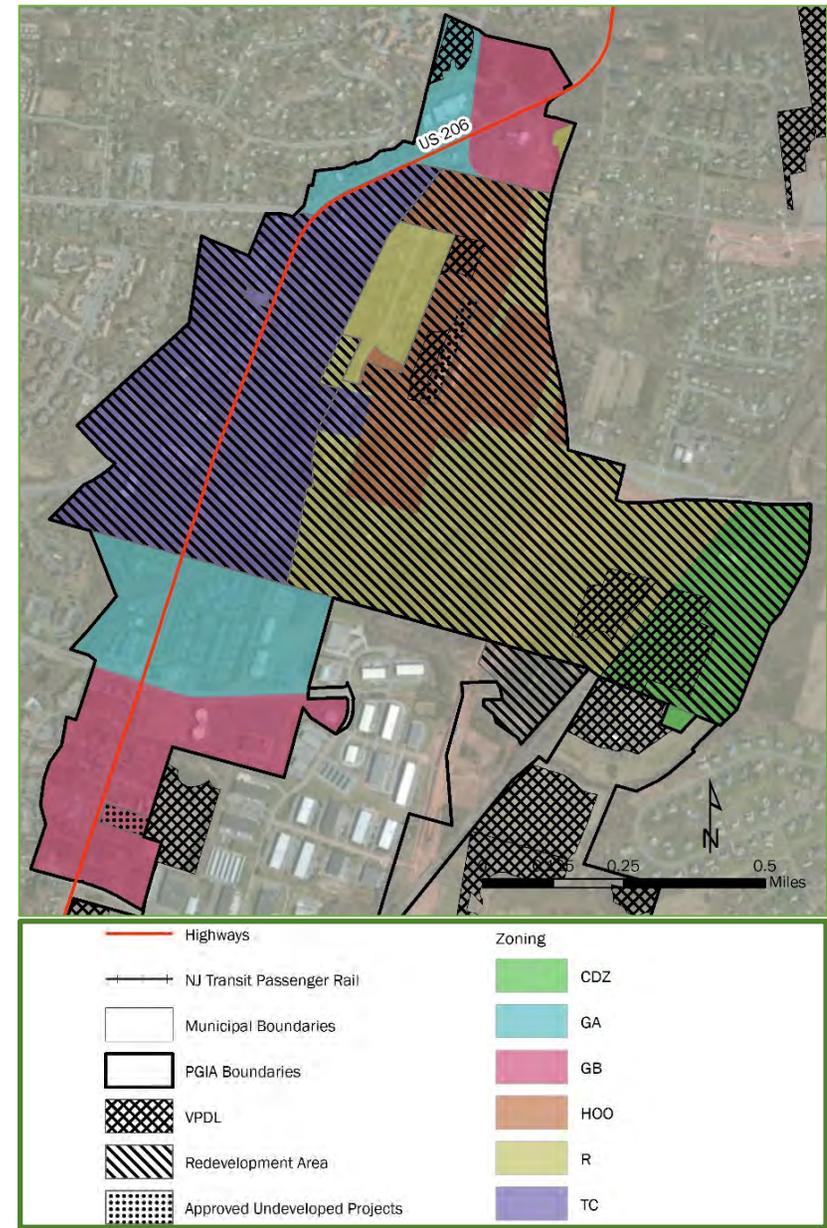
*128 of 234 AUP units are income-restricted pursuant to COAH



Source: Somerset County GIS

Build-Out Summary: Hillsborough Town Center/Gateway

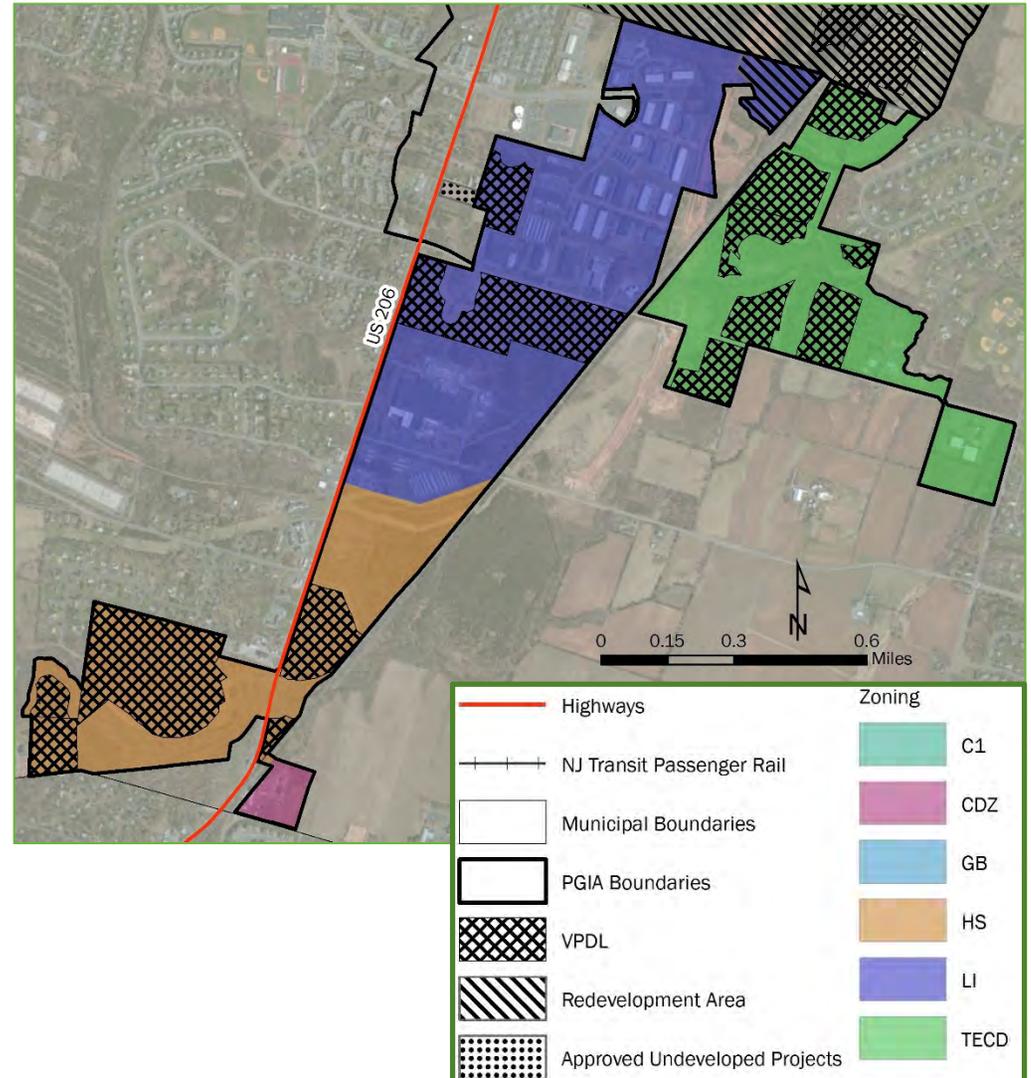
	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
VPDL:	28.84	11	236,776
Corporate Development Zone (CDZ) Zone:	14.34	0	187,394
Gateway A (GA) Zone:	2.96	0	45,099
Home Occupation/Office (HOO) Zone:	4.92	5	4,284
Residential (R) Zone:	6.62	6	0
Redevelopment :	410.81	6,900	3,000,000
AUP:	5.39	0	97,114
TOTAL:	445.04	6,911	3,333,890



Source: Somerset County GIS

Build-Out Summary: Homestead Road/Route 206 Bypass

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
VPDL:	189.67	0	2,199,336
<i>Highway Service District (HS) Zone:</i>	77.42	0	1,011,714
<i>Light Industrial (LI) Zone:</i>	48.15	0	629,168
<i>(Transitional Economic Development District) TECD Zone:</i>	64.10	0	558,454
Redevelopment:	11.79	3,600	1,000,000
TOTAL:	201.46	3,600	3,199,336

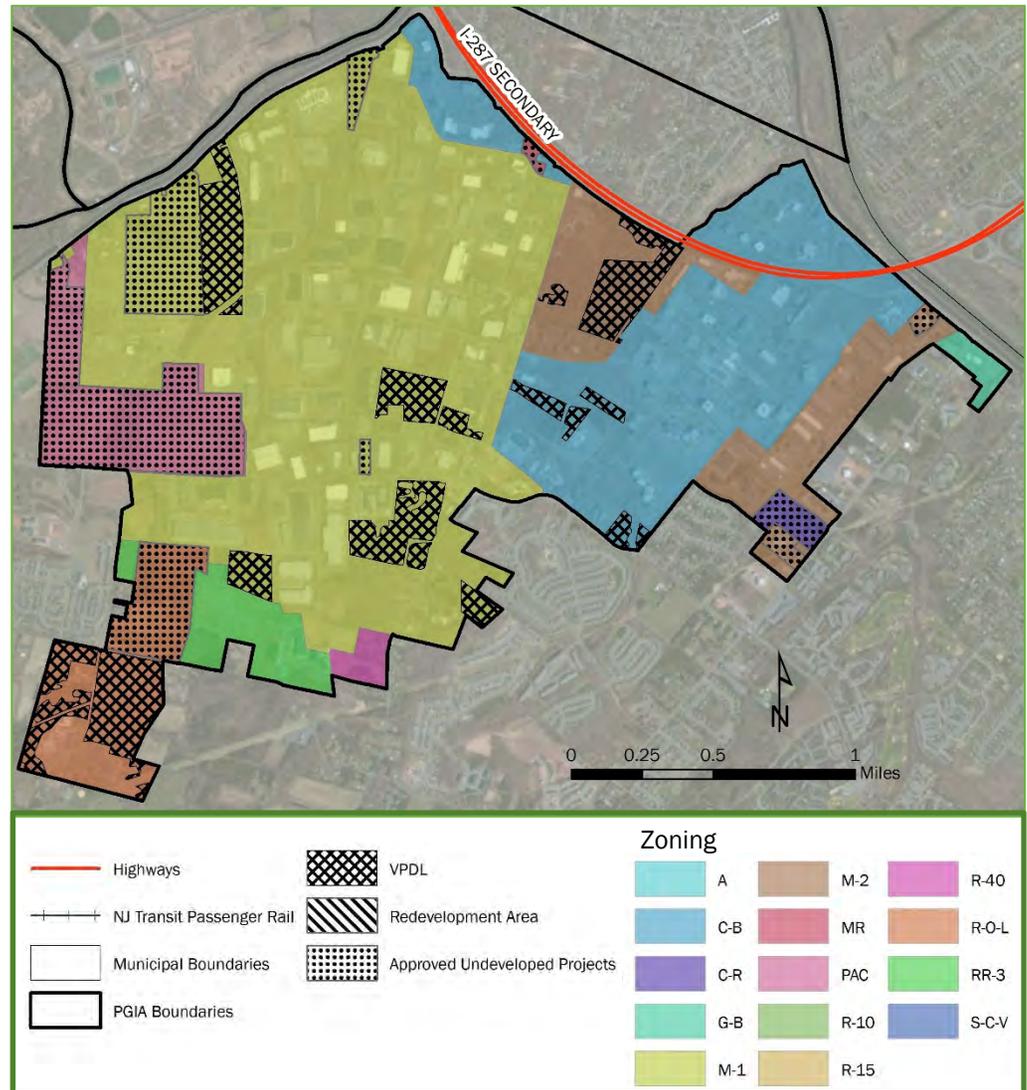


Source: Somerset County GIS

Build-Out Summary: I-287 Industrial Complex

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
VPDL:	269.51	0	4,811,211
Corporate Business (C-B) Zone:	20.26	0	352,929
Light Manufacturing (M-1) Zone:	130.83	0	2,849,516
Light Manufacturing (M-2) Zone:	44.16	0	961,758
Research-Office-Laboratory (R-O-L) Zone:	74.27	0	647,010
AUP:	351.95	1,339*	1,273,333
TOTAL:	621.46	1,339	6,084,544

*194 of 1,339 AUP units are income-restricted pursuant to COAH

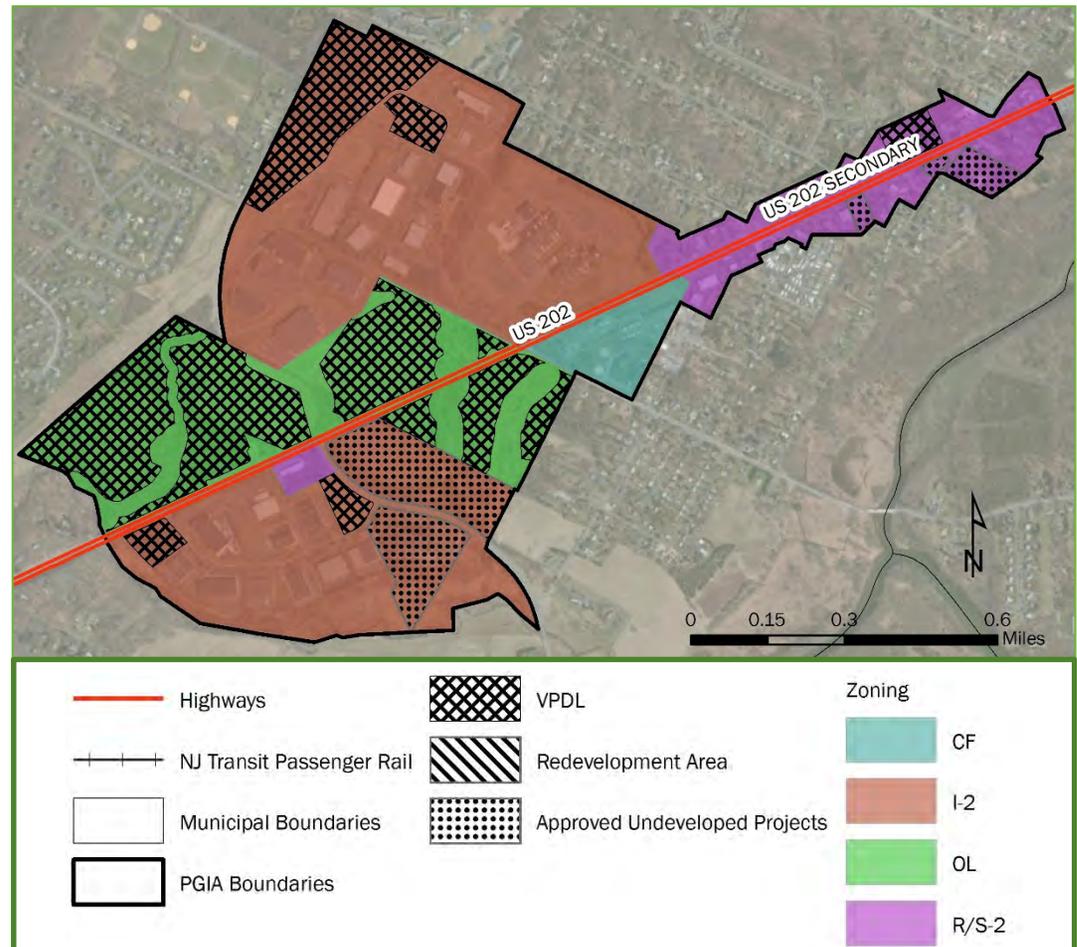


Source: Somerset County GIS

Build-Out Summary: Imclone

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
VPDL:	158.85	0	1,372,839
<i>Industrial (5 Acre) (I-2) Zone:</i>	45.36	0	395,157
<i>Office/Laboratory (OL) Zone:</i>	108.41	0	944,478
<i>Retail Service 2 (R/S-2) Zone:</i>	5.08	0	33,204
AUP:	49.84	48*	166,700
TOTAL:	208.69	48	1,539,539

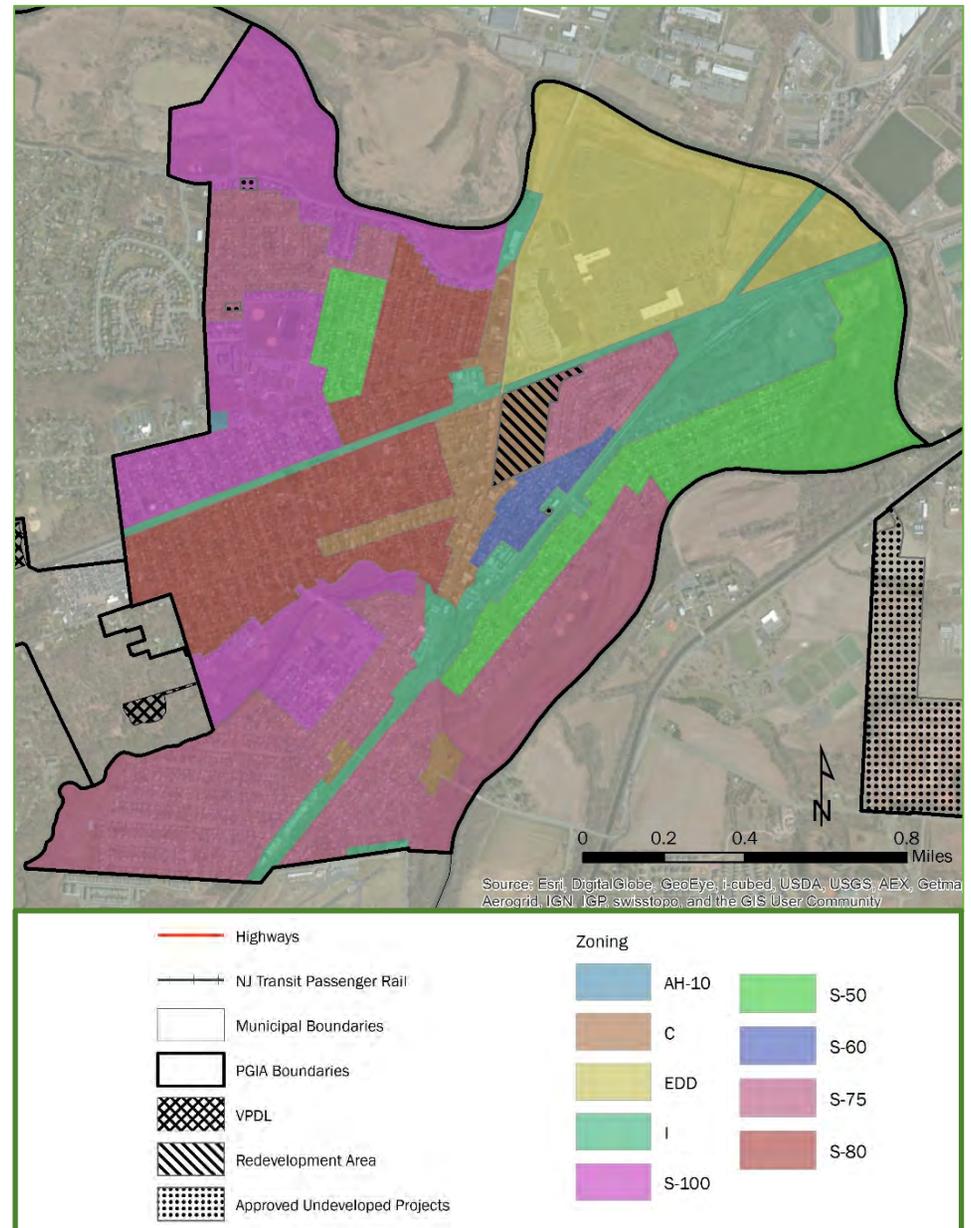
*8 of 48 AUP units are income-restricted pursuant to COAH



Source: Somerset County GIS

Build-Out Summary: Manville Town Center

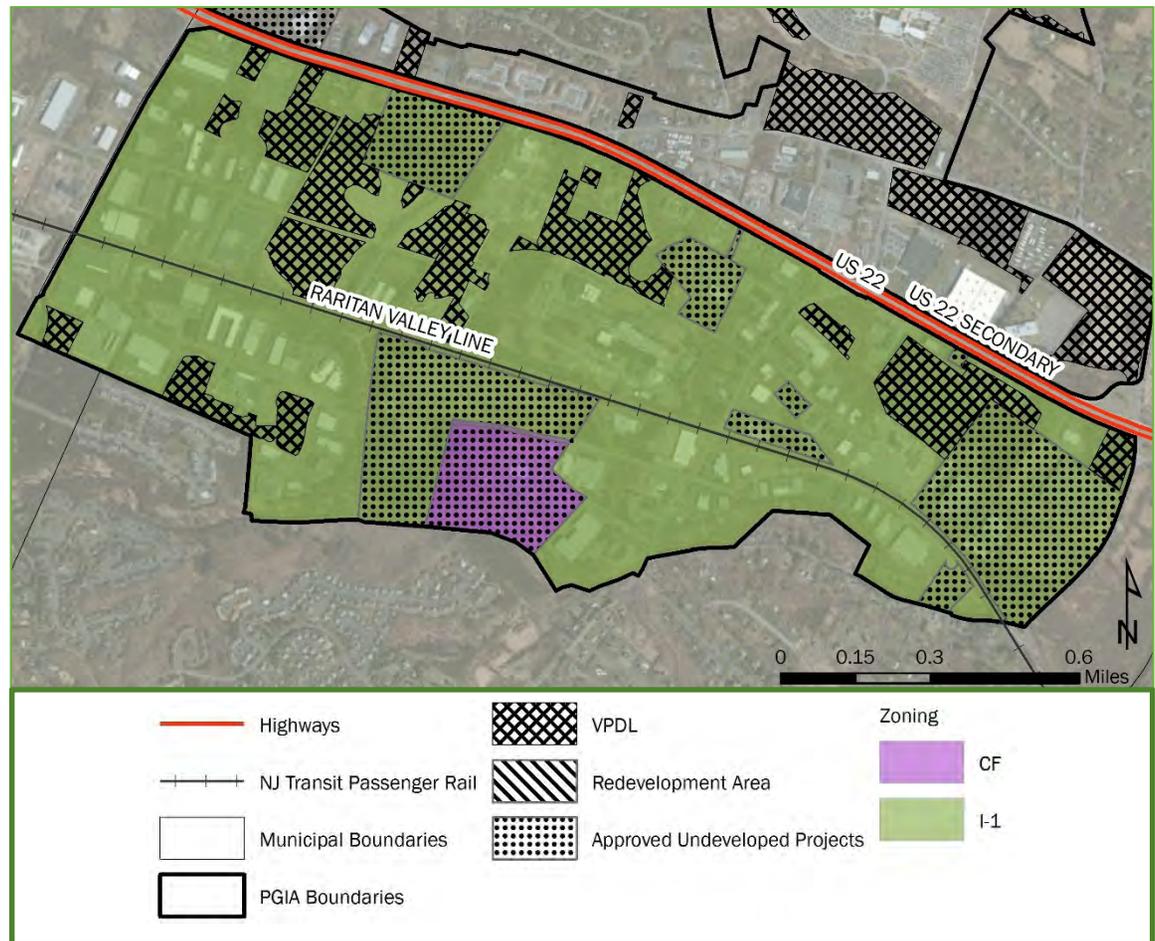
	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
Redevelopment:	18.40	77	135,700
AUP:	1.42	5	1,180
TOTAL:	19.82	82	136,880



Source: Somerset County GIS

Build-Out Summary: Meister Ave. Industrial Parkway

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
VPDL:	125.61	0	1,094,271
Industrial (3 Acre) (I-1) Zone:	125.61	0	1,094,271
AUP:	204.06	418*	249,260
TOTAL:	329.67	418	1,343,531



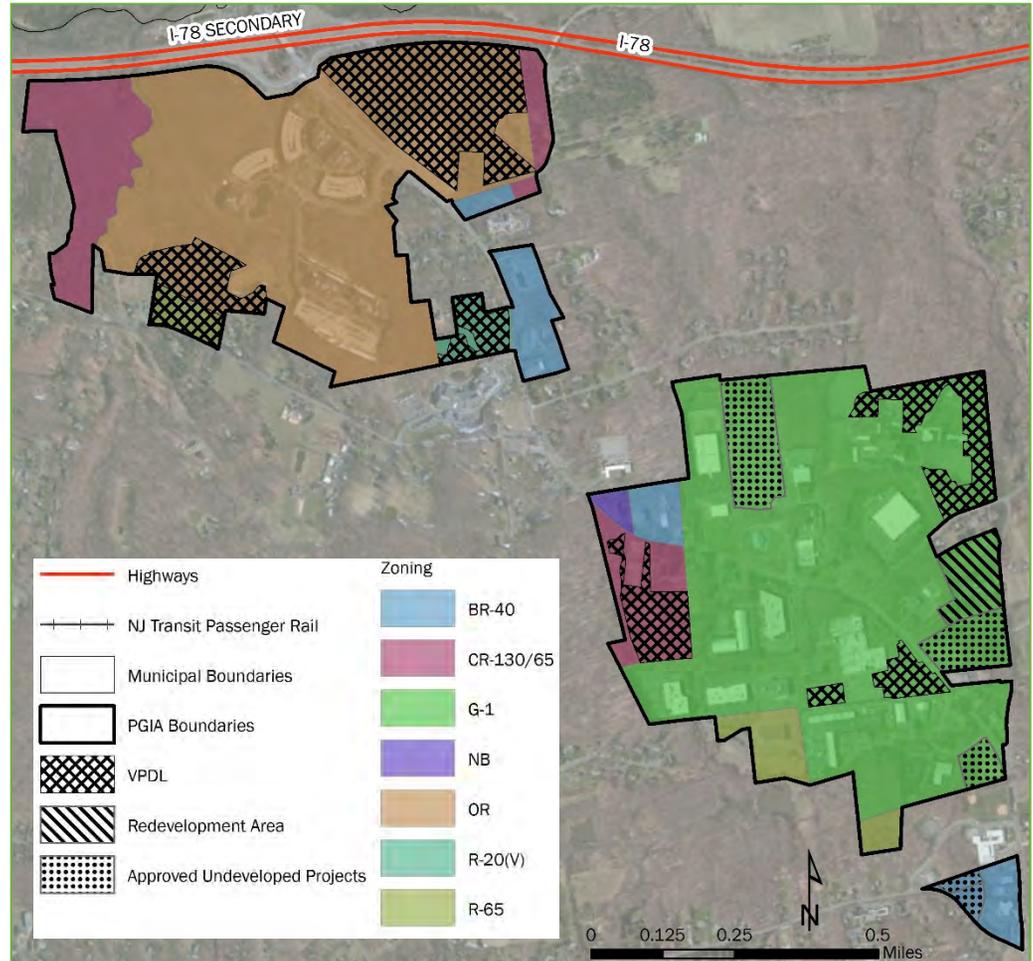
*118 of the 418 AUP units are income-restricted pursuant to COAH

Source: Somerset County GIS

Build-Out Summary: Mt. Bethel Employment Area

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
VPDL:	86.83	18	167,814
CR-130/65 Zone:	9.81	3	0
General Industrial (G-1) Zone:	19.26	0	167,814
OR Zone:	47.12	0	0
½ Acre Residential (R-20(V)) Zone:	5.73	11	0
1 ½ Acre Residential (R-65) Zone:	4.91	3	0
Redevelopment:	8.40	0	80,000
AUP:	25.87	38*	126,949
TOTAL:	121.10	56	374,763

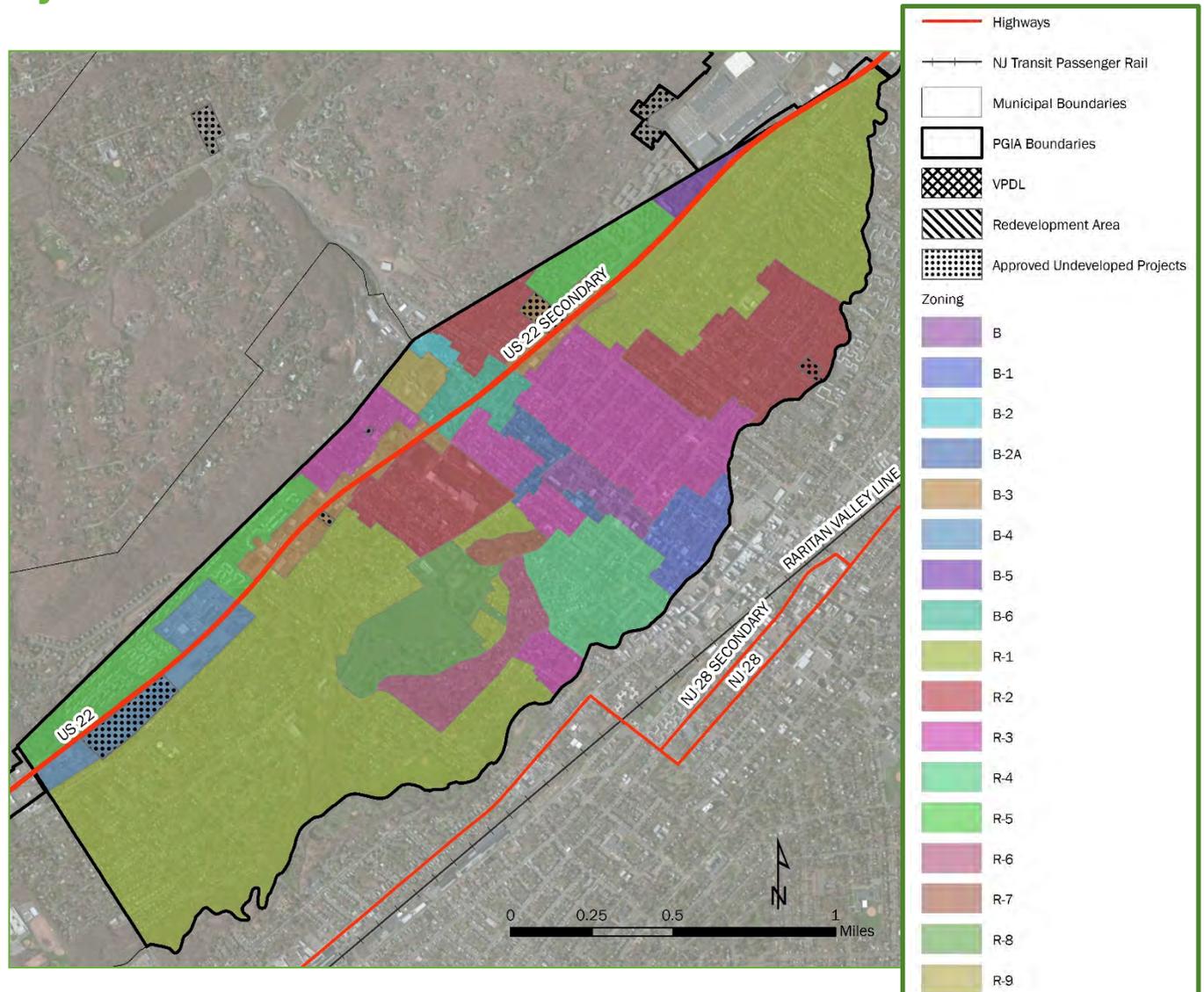
*11 of 38 AUP units are income-restricted pursuant to COAH



Source: Somerset County GIS

Build-Out Summary: North Plainfield Town Center

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
AUP:	25.95	6	20,014
TOTAL:	25.95	6	20,014

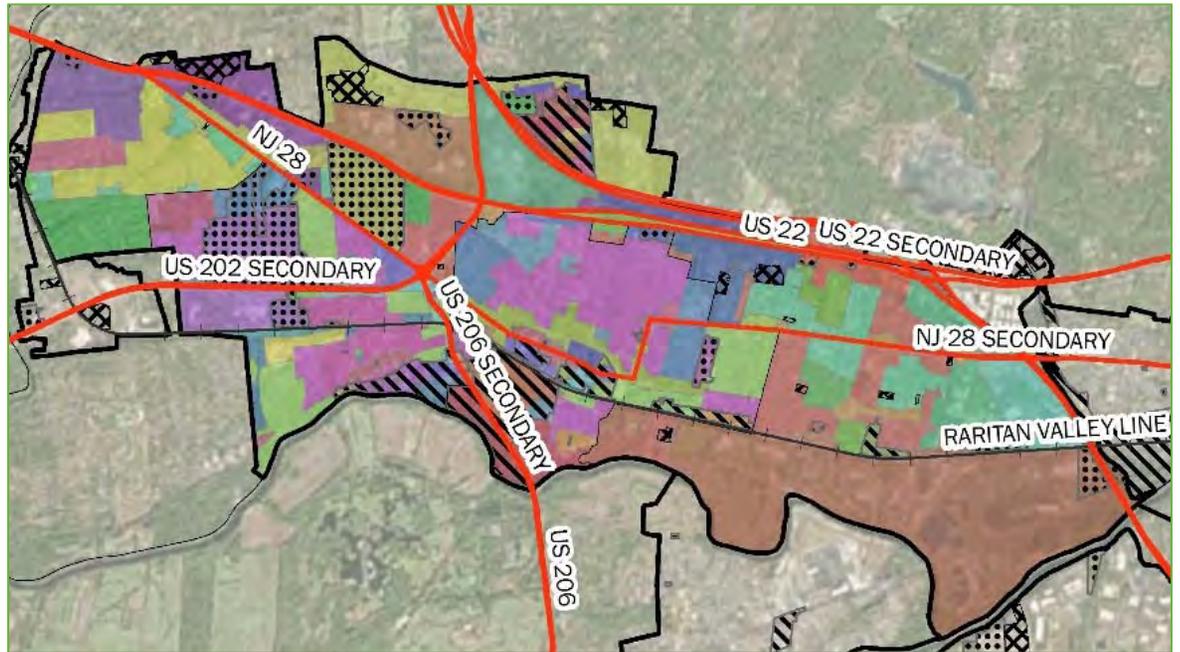


Source: Somerset County GIS

Build-Out Summary: Somerset County Regional Center

	Total Acres	Dwelling Units	Non- residential Square Footage
VPDL:	111.87	89	641,058
Neighborhood Business (C-1) Zone:	1.42	0	9,273
Office and Service (C-3) Zone:	30.23	0	395,011
Limited Manufacturing (Small Lot) (M-1B) Zone:	12.06	0	183,852
Medical Park District (MPD) Zone:	5.52	0	52,922
Single-Family Residential (R-10) Zone:	6.65	29	0
Single-Family Residential (R-20) Zone:	3.86	8	0
Single-Family Residential (R-40) Zone:	52.13	52	0
Redevelopment:	463.03	2,598	1,009,000
AUP:	554.29	675*	529,290
TOTAL:	1,129.19	3,362	2,179,348

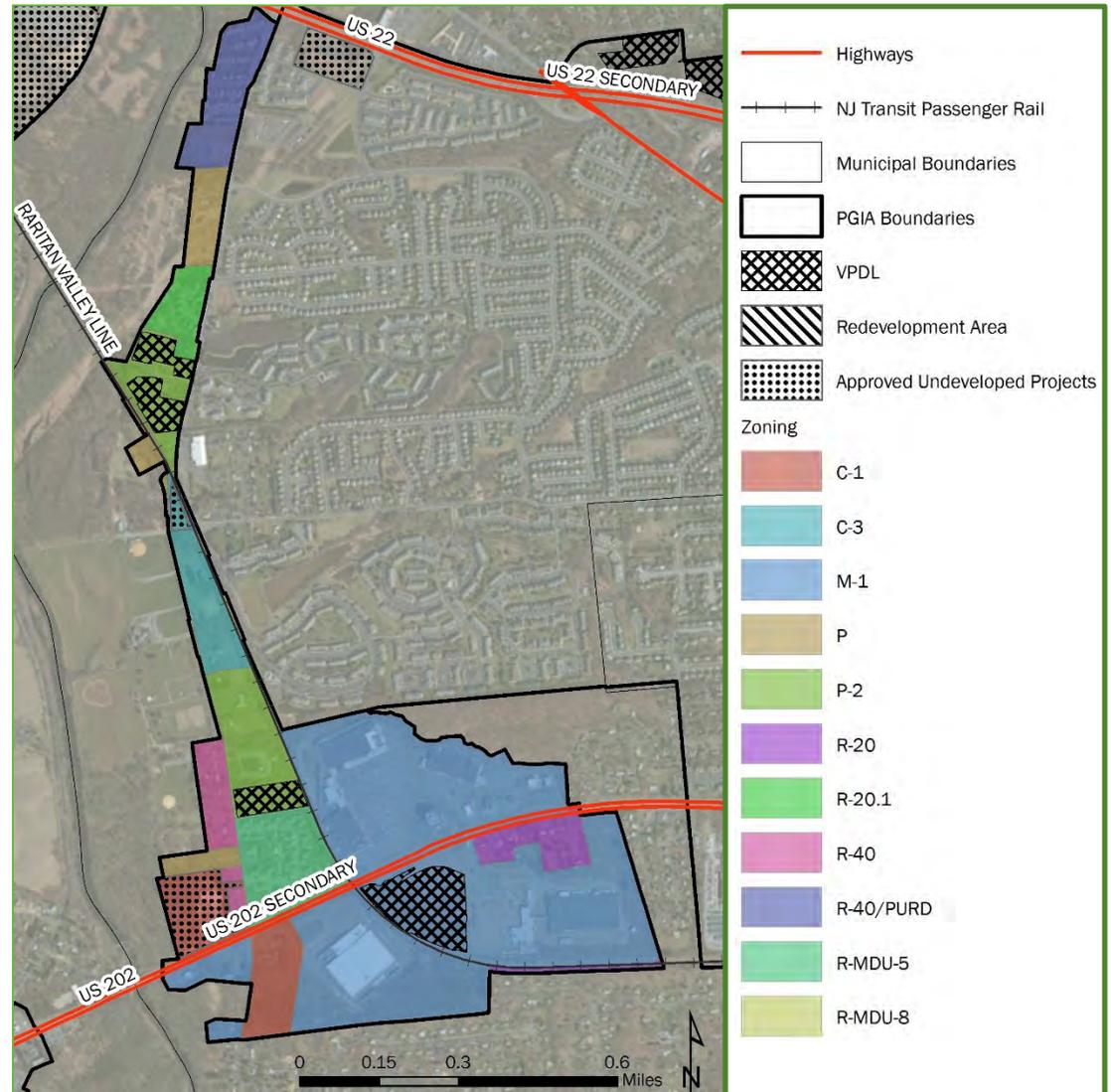
*217 of 675 AUP units are income-restricted pursuant to COAH



Source: Somerset County GIS

Build-Out Summary: Route 202/NJ TRANSIT Rail Spur

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
VPDL:	25.11	0	331,340
Limited Manufacturing (M-1) Zone:	13.29	0	202,604
Public/Community Service (P-2) Zone:	11.82	0	128,736
AUP:	12.40	0	32,652
TOTAL:	37.51	0	363,992



Source: Somerset County GIS

Build-Out Summary: RVCC/Easton Turnpike

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
VPDL:	135.08	0	422,375
Community Facilities (CF) Zone:	86.26	0	0
BRI-2 Zone:	44.79	0	390,201
Office (O) Zone:	2.66	0	23,203
Retail Service 1 (R/S-1) Zone:	1.37	0	8,971
AUP:	21.45	116*	0
TOTAL:	156.63	116	422,375

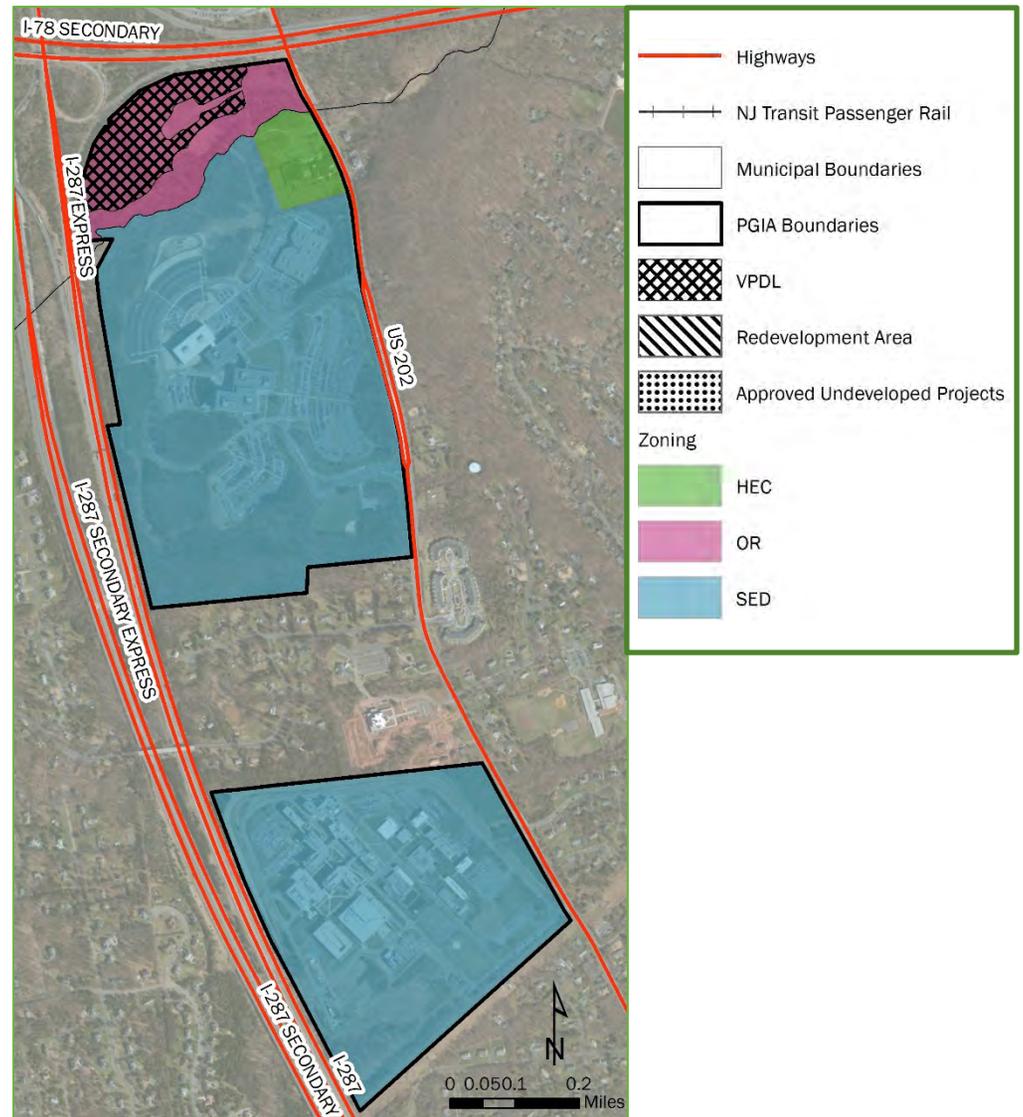
*28 of 116 AUP units are income-restricted pursuant to COAH



Source: Somerset County GIS

Build-Out Summary: Sanofi Aventis

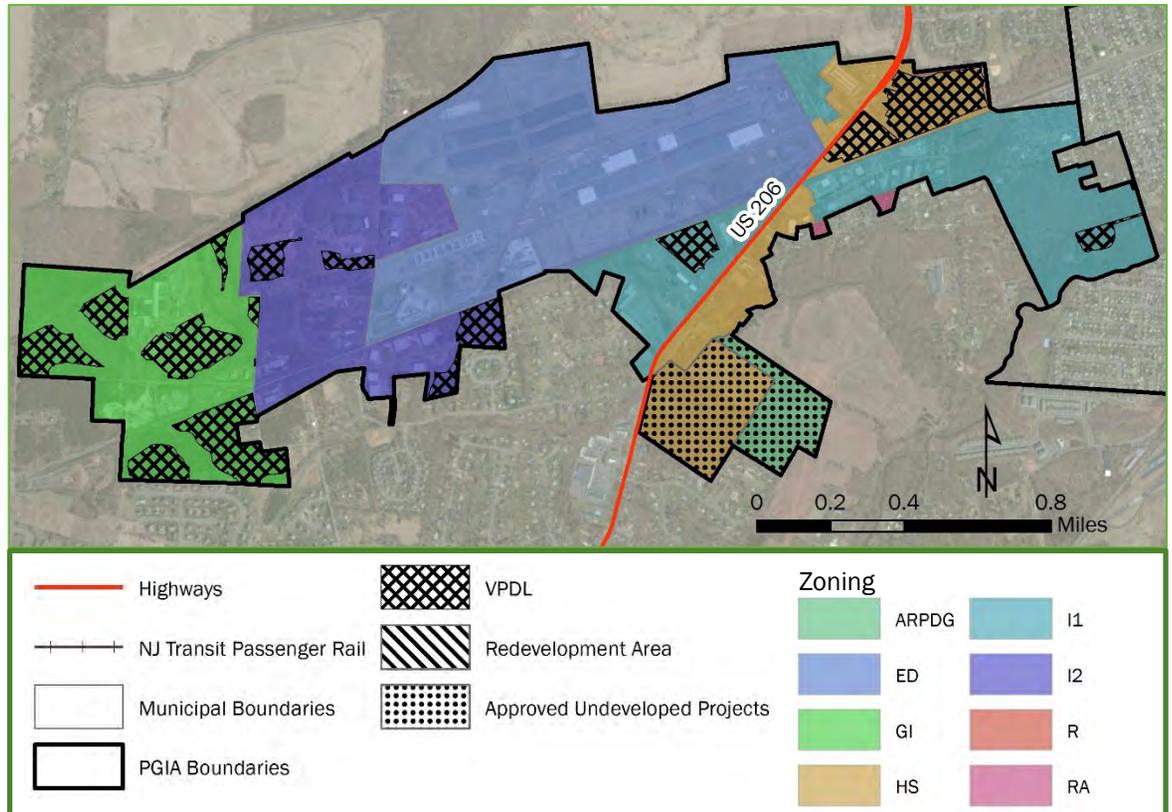
	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
VPDL:	17.16	0	127,091
OR Zone:	17.16	0	127,091
TOTAL:	17.16	0	127,091



Source: Somerset County GIS

Build-Out Summary: VA Depot

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
VPDL:	135.00	0	1,692,593
<i>General Industrial</i>			
<i>Office & Research (GI) Zone:</i>	69.58	0	909,215
<i>HBHS Zone:</i>	32.55	0	425,380
<i>Light Industrial (I1) Zone:</i>	12.11	0	131,850
<i>Light Industrial (I2) Zone:</i>	20.77	0	226,147
AUP:	81.86	1,050*	213,200
TOTAL:	216.86	1,050	1,905,793

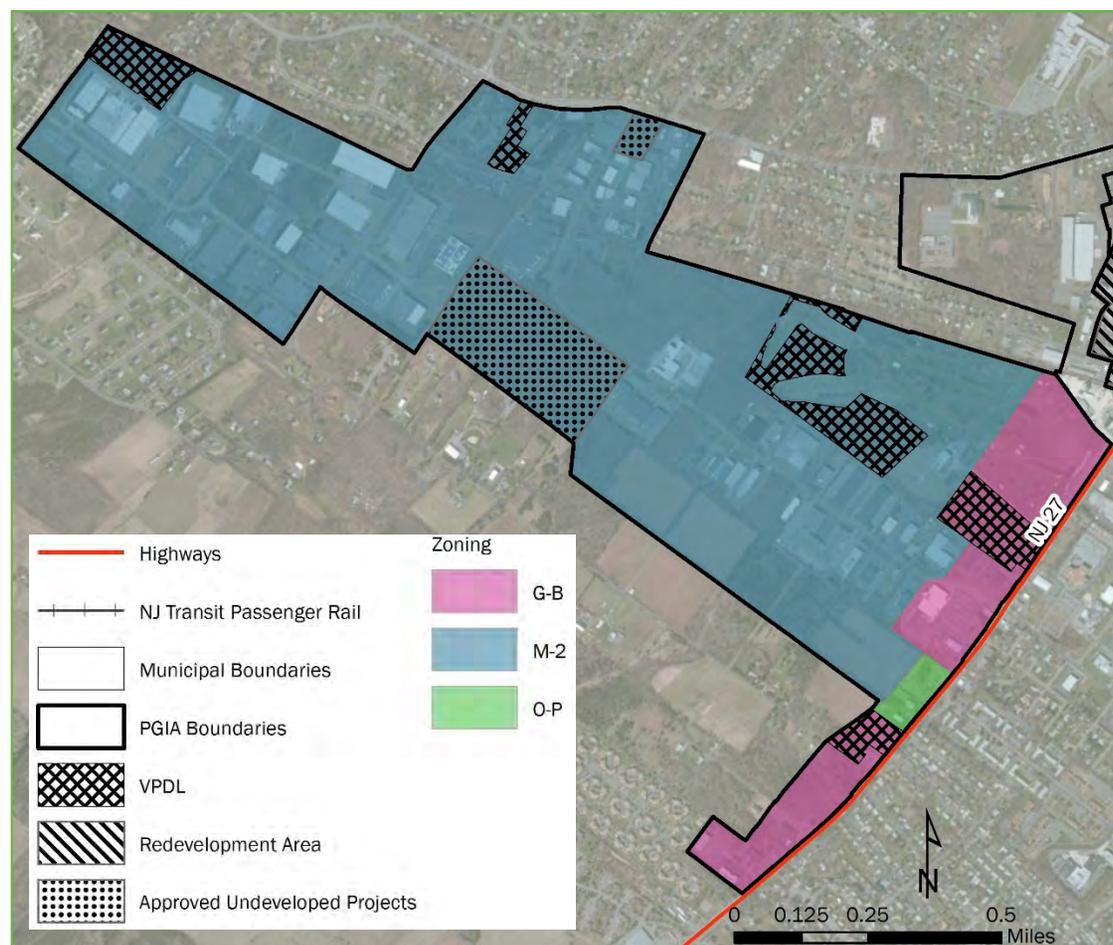


*432 of 1,050 AUP units are income-restricted pursuant to COAH

Source: Somerset County GIS

Build-Out Summary: Veronica Avenue

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
VPDL:	51.39	0	974,588
General Business (G-B) Zone:	16.62	0	217,164
FLM-2 Zone:	34.78	0	757,424
AUP:	41.86	0	239,292
TOTAL:	93.25	0	1,213,880

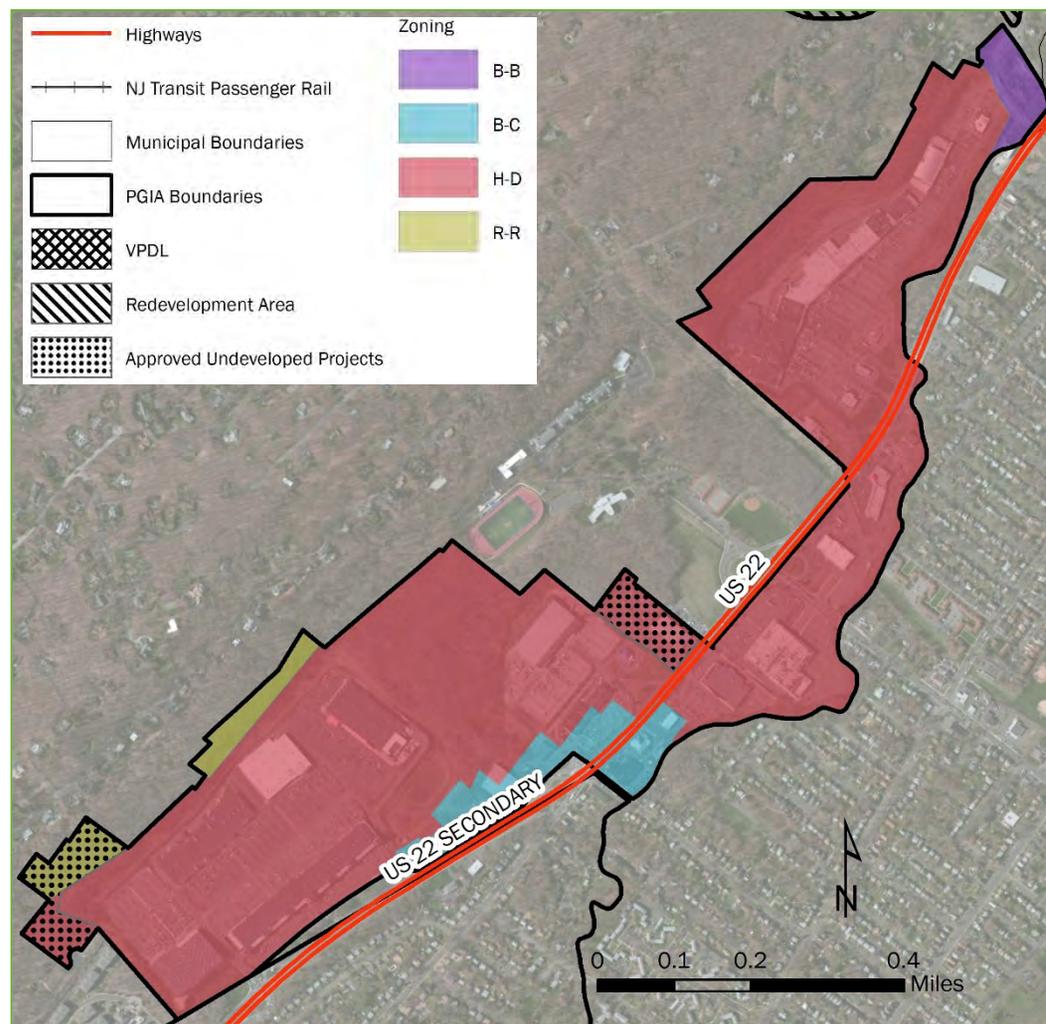


Source: Somerset County GIS

Build-Out Summary: Watchung Route 22 Corridor

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
AUP:	11.85	136*	0
TOTAL:	11.85	136	0

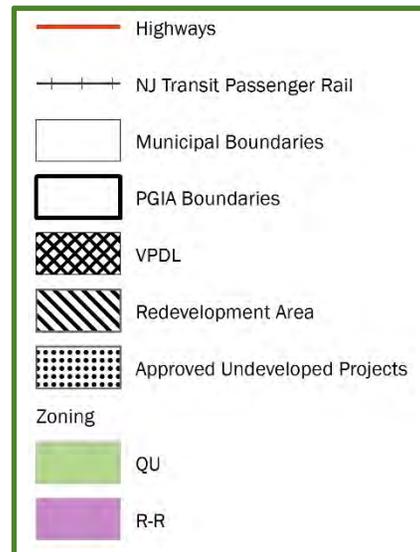
*64 of 136 AUP units are income-restricted pursuant to COAH



Source: Somerset County GIS

Build-Out Summary: Weldon Quarry

	<u>Total Acres</u>	<u>Dwelling Units</u>	<u>Non-residential Square Footage</u>
Redevelopment:	205.74	0	784,000
TOTAL:	205.74	0	784,000



Source: Somerset County GIS

Vacant Potentially Developable Land Summary

The greatest amount of new non-residential development will be able to occur on vacant potentially developable land. While there are few residential units that could be built on vacant potentially developable land, several PGIAs have the potential for over one million square feet of new non-residential building space associated with potentially developable vacant land, inclusive of the **Homestead Road/ Rt. 206 Bypass, I-287 Industrial Complex, Imclone, Meister Avenue Industrial Parkway, and VA Depot** PGIAs.

Development on this land has the potential to greatly change the nature of a PGIA. As this land is currently vacant, new development will necessarily change the intensity and use of the land. Impacts on factors such as traffic, infrastructure, and economic vitality will need to be examined further before and as development occurs.

Potential Development on VPDL as per Build-out Analysis

PGIA	New Residential Units	New Non-residential Floor Area (SF)
AT&T Campus	0	179,921
Chimney Rock Interchange	0	828,110
Exit 33 I-78 East of Exit	5	0
Hillsborough Town Center/ Gateway	11	236,776
Homestead Rd./206 Bypass	0	2,199,336
I-287 Industrial Complex	0	4,811,211
Imclone	0	1,372,839
Meister Ave Industrial Parkway	0	1,094,271
Mt. Bethel Employment Area	18	167,814
Regional Center	89	641,058
Rt. 202/NJ TRANSIT Rail Spur	0	331,340
RVCC/Easton Turnpike	0	422,375
Sanofi Aventis	0	127,091
VA Depot	0	1,692,593
Veronica Ave	0	974,588
Total	122	15,079,323

Redevelopment Areas Summary

Redevelopment areas in the PGIAs could accommodate the greatest amount of new residential units (almost 15,000).

The **Hillsborough Town Center/Gateway** PGIA has the greatest amount of potential new residential units and non-residential square footage in redevelopment areas, with 6,900 potential new dwelling units and three million additional square feet of potential non-residential development.

The **Homestead Road/Rt. 206 Bypass** and **Regional Center** PGIAs also contain large amounts of redevelopment areas, each permitting over 2,500 new residential units and approximately one million square feet of new non-residential square footage.

Redevelopment potential associated with these areas is estimated based on currently available information in local redevelopment plans and studies. Future growth potential will be influenced by market demand forces.

Potential Development in Redevelopment Areas as per Build-out Analysis

PGIA	New Residential Units	New Non-residential Floor Area (SF)
The Bound Brooks	754	231,560
Hamilton St./Renaissance Redevelopment	812	150,000
Hillsborough Town Center/Gateway	6,900	3,000,000
Homestead Rd./Rt. 206 Bypass	3,600	1,000,000
Manville Town Center	77	135,700
Mt. Bethel Employment Area	0	80,000
Regional Center	2,598	1,009,000
Weldon Quarry	0	784,000
Total	14,741	6,390,260

Approved Undeveloped Projects Summary

Eighteen of the 24 PGAs have Approved Undeveloped Projects. While some of these projects are small (for example, five additional dwelling units in Manville Town Center), several PGAs have substantial projects in the pipeline. The **I-287 Industrial Complex** leads the way with 1,339 approved new residential units and 1.27 million square feet of approved non-residential development.

Over 1,200 of the new residential units approved for development are income-restricted pursuant to COAH. Provision of this housing will be greatest in the **VA Depot, Regional Center, I-287 Industrial Complex, Hamilton St./Renaissance Redevelopment, and Meister Avenue Industrial Parkway** PGAs.

Potential AUP Development as per Build-out Analysis

Name	New Residential Units	New Non-residential Floor Area (SF)	COAH Component*
The Bound Brooks	150	1,352	10
Exit 33 I-78 East of Exit	0	3,848	0
Green Brook Neighborhood Center	5	6,730	2
Green Brook Route 22 Corridor	125	3,923	25
Hamilton St./Renaissance Redevelopment	234	4,600	128
Hillsborough Town Center/Gateway	0	97,114	0
I-287 Industrial Complex	1,339	1,273,333	194
Imclone	48	166,700	8
Manville Town Center	5	1,180	0
Meister Ave Industrial Parkway	418	249,260	118
Mt. Bethel Employment Area	38	126,949	11
North Plainfield Town Center	6	20,014	0
Regional Center	675	529,290	217
Rt. 202/NJ TRANSIT Rail Spur	0	32,652	0
RVCC/Easton Turnpike	116	0	28
VA Depot	1,050	213,200	432
Veronica Ave	0	239,292	0
Watchung Rt.22 Corridor	136	0	64
Total	4,345	2,969,437	1,237

*The COAH component is part of (not in addition to) the new residential units totals

Total Build-out Summary

Total build-out potential for each of the PGIAs is provided in the table at right. All PGIAs except for **Easton Avenue Corridor** have potential for growth based on this build-out analysis. While the **Watchung Route 22 Corridor** only has potential residential growth, **AT&T Campus, Chimney Rock Interchange, Route 202/NJ TRANSIT Rail Spur, Sanofi Aventis, Veronica Avenue, and Weldon Quarry** only have potential non-residential growth, generally consistent with the nature of these PGIAs as employment centers.

The vast majority of new residential units may be channeled to the **Bound Brooks, Hamilton Street/Renaissance Redevelopment, Hillsborough Town Center/Gateway, Homestead Road/Rt. 206 Bypass, I-287 Industrial Complex, Regional Center, and VA Depot** PGIAs, while over one million square feet of non-residential development may occur in the **Hillsborough Town Center/Gateway, Homestead Road/Rt. 206 Bypass, I-287 Industrial Complex, Imclone, Meister Avenue Industrial Parkway, Regional Center, VA Depot, and Veronica Avenue** PGIAs.

Potential Development as per Build-out Analysis

Name	New Residential Units	New Non-residential Floor Area (SF)	COAH Component*
AT&T Campus	-	179,921	-
The Bound Brooks	904	232,912	10
Chimney Rock Interchange	-	828,110	-
Easton Avenue Corridor	-	-	-
Exit 33 I-78 East of Exit	5	3,848	-
Green Brook Neighborhood Center	5	6,730	2
Green Brook Route 22 Corridor	125	3,923	25
Hamilton St./Renaissance Redevelopment	1,046	154,600	128
Hillsborough Town Center/Gateway	6,911	3,333,890	-
Homestead Road/Rt. 206 Bypass	3,600	3,199,336	-
I-287 Industrial Complex	1,339	6,084,544	194
Imclone	48	1,539,539	8
Manville Town Center	82	136,880	-
Meister Ave Industrial Parkway	418	1,343,531	118
Mt. Bethel Employment Area	56	374,763	11
North Plainfield Town Center	6	20,014	-
Regional Center	3,362	2,179,348	217
Rt. 202/NJ TRANSIT Rail Spur	-	363,992	-
RVCC/Easton Turnpike	116	422,375	28
Sanofi Aventis	-	127,091	-
VA Depot	1,050	1,905,793	432
Veronica Ave	-	1,213,880	-
Watchung Rt.22 Corridor	136	-	64
Weldon Quarry	-	784,000	-
TOTAL	19,208	24,439,021	1,237

*The COAH component is part of (not in addition to) the new residential units totals

Takeaway: Build-out Analysis

The results of this build-out analysis demonstrate that there is additional capacity for development in almost all (save one) of the PGIAs. Easton Avenue Corridor is the only PGIA that does not contain any redevelopment areas, vacant potentially developable land, or approved undeveloped projects. The Easton Avenue Corridor PGIA is substantially built-out, and as such, has limited capacity for future growth based on current land use policies. In sum, over 19,000 new residential units (approximately 6.4 percent of which will be income-restricted pursuant to COAH) and upwards of 25 million square feet of non-residential space can potentially be developed in the PGIAs.

The greatest amount of additional residential units can potentially be built in redevelopment areas (14,741 new units), and the greatest amount of non-residential development can occur on vacant potentially developable land. Depending on the current character of the redevelopment areas, this development may have impacts on the intensity and character of land use. Development on vacant potentially developable land will certainly have an impact on the character of the land, and will likely result in increased intensity of use as the land goes from vacant to developed.

The greatest amount of residential development could potentially occur in the **Bound Brooks, Hamilton Street/Renaissance Redevelopment, Hillsborough Town Center/Gateway, Homestead Road/Rt. 206 Bypass, I-287 Industrial Complex, Regional Center, and VA Depot** PGIAs. The greatest amount of non-residential development may occur in the **Chimney Rock Interchange, Hillsborough Town Center/Gateway, Homestead Road/Rt. 206 Bypass, I-287 Industrial Complex, Imclone, Meister Avenue Industrial Parkway, Regional Center, VA Depot, Veronica Avenue, and Weldon Quarry** PGIAs. Implications of this build-out analysis, also taking into account findings developed in previous technical memos, follow.

Takeaway: Build-out Analysis

AT&T Campus (0.2 million sf non-residential): Recommendations for this PGIA include increasing the FAR to allow additional non-residential development, and to allow for mixed uses. As there are currently few transportation access points to this PGIA, the possibility of creating additional access points, or introducing a commuter shuttle service, would enhance the potential marketability of this site. Additionally, the permission of mixed uses, including residential, could allow workers to live close to their place of employment, thus reducing (or at least not worsening) traffic congestion during peak commute periods.

The Bound Brooks (904 units, 0.23 million sf non-residential): While an additional 904 residential units could be built in this PGIA, no prospective workforce housing parcels were identified. This PGIA is generally already quite dense, with high land use intensity. Additionally, transportation constraints and traffic congestion affect this PGIA, but transit options are available. New growth should take the form of transit-oriented development and redevelopment in order to maximize utilization of this joint town center's pedestrian and commuter rail mobility assets.

Chimney Rock Interchange (0.8 million sf non-residential): Industrial and retail vacancy rates are quite low in this PGIA. If all vacant land was developed as industrial, this would essentially double the amount of industrial square footage in the PGIA. High priority workforce housing parcels were also identified in this PGIA, which might require rezoning. Depending on the land use policies applied to the Chimney Rock Interchange PGIA, this could be a good location for workforce housing that is close to jobs. There is likely additional job growth capacity here due to recent roadway capital improvements. This capacity could be capitalized on further by exploring the possibility of increasing the permitted FAR in this PGIA.

Easton Avenue Corridor: While no growth opportunities have been identified in this PGIA through the build-out analysis, high priority parcels for potential workforce housing development were identified. These parcels may be good options for redevelopment with compact housing and/or mixed uses. As this PGIA is already sufficiently dense and faces transportation constraints and congestion, capital improvements and/or expanded transit opportunities would likely be required before additional development were to take place.

Takeaway: Build-out Analysis

Exit 33 I-78 (5 units, 3,848 sf non-residential): This PGIA does not allow for much additional job growth as per the build-out. Additionally, limited transportation options render it a less than ideal place for development of workforce housing. This PGIA would benefit from additional methods of transportation if residential mixed use development is to succeed in this location.

Green Brook Neighborhood Center (5 units, 6,730 sf non-residential): While this PGIA does not allow for much additional residential or employment growth as per the build-out, there is modest room for development based on capacity for increased automobile traffic. There are several medium priority workforce housing parcels identified in this PGIA. Additionally, the permitted FAR in this PGIA could be increased to allow for additional non-residential redevelopment.

Green Brook Route 22 Corridor (125 units, 3,923 sf non-residential): This PGIA was identified as having modest ability to accommodate growth from a transportation standpoint as well as high priority parcels for potential workforce housing development. While there is some room for growth based on the build-out analysis (mainly residential), additional development may be accommodated through consideration of increasing the FAR and permitted dwelling unit density.

Hamilton Street/Renaissance Redevelopment (1,046 units, 0.15 million sf non-residential): While this PGIA was identified as having sufficient density, a large amount of residential as well as some non-residential development could occur in this PGIA as per the build-out analysis. Additionally, some top priority prospective workforce housing parcels were identified in this PGIA. While transportation to this PGIA is not overly constrained, recommended improvements in this area include localized widenings to provide left turn storage areas, prohibition of on-street parking during peak travel periods, upgrades of the existing traffic control system, and the expansion of transit opportunities. Additionally, development of a mix of uses would minimize the volume of travel demand added to the roadway system during any single period and would serve to maximize the development potential that could be supported by the existing and improved infrastructure. This PGIA is also reasonably proximate to public transportation options, making it a PGIA that could be appropriate for additional growth. This PGIA is already high in terms of land use intensity. Changes in land use policies to encourage higher density non-residential redevelopment would be required. Further examination of land use intensity in this PGIA indicates that the bulk comes from population as opposed to employment density. As such, it may be beneficial to focus on adding jobs to the PGIA as opposed to additional residential units.

Takeaway: Build-out Analysis

Hillsborough Town Center/Gateway (6,911 units, 3.3 million sf non-residential): Of the PGIA, the Hillsborough Town Center/Gateway may accommodate the greatest number of residential units as well as the second highest square footage of non-residential use. This PGIA has low vacancy rates for flex space, industrial (although not a lot of land is devoted to this purpose in this PGIA), and office. The retail vacancy rate is higher (8.5 percent), indicating that additional demand for flex, office, and industrial space may exist. Medium priority parcels for prospective workforce housing were also identified in this PGIA. Although plentiful development capacity already exists, increasing the non-residential FAR and increased residential density could enable it to accommodate even more growth, should it be deemed appropriate. This PGIA is likely a good candidate for additional growth as pipeline projects reach completion and increased transportation capacity due to the Route 206 Bypass project is realized. Future growth in this PGIA should be coordinated with the Bypass project to make sure that transportation capacity keeps up with development.

Homestead Road/Route 206 Bypass (3,600 units, 3.2 million sf non-residential): Opportunities for a very large amount of both residential and non-residential growth could occur in this PGIA as per the build-out analysis, although no prospective workforce housing parcels were identified. There is a very low industrial vacancy rate (0.28 percent, on almost one million sf of industrial). The vacancy rates for retail and office are also low, although there is not much land devoted to either of these uses in this PGIA. The very low industrial vacancy rate is likely an indicator that additional industrial space is in demand in this PGIA. Employment growth is encouraged in this PGIA, as the Route 206 Bypass project will continue to add additional transportation capacity.

I-287 Industrial Complex (1,339 units, 6.1 million sf non-residential): This PGIA could accommodate a large amount of growth based on the build-out analysis. Both high and low priority parcels for prospective workforce housing were identified here as well. However, vacancy rates in all land use categories are very high in this PGIA, except for industrial, which at 10 million sf is still over five percent vacant. The PGIA's 4.7 million sf of office space is 27 percent vacant, and the 2.1 million sf of flex space is 26 percent vacant. Based on these vacancy rates and potential build-out, a great deal of new job growth could occur in this PGIA and it could be repositioned by introducing residential/mixed use redevelopment opportunities and promoting reuse. It is recommended that a series of transportation improvements also be implemented (reconfiguration of interchanges with I-287 at Easton Avenue and at Weston Canal Road to increase capacity, especially for the large percentage of trucks that make up the traffic stream at these interchanges). These improvements would support significant mixed-use redevelopment and growth within this PGIA.

Takeaway: Build-out Analysis

Imclone (48 units, 1.5 million sf non-residential): This PGIA has a high flex space vacancy rate and very low office vacancy rate (less than one percent). The majority of land use in this PGIA is industrial. The 6.5 percent industrial vacancy rate may indicate that additional industrial space may not be necessary in this PGIA (unless a specific company or project is identified). While transportation options serving this PGIA are limited, more intense non-residential land uses should be encouraged here.

Manville Town Center (82 units, 0.14 million sf non-residential): This PGIA is generally sufficiently dense, but higher intensity mixed use redevelopment opportunities may exist in areas having multi-modal transportation options. Expanded mass transit access would be required if this town center is to accommodate significant new residential and job growth.

Meister Avenue Industrial Parkway (418 units, 1.3 million sf non-residential): This PGIA has a very low industrial vacancy rate (about one-half percent of 3.4 million square feet), indicating that there may be demand for additional industrial space in this area. The build-out analysis also shows potential for development of about 400 new residential units, and this PGIA contains medium priority workforce housing parcels. It is recommended that the FAR is increased in this PGIA to accommodate additional non-residential development. As per the infrastructure report, additional development could be accommodated in this PGIA with improvements and upgrade of the traffic control system at the intersection of Lamington Road and Easton Turnpike.

Mt. Bethel Employment Area (56 units, 0.37 million sf non-residential): While there is some permitted development as well as low priority workforce housing parcels here, expanded transportation options are needed to support additional residential and job growth.

North Plainfield Town Center (6 units, 20,000 sf non-residential): The build-out shows very few additional growth opportunities within this PGIA. While the PGIA is, in general, sufficiently dense, it can accommodate a modest amount of growth through higher intensity redevelopment. Top and high priority workforce housing parcels are also located here. Land use intensity in the PGIA is mostly due to residential population, so additional non-residential growth could balance land use in this PGIA.

Takeaway: Build-out Analysis

Regional Center (3,362 units, 2.2 million sf non-residential): While land use in this PGIA is generally already fairly intense, there is still a substantial amount of growth opportunity as per the build-out analysis. This PGIA is home to top and high priority prospective workforce housing parcels. Industrial and office vacancy rates are high, while the retail vacancy rate is fairly low. The housing vacancy rate is also forecasted to decline. This could indicate a need for additional land to be zoned for higher-density residential and mixed-uses. More intense development can be achieved through reuse and repurposing vacant office space. Roadways are particularly constrained and congested in the Regional Center, so public transit options should be enhanced if additional growth is to be successfully accommodated and encouraged.

Route 202/NJ TRANSIT Rail Spur (0.36 million sf non-residential): It is recommended that the FAR and permitted dwelling unit density are increased in this PGIA. Additional growth could be accommodated here with improvements to the intersection of Route 202 at Milltown Road, upgrade of the traffic control system, and additional mass transit. While no potential workforce housing parcels were identified in this PGIA, there is a significant amount of low-ILV land that represents opportunities for repurposing. This PGIA also contains large amounts of vacant retail and office space, but a zero percent industrial vacancy rate which likely indicates demand for additional industrial space here. Repurposing of retail and office for industrial uses could generate new opportunities.

RVCC/Easton Turnpike (116 units, 0.42 million sf non-residential): Additional development could occur in this PGIA through increased FAR and permitted dwelling unit density. As with the Meister Avenue Industrial Parkway PGIA, additional growth could be accommodated in this PGIA with improvements and upgrade of the traffic control system at the intersection of Lamington Road and Easton Turnpike. Several medium priority parcels for potential workforce housing development were identified in this PGIA, and could strengthen student and faculty access to the community college.

Sanofi Aventis (0.13 million sf non-residential): Additional development could be accommodated in this PGIA by increasing FAR and allowing residential mixed-use development. Additional growth could be encouraged through transportation infrastructure upgrades including a reconfiguration of the interchange at Exit 22 on I-287. In addition, improvements to the two-lane Washington Valley Road (CR 620) would accommodate increases in local traffic circulation patterns as redevelopment of this site moves forward.

Takeaway: Build-out Analysis

VA Depot (1,050 units, 1.9 million sf non-residential): Although a fair amount of growth could occur here, this PGIA currently has a high industrial vacancy rate. Redevelopment and reuse that capitalizes on this PGIA's freight rail access should be encouraged in this PGIA.

Veronica Avenue (1.2 million sf non-residential): This PGIA has a very low industrial vacancy rate of 0.7 percent on over 3.3 million sf of industrial space. As such, additional industrial space may be in demand in this PGIA. Veronica Avenue has top priority workforce housing parcels, but no potential housing development as per the build-out analysis; as such, rezoning of these parcels to allow residential redevelopment at higher densities may be appropriate. An increase in the FAR in this PGIA may also be appropriate to promote additional job growth.

Watchung Route 22 Corridor (136 units): Very few residential units exist in this PGIA, although there are two proposed affordable housing projects. The PGIA mainly consists of retail space with a generally low vacancy rate of around four percent. Additional development could be accommodated by promoting higher density mixed use redevelopment. Interchange and signal improvements in this PGIA could also help accommodate increased mixed use growth, as could revised zoning policies.

Weldon Quarry (0.8 million sf non-residential): This redevelopment area's reclamation plan involves mixed-use development. Transportation to this PGIA is currently constrained, and the I-78 interchange with Diamond Hill Road would require improvements to increase traffic capacity.

Conclusion: Build-out Analysis

Somerset County's PGAs may experience a great amount of growth as per this build-out analysis; there is potential for approximately 19,000 new residential units and over 24 million square feet of non-residential building. While a build-out is not a forecast of what will necessarily happen, it provides useful information as to the type and volume of development that could occur.

The takeaways on the previous pages describe potential build-out capacity in each PGA as well as points to keep in mind should new development occur. For example, with new non-residential building, there should be an examination of vacancy rates to see what sort of land uses and businesses may be most in demand.

It is also important to be mindful of the potential effects on aspects such as livability and quality of life, environmental impact, and infrastructure and roadway capacity. Special attention should be paid to PGAs that may accommodate growth to make sure that infrastructure remains adequate, and that negative impacts are minimized in areas of new development. For example, impacts of increased commuting to and from employment and residential centers should be matched to areas with additional transportation capacity (or, additional capacity may have to be provided through mass transit or capital improvements).

In those PGAs that seem to be appropriate for more growth or different types of development than is allowed as per the build-out, rezoning or overlay zoning may be encouraged to allow this development. Smart and agile land use policies will help Somerset County realize the growth and development that it wants to encourage.

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