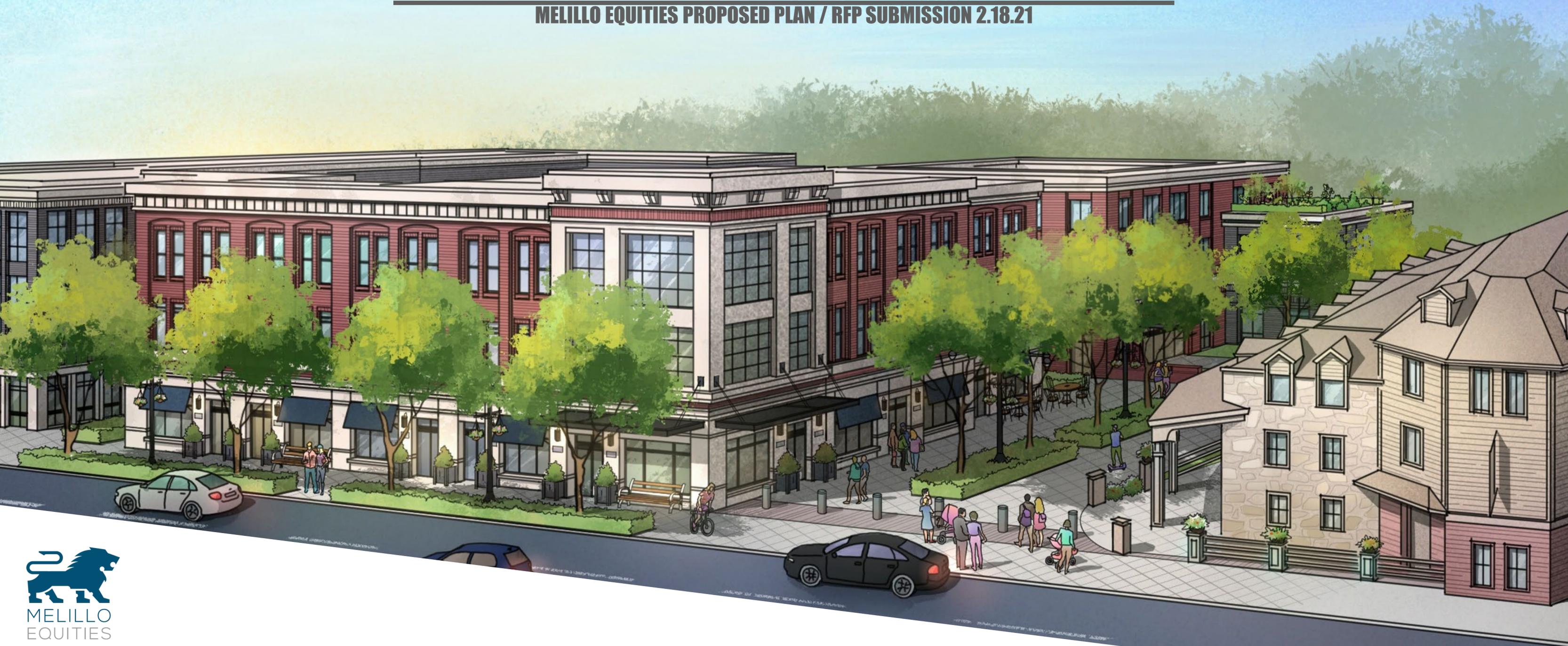


QUIMBY LANE REDEVELOPMENT

MELILLO EQUITIES PROPOSED PLAN / RFP SUBMISSION 2.18.21



SUMMARY OF QUIMBY RFP APPLICATION

DEVELOPER NAME

Melillo Equities

PROPOSED DESIGN TEAM

Minno & Wasko (Architect)
Gladstone Design (Civil Engineer)
Bosenberg & Co (Landscape Architect)

QUIMBY VILLAGE SUMMARY

Total Building SF:	229,175
Total Retail SF:	32,560
Total Residential SF:	119,645 (12 Affordable Units & 130 Market Rate Units)
Total Structured Parking SF:	76,970 (205 parking spots)

AFFORDABLE HOUSING PROVIDED IN TERMS OF NUMBER OF UNITS AND SIZES

Developer to provide a total of 12 affordable housing units within proposed Quimby Village/Lane Redevelopment Area

- Two (2) one-bedroom units; Seven (7) two-bedroom units; Three (3) three-bedroom units

REQUESTED MUNICIPAL SUBSIDY

1. Conversion of 23 and 36 Quimby Lane from Fee Simple to Master Deed (creation of land units)
2. Municipality to finance construction of structured parking deck on land unit with receipt of taxes levied and parking fees to support debt service (buyout option provided to Melillo)
3. Municipality to sell a land unit to Melillo Equities for the construction of rentable square footage over parking structure
4. Municipality to acquire Mine Brook Park properties with state, county and municipal funding
5. PILOT program (5% of Revenue)

SOURCES AND AMOUNTS OF CONSTRUCTION FINANCING

Total project cost (\$53,600,000) / Debt (65% or \$34,600,000) & Equity (35% or \$19,000,000)

I. DEVELOPMENT TEAM

DEVELOPMENT TEAM

DEVELOPER



NAME	Melillo Equities
ADDRESS	27 Route 202, Suite 6, Far Hills, NJ 07931
OFFICE NUMBER	908 234-9561
EMAIL	Anthony.Melillo@MelilloEquities.com

NARRATIVE SUMMARY OF DEVELOPER QUALIFICATIONS

Our firm was founded with a vision that reimagines NJ's suburban landscape in its future context. A future that celebrates the reemergence of suburban downtown centers as the facilitators of economic resilience, community well-being, and social equity.

Our competitive advantage, while not in the traditional sense (i.e., size of balance sheet or various comparably sized projects), has been our local presence, community engagement, and unwavering focus to revitalize "Main Street" in smaller, tertiary markets. We are proud to partner with municipal leaders as our work is focused on developing community solutions. Whether helping retire affordable housing requirements or creating spaces to draw in new downtown businesses and residences, each Melillo Equities project aims to strengthen our towns' prosperity and resilience while preserving architectural and natural history in the process. Therefore, we suggest placing more emphasis on other defining criteria that act as better predictive indicators of success for projects within smaller, historically sensitive towns:

- **Current Land Ownership** – Unlike other RFP respondents, we have been proactive in our efforts to secure land, both as contract purchaser and titleholder. This approach continues to better align us with current stakeholders (Council and residents/landowners) who have a true vested interest in seeing this project come to fruition.
- **Market Clarity** – Bernardsville's target demographic is very different from that of larger municipalities where market information is readily available to developers. As the single largest holder of boutique retail / office and residential apartments locally, with over 300,000 SF currently under management at average unit sizes of 800 – 1,500 SF, our firm has deep insights into behavioral, attitudinal, lifestyle and other preferences of the Quimby Redevelopment Area target market.
- **Hold or Flip** – Ownership of properties over an extended period help to align stakeholders by avoiding biased decision making on behalf of the developer. Not only does our strategy require long-term holding of properties beyond stabilization, but our record to-date reinforces the same.
- **Historical Sensitivity** - We are keenly aware of Bernardsville's treasured history and the Borough's efforts to preserve it. A classic American town, we celebrate its past – from Revolutionary war-era John Parker's Tavern to the grand summer estates of the Mountain Colony, to Bernardsville Station, listed in The National Register of Historic Places. Our project takes pride and much care in reflecting the town's history while helping usher in its equally significant future.

DEVELOPMENT TEAM

COMPARABLE PROJECTS (AWARDED)

Far Hills Proper, Far Hills

The Borough of Far Hills has approved Melillo Equities' proposal to transform a contiguous assemblage of downtown commercial properties into a revitalized mixed-use neighborhood. Current plans introduce approximately 8,000 SF of ground floor retail topped by 10 luxury apartments, designed to reflect the historic character of the town. Far Hills is advantaged by having its own NJ Transit station and an easily walkable and interconnected landscape. However, the community is intensely auto-oriented, lacking community cohesion and a true town center. We intend for the proposed downtown redevelopment to serve as catalyst for continued revitalization efforts, resulting in a livelier and more interconnected place for citizens to work, live, and play.

Errico Acres, Far Hills

Melillo Equities has been selected by Far Hills Borough to deliver a 134-townhome development, including 29 affordable housing units (~315,000 buildable SF). The development contemplates age-restricted townhomes that emulate the space and feel of single-family detached homes, surrounded by on-site amenities such as walking trails and other passive activities. The 42-acre tract is just 0.2 miles from the Far Hills NJ Transit station, with direct access to NJ State Route 202 and Far Hills' downtown district, which will offer a myriad of small boutique shops, cafes and other amenities through realization of our upcoming endeavor, Far Hills Proper (preceding section).

Lackawanna Village, Peapack & Gladstone

The Borough of Peapack & Gladstone has unanimously approved our proposal to develop Lackawanna Village. With a history nearly identical to Quimby Lane's, Lackawanna Avenue was once a bustling center of borough industry and commerce. However, years of commercial atrophy and vacancy have led to neglect, dilapidation and generally blighted conditions. Melillo Equities' redevelopment will introduce a vibrant mix of residential units (40 market and 3 affordable housing units) accompanied by approximately 40,000 SF of retail shops, office spaces and eateries. The mixed-use neighborhood is ideally located adjacent to New Jersey Transit's Gladstone station and Borough's Liberty Park, which is due for its own revival over the next 12-24 months (as similarly proposed for the future Mine Brook Park).



FAR HILLS PROPER
PERSPECTIVE VIEW FROM DUMONT ROAD AND ROUTE 202



DEVELOPMENT TEAM

COMPARABLE PROJECTS – TARGET OFFICE & RETAIL MARKET

Melillo Equities has observed a significant shift in the type of space sought by small businesses in our area (i.e., 800-1,500 SF). This new breed of entrepreneur demands a space that reflects their own personality and overall vision of service/product line, as opposed to prior decades when visibility and access to parking were the only importance. To that end, our product reflects this transition to desired higher end, custom spaces which are distinguished by their unique feel and quality build.



DEVELOPMENT TEAM

COMPARABLE PROJECTS – TARGET RESIDENTIAL MARKET

Our experience reveals that when selecting a place to live, young professionals, empty nesters and retirees alike share many overlapping criteria. Walkability, public transportation, community connection, and access to a variety of public and private amenities are just a few of the characteristics they seek. We have also seen that this target market considers quality to be a critical differentiator when making living choices. By pairing sophisticated design with premium materials, Melillo Equities living spaces exude the upscale atmosphere this market desires.



DEVELOPMENT TEAM

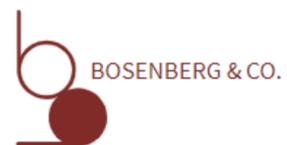
PROPOSED DESIGN TEAM

MINNO ■ WASKO
ARCHITECTS AND PLANNERS

Formed in 1995, Minno & Wasko Architects and Planners is an award-winning, mid-sized firm with offices located in Lambertville, New Jersey and Newark, New Jersey and serving the Northeast region, specifically New Jersey, Philadelphia, New York, and Connecticut. As a full-service architectural firm, Minno & Wasko offers architectural design, planning, interior design, and structural engineering for commercial, mixed-use, and residential properties. Minno & Wasko is committed to quality design, meticulous detailing, superior materials, and energy-efficiency. The firm continues to be recognized by its peers through numerous industry awards for excellence in architectural design and planning. Comparable projects include Witherspoon House, Princeton and Park Square, Rahway.



Established in 1990, Gladstone Design, Inc. is a multi-disciplined consulting firm providing a full range of engineering, land surveying, landscape architecture and land planning services. They have performed significant work in the private sector, with a professional and technical staff of over 20. The firm is currently in the planning and design stages of several large scale and smaller scale projects throughout New Jersey, New York and Pennsylvania – working with private clients and municipal boards to advance these projects to completion. Ron Kennedy, President and founder, provides consultation to clients and multi-disciplined project teams on a daily basis, in addition to managing corporate operations. Comparable projects include River Place at Butler, a 68 unit/20,000 sf mixed use development.



Bosenberg & Company is a comprehensive landscape architectural firm specializing in residential, corporate and municipal landscape site planning and design in New Jersey, Pennsylvania, Virginia, Massachusetts, and Maine since 1989; providing services to individuals, private developers, state agencies, corporations, and institutions. The firm has been recognized by the New Jersey Chapter of American Society of Landscape Architects (NJASLA) for outstanding professional achievement and has been highlighted in several publications, including New Jersey Countryside magazine. Comparable projects include Bernardsville's Downtown Improvement Project.

DEVELOPMENT TEAM

EQUITY / DEBT SOURCES

EQUITY SOURCES

Structured as a real estate private equity firm, Melillo Equities sources its capital from High Net Worth (HNW) individuals and family offices through a series of fund raises with access to various discretionary investment opportunities. Our latest raise commenced in February 2021, with a target fund raise of \$25M to support our current development pipeline (*ME Realty Partners II*). To date, we have soft-circled approximately \$8M (32% of the target raise), with an anticipated Fund commencement date of July 2021.

Our firm currently manages over \$100M in assets throughout the towns of Gladstone, Far Hills and Bernardsville, with a development pipeline in excess of \$150 million.

DEBT SOURCES

One of our preferred lenders, Peapack-Gladstone Bank, has voiced interest in being lead syndicator for our Quimby Lane Redevelopment plan and looks forward to supporting our financial needs to bring the project to its successful completion. (see attached letter).



NASDAQ: PGC

PEAPACK-GLADSTONE BANK

Private Banking since 1921

January 28, 2021

Bernardsville Borough Council
c/o Anthony Suriano, Borough Clerk
166 Mine Brook Road
Bernardsville, NJ 07924

Dear Borough Council,

I'm writing this letter at the request of Melillo Equities as part of their RFP for the Quimby Lane redevelopment project.

Peapack-Gladstone Bank has provided financing to Melillo-related entities, including Melillo Equities, for over 25 years. A majority of the loans have been for real estate projects in the Somerset Hills. A recent Bernardsville example is the building at 59 Mine Brook Road, where the Bank provided funding for the Melillo's to renovate and reposition the building to first class office space.

Peapack-Gladstone Bank holds the Melillo's in high regard. They have properly handled all their numerous debt obligations with the Bank. The Bank is interested in working with them on the Quimby Lane project. Based on my understanding of the Quimby Lane project, Melillo Equities has the wherewithal to bring it to a successful conclusion. The Bank is committed to working on projects that improve the communities in which we do business.

Please contact me at stadtmueller@pgbank.com if you desire more information.

Sincerely,

James Stadtmueller
Senior Managing Director

cc. Anthony Melillo

II. PROJECT PROPOSAL

PROJECT PROPOSAL

NARRATIVE DESCRIPTION OF PROPOSED PROJECT AND COMPLIANCE WITH REDEVELOPMENT PLAN

Melillo Equities' Quimby Lane Redevelopment Plan envisions the complete transformation of a dormant downtown district into a vibrant village neighborhood with walkable access to shopping, eateries and a wide variety of public amenities. Applying Smart Growth principles, we believe our plan will address the many issues that continue to stymie growth initiatives. By promoting livability and enhanced quality of life through new open spaces such as Mine Brook Park and other such public amenities, Bernardsville will once again return to the lively and bustling downtown that it once was. That said, our team has determined the following design features to be the basis for our conceptual design:

Orientation

During the project's design phase our primary goal was to establish orientation. Although it is the Borough's intention that Quimby Lane emulate that of a European village, our team respectfully requests that the redevelopment area "front" Olcott Square, with a secondary retail focus along Quimby Lane (see chart for "Optimal Retail Frontage"). Our rationale for this is three-fold:

First, due to the combination of DEP Floodway limitations affecting the entire length of its westerly side, combined with additional issues on its easterly side relating to elevation (nearing Mill St) and building orientation (Bernards Inn), Quimby Lane is severely constrained from establishing a bustling, two-sided European village-style pedestrian thoroughfare.

Second, a two-tiered structured parking deck is required to adequately support the proposed redevelopment. Due to the Borough's desire to conceal parking and service areas within the site's topography, the only practical placement of this structure is on the easterly side of Quimby Lane, where elevations are most conducive. Associated parking deck curb cuts required for vehicle entry and exit further reduce Quimby Lane's already limited potential to introduce additional store frontage.

Lastly, Olcott Square is in dire need of strengthening its retail position. With limited parking and walkability, Olcott-facing business will continue to struggle if redevelopment frontage and promotional efforts direct visitors toward an isolated Quimby Lane experience. Therefore, we propose creating a unified orientation that incorporates Olcott Square and embraces Bernardsville's historic downtown as a whole.



Constrained Frontage



Optimal Retail Frontage

PROJECT PROPOSAL

NARRATIVE DESCRIPTION OF PROPOSED PROJECT AND COMPLIANCE WITH REDEVELOPMENT PLAN (CONT'D)

Uses

A total of 130 market-rate and 12 affordable housing rental apartments will sit atop 32,000 SF of various, individually crafted collection of boutique establishments. Providing a “critical mass” of consumers will be of paramount importance. A new resident audience of young professionals, singles, childless couples, empty nesters, and seniors will stimulate the arrival of retailers eager to meet new demand for bistros, bakeries, breweries/wineries, restaurants, cafes, markets, boutiques and more.

In addition to activities and amenities found within the new development, short strolls along Mine Brook Road and into Olcott Square will introduce residents to a desirable mix of shopping, dining and personal services. We look forward to working collaboratively with neighboring property owners in our efforts to transform this historic retail district into a healthy, self-sustaining downtown district.

Building Heights

“Right sizing” structures was of utmost importance in our design to assure that pedestrians would not feel overwhelmed by an “urban feel.” However, density is required to justify the costs incurred related to the proposed project’s construction. Therefore, our team decided to maintain three-story elevations along all Mine Brook Road, Mill St Promenade and Olcott Square frontages, while allowing for an additional story along Quimby Lane to accommodate for structured parking. We have also purposefully varied building heights throughout to generate visual interest, allowing rooftop and balcony design opportunities which soften edges and greatly enhance the project’s aesthetic.

Parking

For Bernardsville’s Redevelopment Area to adequately service its onsite residents, businesses and visitors, the inclusion of a 2-level parking deck, with vehicular entrance and exit points on Quimby Lane and Mill Street, is an absolute requirement. However, deck sizing relies primarily on the Borough’s ability to adopt a Shared Parking model, which more accurately predicts parking supply necessary to meet true demand. Especially suited to mixed-use neighborhoods within proximity to multi-modal means of transportation, Shared Parking astutely recognizes that most parking spaces are only used part time by a particular business or group, and follow predictable daily, weekly and annual cycles. Research has also shown that acceptance of smartphone-based rideshare, at-home shopping and food delivery services have contributed to the societal decline in desire for automobile ownership – especially within the millennial population.

Public Amenities

Very few places, if any, currently exist for the public to gather in Bernardsville’s town center. Area redevelopment presents a valuable opportunity to create a planned network of permanently preserved open spaces to foster community interactions. Beginning with the welcoming “Mill Street Promenade,” continuing to Quimby Plaza, and leading finally to the neighborhood’s greenway, Mine Brook Park, our proposal strives to balance the needs of economic development, urban building form, parking, and environmental concerns with the Borough’s desire for high-quality open space.

PROJECT PROPOSAL

NARRATIVE DESCRIPTION OF PROPOSED PROJECT AND COMPLIANCE WITH REDEVELOPMENT PLAN (CONT'D)

Site Design Standards

Our vision for the redevelopment of Quimby Lane, if performed correctly, will project the look and feel of a neighborhood district that has been in existence for the past hundred years. Our transitional design brings a familiar, comfortable aesthetic that bridges an appealing modern sensibility with Bernardsville's historic architectural style.

- Materials – Classic elements such as brick and limestone with copper accents and granite curbing will be used – long lasting materials also used at the turn of the 20th century, when many of Bernardsville's historic downtown buildings were constructed.
- Streetscape – Use of color, pedestrian-level signage, plantings, canopies, hanging baskets and outside furnishings including benches, planters and tree grates will soften the hard edges of buildings.
- Architectural Sensitivity – Our vision follows in the footsteps of those prominent Bernardsville residents and business leaders who, at the turn of the century introduced bold new structures to stand as symbols of pride, respect, commerce and history, while providing a civic and social center for the community at large. While our project's architectural design clearly incorporates significant detail found in surrounding structures, it will also serve as a prominent, beautiful and exciting addition to the Borough's downtown, projecting the very same values our forbears intended over a century ago.

Street Trees & Furniture

Overhead cover provided by street trees offers shade and reasonable protection from sun and rain, while proper placement of street furniture introduces distance and a perceived protection from vehicular traffic. We have begun preliminary discussions with the Bernardsville Shade Tree Advisory Committee in determining the best canopy tree species to run along both sides of Quimby Lane. Member recommendations strongly lean toward species including Silver Linden, Gingko, Sycamore and American Hornbeam families for their size, beauty, strength and tolerance for pollution, heat, flood and drought.

All street furnishings (benches, trashcans, lamps, planters) will be imitative of classic old-world design.

Lighting

Street lighting will reflect Bernardsville's existing streetlight design so that it may seamlessly integrate into the borough's greater downtown. All lighting will adhere to Dark Sky requirements. Poles will feature ability to hang flower baskets and banners. Exterior building lighting will be subtle, tasteful, and convey a vintage yet modern design style. Melillo Equities has embraced use of smart LED technology in lighting systems for a multitude of reasons, including energy and cost savings, more effective and efficient lighting and reduced light pollution.

Sidewalks

Wide, pedestrian-friendly sidewalks will play a vital role in enhancing connectivity and promoting walkability within the downtown. We perceive sidewalks as public spaces, capable of activating streets socially and economically. Sidewalk and curbing materials will be traditional and durable, while design will be safe, accessible, and easy to maintain. We look forward to working with our licensed landscape architect in conjunction with Bernardsville Environmental Commission and Friends for a Greener Bernardsville in the selection and placement of hanging baskets and streetscape plantings.

Permitted, Permanent & Temporary Signage

General provisions for Building Signage and Wayfinding provided within the RFP pertaining to permanent as well as temporary (i.e., permitting, placement, and related hazards) will be strictly adhered to. We envision sign design for the Quimby Lane Redevelopment to be sophisticated, clean and modern, while simultaneously conveying a classic vintage downtown look in keeping with the area's defining history.

PROJECT PROPOSAL

CONCEPTUAL PLAN



- 1 Closure of Mill St. (Mill Street Promenade) to activate ground floor retail
- 2 Inclusion of rooftops to generate visual interest
- 3 Architectural design and materials in keeping with historical aesthetic
- 4 Reclaiming of street-side parking to widen sidewalk
- 5 Three-story building elevations along Mill St, Mine Brook Rd, and Olcott Sq.
- 6 Egress to Quimby Plaza

PROJECT PROPOSAL

CONCEPTUAL PLAN – PROJECT OVERLAY



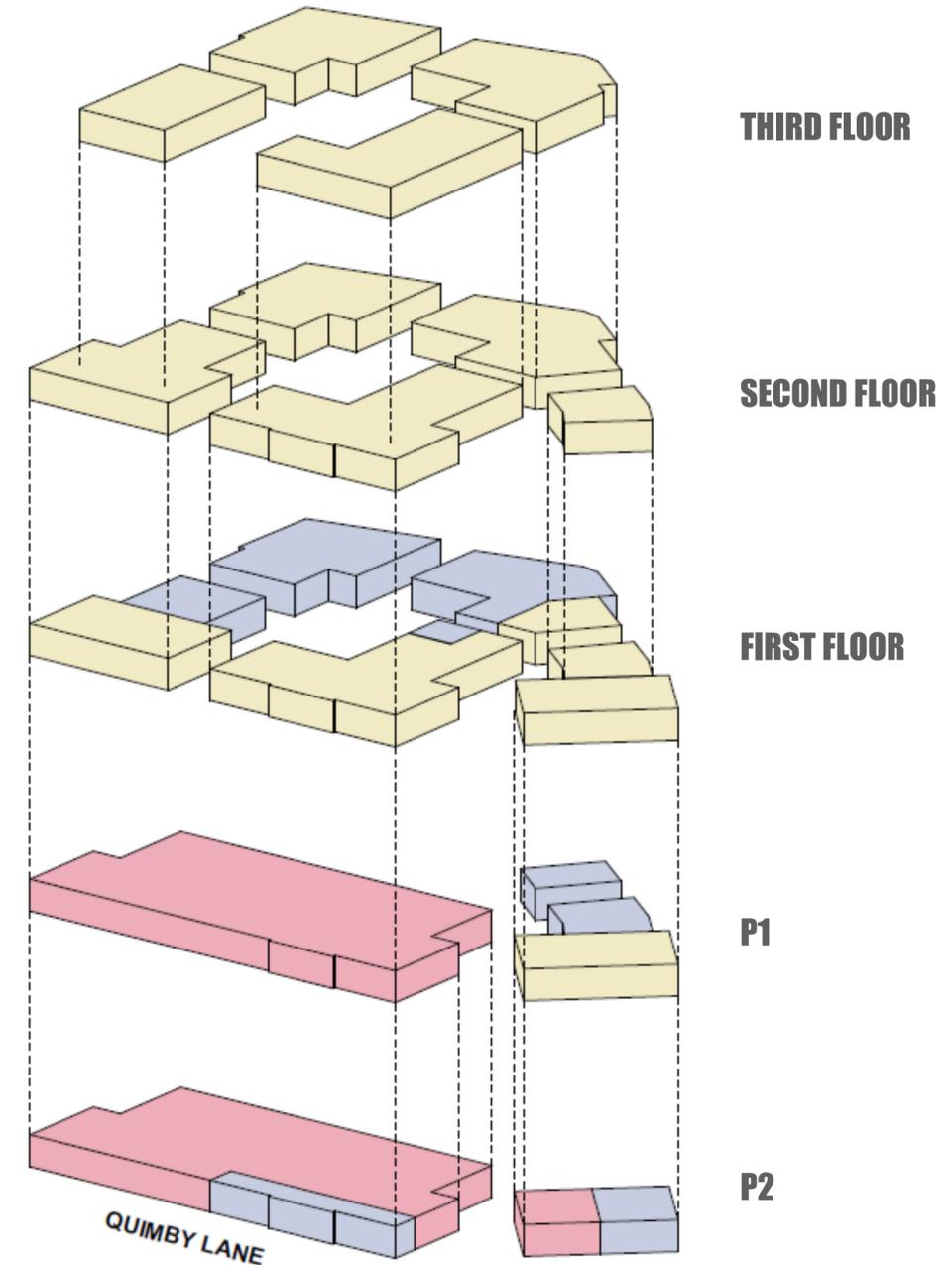
- ① Quimby Plaza
- ② Private Terrance for On-Site Residents
- ③ Mill Street Access to Parking Deck
- ④ Quimby Lane Access to Parking Deck
- ⑤ Mine Brook Park
- ⑥ Mill Street Promenade

PROJECT PROPOSAL

CONCEPTUAL PLAN – STACKING PLAN

	UNIT(S)	AVG SF	TOTAL SF	PARKING
COMMERICAL				
OFFICE / RETAIL (SMALL)	18	860	15,480	31
OFFICE / RETAIL (MEDIUM)	6	1,510	9,060	18
OFFICE / RETAIL (LARGE)	2	4,000	8,000	16
TOTAL	26		32,540	65
RESIDENTIAL				
1 - BEDROOM	105	780	81,900	105
2 - BEDROOM	34	1012	34,394	34
3 - BEDROOM	3	1200	3,600	3
TOTAL	142		119,894	142
GRAND TOTAL			152,434	207

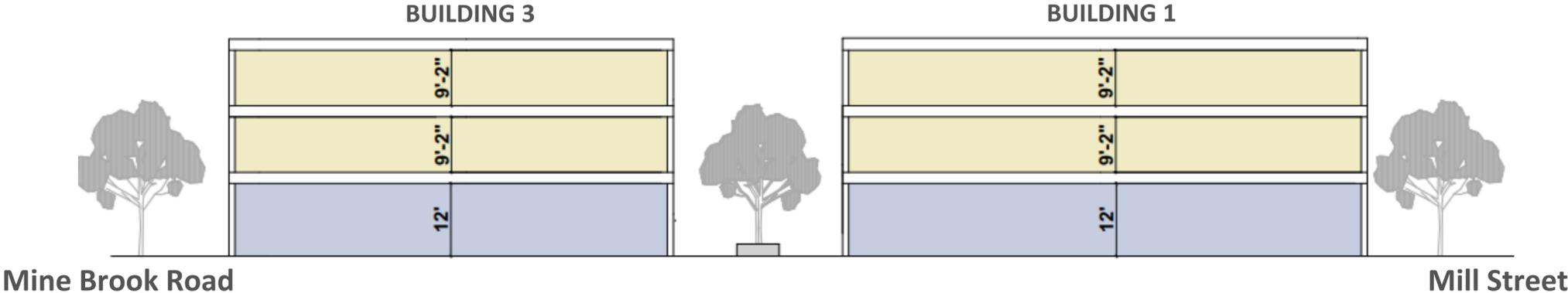
	TOTAL SF	PARKING
PARKING DECK		
Building 2 - Floor 1	35,520	96
Building 2 - Floor 2	38,600	104
Building 4 - Floor 1	2,850	8
TOTAL	76,970	208
STREET PARKING (Dedicated to Quimby Village)		9
STREET PARKING (Dedicated to Mine Brook Park)		30
GRAND TOTAL		247



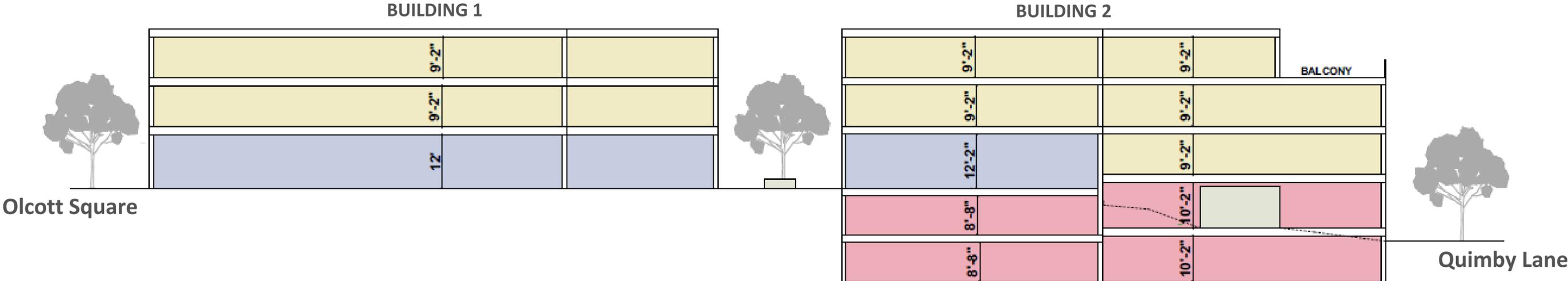
PROJECT PROPOSAL

CONCEPTUAL PLAN – BUILDING ELEVATIONS

EAST ELEVATION



NORTH ELEVATION



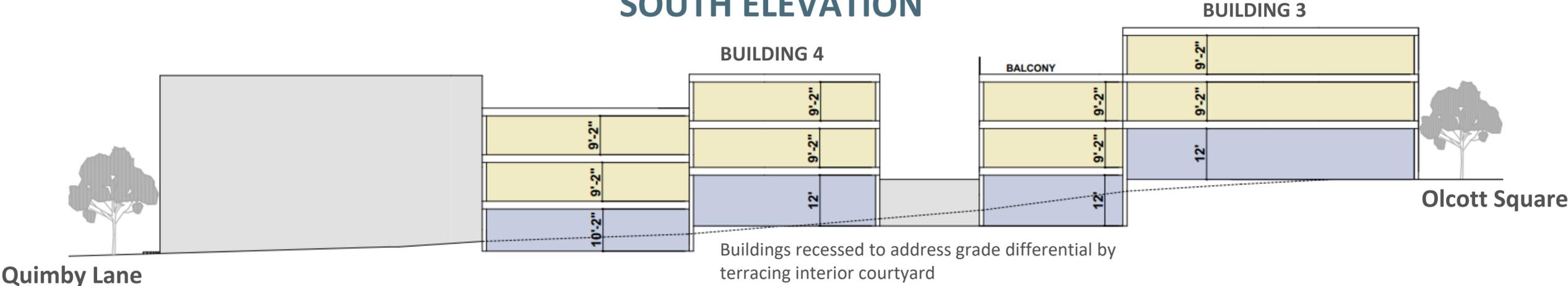
Note: All floor systems account for 24" height



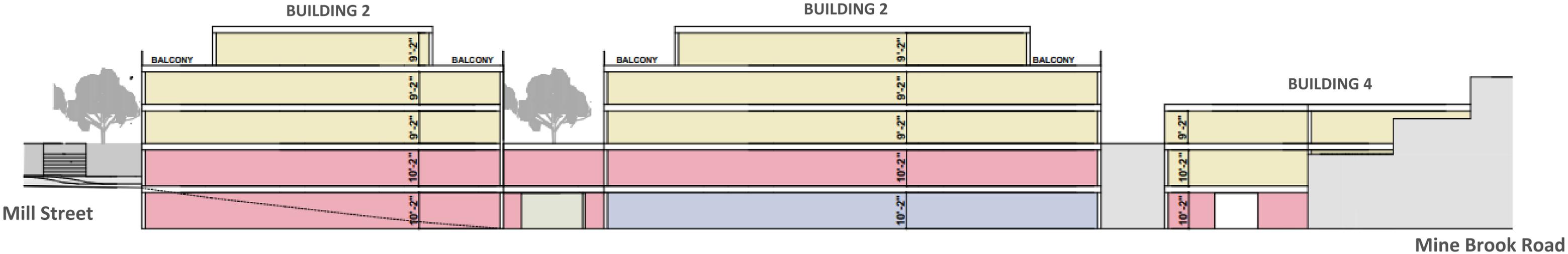
PROJECT PROPOSAL

CONCEPTUAL PLAN – BUILDING ELEVATIONS (CONT'D)

SOUTH ELEVATION



WEST ELEVATION



- PARKING USE
- COMMERCIAL USE
- RESIDENTIAL USE

PROJECT PROPOSAL

CONCEPTUAL PLAN – MINE BROOK PARK

APPROXIMATE SIZE – 2.29 AC (99,750SF)

Melillo Equities is equally excited for the opportunity to take part in the transformation of Quimby Lane’s over-paved, underutilized and NJ DEP-constrained floodway properties into beautiful Mine Brook Park. The park will become a new, in-town Passive Park conceived solely for the enjoyment of residents, businesses and visitors alike.

Our vision for Mine Brook Park incorporates peaceful brookside seating, passive recreation areas, interpretive signage, European-style pedestrian bridge and low-lit permeable walkways to connect with multiple sidewalks within the borough's historic downtown. Designating Mine Brook a “Passive Park” helps resolve a number of issues related to its existing floodplain status (similar to that of Gladstone’s popular “Rockabye Meadow”). Its sustainable landscape design will rely on the introduction of disease resistant shade trees, native grasses and other plantings to effectively reduce stormwater runoff, limit bank erosion and improve water quality. We will invite participation by Bernardsville’s Environmental Commission, Green Team and Open Space Advisory Committees in the creation of this valuable public amenity and are encouraged by the Borough’s willingness to dedicate municipal Open Space Funds in addition to pursuing County and State support as well.

Bernardsville-owned Mine Brook Park will serve as a valued resource for the Recreation Department in offering Borough-related outdoor programs, such as Summer Nature, Art and Music Camps for children, and Brookside T’ai Chi and Yoga for Seniors. When fully completed, the Park will accommodate growing community gatherings and family entertainment, such as Bernardsville Farmer’s Market, Earth Day Celebration, Walk-In Movies, and Summer Brookside Concert Series.

It is our recommendation that Mine Brook Park Community Events be managed by locally based 501(c)3 nonprofit “Downtown Bernardsville,” whose mission dovetails perfectly within this role. Exuding energy, creativity and dedication, their events have continued to engage the community and support businesses within the historic downtown. Sparing borough taxpayers, their work will continue to be funded through individual, foundation and corporate support.



PROJECT PROPOSAL

CONCEPTUAL PLAN – QUIMBY PLAZA

APPROXIMATE SIZE – 0.25 AC (10,750SF)

Quimby Plaza will be a celebration – a welcoming, interactive space that encourages visitors and residents to feel a connection with Bernardsville’s downtown. Deciduous canopy trees, landscaped greenery, ornamental grasses and perennials will be interspersed with hardscape design elements including patterned paving, pedestrian-scaled lighting and comfortable outdoor seating for restaurant patron and public alike.

As a center of activity, the Plaza’s airy and open environment will be conducive to an array of first floor commercial uses, introducing new shops, restaurants, offices, art galleries and more. A view of the Plaza’s ~11,000 square feet will convey an even more spacious appearance thanks to the presence of an adjacent ~8,000 square foot private terrace.

The Plaza’s elevation is intentionally oriented to that of Olcott Square and proposed Mill Street Promenade to encourage shoppers and diners to explore beyond the proposed development, bolstering existing businesses throughout the downtown.

Allowing plenty of room for special events managed by Borough, Chamber of Commerce, and quite possibly by the merchants themselves, the Plaza is designed to host concerts, sidewalk sale markets, community year-round public events, including such events as Wine and Food Tastings, temporary art installations, Winter Lights Celebration, Santa’s Village, First Night Bernardsville @ Quimby Plaza and more.



PROJECT PROPOSAL

CONCEPTUAL PLAN – MILL STREET PROMENADE

APPROXIMATE SIZE – 0.19 AC (8,400SF)

Our proposal introduces “Mill Street Promenade,” a delightful European-style tree and bench-lined pedestrian corridor which will serve as the area’s primary welcoming gateway.

Mill Street Promenade provides an elegant transition from Olcott Square to a network of carefully maintained pedestrian walkways that lead throughout the neighborhood, connecting to Quimby Plaza at its center, and Mine Brook Park on its westernmost edge. Pedestrians crossing the promenade will view the collection of new shops, offices, residences and dining establishments, as well as the adjacent future home of Ristorante MV located at 1 Mill Street.

Gardens, benches, low-lighting along walkways and lush canopies of trees lining the crossing will encourage and support pedestrian activity at all times of day. Morning power walks, lunchbreak gatherings at noon, and leisurely after-dinner strolls to the park will become familiar sights throughout an area in which pedestrian activity is nearly nonexistent today.

The Promenade is the ideal starting point for parades, community “strolls,” and other celebrations-in-motion. Families with children of all ages can safely follow the interconnected pathways from Quimby Square to Mine Brook Park during popular Chamber of Commerce-run events such as Sounds Around Town, Art Walk, Mill Street Oktoberfest co-hosted by Ristorante MV, and Holly Days Caroling.



PROJECT PROPOSAL

ENVISIONED ARCHITECTURAL STYLE / PRECEDENT IMAGERY

One of the defining features of Bernardsville’s downtown is the presence of buildings from many different eras, each with their own importance in the evolution of commerce, population and culture. Our project intends to continue the proud, bold and powerful vision of the Borough’s historic architecture represented by stately structures including the Bernards Inn, Bernards High School’s original building, 47 and 59 Mine Brook Road (among others) alongside the countless other Estates that can be found throughout the Bernardsville Mountain. Because there is no one overriding architectural influence that carries through Bernardsville’s downtown structures, we have taken great care in selecting and presenting a highly compatible, turn-of-the-century architectural form featuring vintage, yet modern design elements in our proposed redevelopment plan.

Special importance has been placed on the character of storefronts and street landscaping, legibility of entrances, use of high-quality exterior materials (and care in their detailing), and floor-to-ceiling heights that were once characteristic of the neighborhood. Historically appropriate and durable brick and concrete masonry, tall, narrow double-hung windows and storefront systems (for retail applications on ground floor) will be accented by classical lighting fixtures, permanent sidewalk-shading awnings, historic parapet profiles, and other vintage details chosen to unify the various architectural styles that represent the fabric of the borough’s historic downtown.



PROJECT PROPOSAL

FINANCIAL ANALYSIS

Development Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues										
Rental Revenues										
Retail/Office Rent	-	-	316,439	1,042,321	1,246,619	1,271,551	1,296,982	1,322,922	1,349,380	1,376,368
Residential Rent	-	-	969,471	3,341,125	3,848,342	3,925,309	4,003,815	4,083,891	4,165,569	4,248,881
Affordable Rent	-	-	43,998	151,633	174,652	178,145	181,708	185,342	189,049	192,830
Vacancy	-	-	(74,406)	(252,812)	(294,646)	(300,539)	(306,550)	(312,681)	(318,934)	(325,313)
Net Potential Rent	-	-	1,255,501	4,282,266	4,974,967	5,074,466	5,175,955	5,279,474	5,385,064	5,492,765
Other Income										
Parking	-	-	4,209	12,760	13,115	13,377	13,644	13,917	14,196	14,480
Other Income	-	-	7,678	24,608	25,462	25,971	26,490	27,020	27,561	28,112
Other Income Vacancy	-	-	(594)	(1,868)	(1,929)	(1,967)	(2,007)	(2,047)	(2,088)	(2,130)
Net Other Income	-	-	11,292	35,500	36,648	37,381	38,128	38,891	39,669	40,462
Total Revenues	-	-	1,266,793	4,317,766	5,011,614	5,111,846	5,214,083	5,318,365	5,424,732	5,533,227
Operating Expenses										
Controllable Expenses										
Advertising & Marketing	-	-	(24,172)	(80,150)	(89,389)	(91,177)	(93,000)	(94,860)	(96,758)	(98,693)
Admin	-	-	(4,348)	(14,109)	(15,789)	(16,105)	(16,427)	(16,756)	(17,091)	(17,433)
Payroll	-	-	(30,000)	(106,132)	(123,620)	(126,092)	(128,614)	(131,187)	(133,810)	(136,487)
Maintenance & Repairs	-	-	(32,500)	(114,976)	(133,922)	(136,600)	(139,332)	(142,119)	(144,961)	(147,860)
Utilities	-	-	(41,263)	(135,330)	(151,664)	(154,697)	(157,791)	(160,947)	(164,165)	(167,449)
Concierge	-	-	-	-	-	-	-	-	-	-
Subtotal Controllable Expenses	-	-	(132,284)	(450,697)	(514,384)	(524,671)	(535,165)	(545,868)	(556,785)	(567,921)
Non-Controllable Expenses										
Insurance	-	-	(25,041)	(82,036)	(91,955)	(93,794)	(95,670)	(97,583)	(99,535)	(101,526)
Real Estate Taxes	-	-	(73,097)	(239,566)	(267,924)	(272,613)	(277,384)	(282,238)	(287,177)	(292,203)
Management Fee	-	-	(27,980)	(91,463)	(102,212)	(104,256)	(106,341)	(108,468)	(110,637)	(112,850)
Capital Reserves	-	-	(12,668)	(43,178)	(50,116)	(51,118)	(52,141)	(53,184)	(54,247)	(55,332)
Total Operating Expenses	-	-	(271,069)	(906,939)	(1,026,591)	(1,046,453)	(1,066,700)	(1,087,341)	(1,108,382)	(1,129,832)
Net Operating Income	-	-	995,724	3,410,827	3,985,023	4,065,394	4,147,383	4,231,024	4,316,350	4,403,395

Note: Real Estate Taxes include PILOT program (5% of Revenue)

III. IMPLEMENTATION APPROACH

IMPLEMENTATION APPROACH

QUIMBY VILLAGE ASSEMBLAGE – ACQUISITION / PHASING STRATEGY

Melillo Equities will deliver the proposed project in three phases. A phased approach will address concerns relating to the relocation of existing tenants, whereby providing developer with the ability to relocate offsite or within newly constructed facilities. The plan will also address the general concern for market absorption of new supply, whereas constructing in smaller segments will allow for better pricing controls. Lastly, a phased approach will reduce the negotiating position of holdout landowners looking to take advantage our proposal.

Phase 1

Scope of work will involve property at corner of Mill Street and Olcott Square. Our design utilizes the existing footprint of 11 Olcott, while further extending it toward Quimby Lane as we begin to form the beginnings of Quimby Plaza. Construction will be staged from Mill Street and coordinated with neighboring property owner (1 Mill Street). Parking for the structure will likely be a challenge until Phase 2 is fully operational. However, a temporary parking plan will be no less desirable than the current parking arrangement for tenants within Block 70, Lot 6.

Phase 2

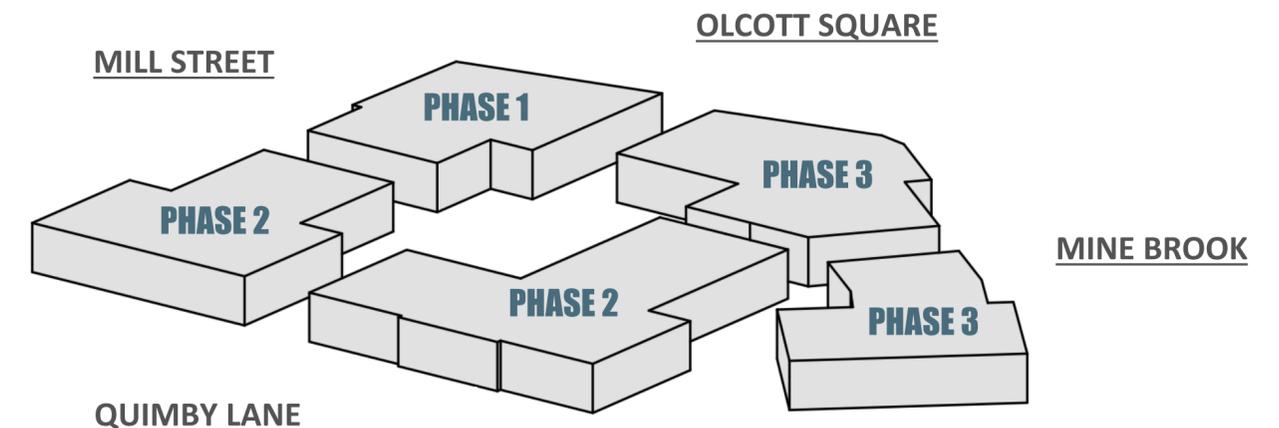
Primary scope to include the construction of a parking facility and residential units. Construction of this phase will be staged from Quimby Lane, leaving Phase 1 improvements minimally impacted. When complete, Quimby Plaza will have taken form, with all on and off-site improvements completed along Mill Street and Quimby Lane. Proposed building footprint to encroach on neighboring property (Block 70, Lot 2) and will therefore require time (during buildout of Phase 1) to secure land. Post office will be temporarily relocated offsite during construction. Upon completion, US Post Office will assume 2,800 SF within parking deck, facing Quimby Lane.

Phase 3

Scope of work will be considered the most challenging. Assemblage of land will likely take years, assuming willing sellers, in addition to coordination efforts needed to stage construction work from high traffic areas (Olcott Square and Mine Brook Road).

SITE LOCATION	LOT	BLOCK	OWNERSHIP
<u>PHASE 1</u>			
11 Olcott Square	5	70	Melillo Equities
<u>PHASE 2</u>			
17-23 Mine brook	2	70	Mine Brook Properties LLC
23 Quimby Lane	3	70	Borough of Bernardsville *
36 Quimby Lane	4	70	Borough of Bernardsville
<u>PHASE 3</u>			
5 Olcott Square	6.01	70	DITR Associates LLC / Judith Sussman **
3 Olcott Square	6.02	70	ST-LPT Properties LLC
2 Olcott Square	6.03	70	L&K Madden Properties LLC
1-3 Mine Brook Road	6.04	70	Skyline Mine Brook LLC
5 Mine Brook Road	6.05	70	Olcott Square Corp. ***
7 Olcott Square	6.06	70	Olcott Square Corp. ***
11 Mine Brook Road	6.07	70	Annafio, LLC
13 Mine Brook Road	6.08	70	Fantasia Realty, LLC

- * Melillo Equities holds ground lease with municipality until July 31, 2025
- ** Melillo Equities under contract with current owner to purchase Land Unit
- *** Melillo Equities under contract to purchase 35% of Land Units



IMPLEMENTATION APPROACH

MINE BROOK ASSEMBLAGE – ACQUISITION STRATEGY

Our proposal recommends the purchase of land along Mine Brook for the creation of a public greenway. While this will likely take many years to achieve, the Borough can expect pocket parks (“parklets”) to form with the eventual assemblage of a single Mine Brook Park.

We envision the Borough’s acquisition process to include two primary strategies. The first being the direct purchase of parcels from any/all willing landowners. The second would utilize a long-term approach, whereby the Borough would secure a Rights of First Refusal (RoFR) with each of the targeted landowners, ensuring the eventual purchase of remaining parcels.

Funding for acquisition and improvements of these parklets may be funded by a combination of various public sources:

* NJ State Green Acres

This program will make available to municipality sponsored projects, up to 50% of the purchase price. Projects including multiple parcels can be approved with year-over-year reimbursement from the State.

** Somerset County Open Space, Recreation and Farmland Trust Fund

The County is typically willing to participate in land preservation efforts when deemed an attractive initiative. Funding from the County can range between 25-50% of the purchase price. We conservatively anticipate 25% funding sourced by the County.

*** Municipal Open Space

We are encouraged by the Borough’s statements of support and anticipate that the town will provide 25% required funding.

Improvements such as landscaping and hardscaping (indigenous grasses, trees, paths, lighting, outdoor seating, etc.) may be underwritten through individual monetary and in-kind material contributions, along with philanthropic support from local businesses, corporations and family foundations.

SOURCES

Green Acres *	2,755,950
County Open Space **	1,377,975
Municipal Open Space ***	1,377,975
TOTAL SOURCES	\$5,511,900

USES

<u>SITE LOCATION</u>	<u>LOT</u>	<u>BLOCK</u>	<u>OWNERSHIP</u>	<u>ASSESSED VALUE</u>
33 Claremont Road	4	71	33 Claremont Road LLC	725,000
36 Quimby Lane	5	71	Di Napoli, LLC	790,000
28 Quimby Lane	5.01	71	FMB Quimby LLC	277,000
40 Quimby Lane	7	71	Quimby Lane Realty LLC	n/a
42 Quimby Lane	8	71	Quimby Lane Realty LLC	956,000
24 Quimby Lane	9	71	F.M.B. Quimby, LLC	437,000
20 Quimby Lane	10	71	HAMPSHIRE	459,000
16 Quimby Lane	11	71	HAMPSHIRE	303,500
12 Quimby Lane	12	71	HAMPSHIRE	464,400
33-39 Mine Brook	13	71	SCP Group LLC	1,100,000
TOTAL USES				\$5,511,900