

THE INSTITUTE FOR ADVANCED STUDY

Minutes

Meeting of the Special Committee on Land Development

October 23, 1981

Princeton, New Jersey

Present: Messrs. Dilworth (Chairman), Forrestal, Hansmann, Taplin, Woolf. Also, Messrs. Hunt (Secretary), Rowe, Weinstein, Mrs Grisham.

Absent: Mr Petersen.

Presiding officer: Mr Dilworth opened the meeting at 2:00 p.m.

Minutes: The minutes of the meeting of April 24, 1981, were approved.

Progress report: Richard Weinstein presented a report on the highlights of the land development project to date, summarizing the current status of the project and its prospects. After discussion of the report by the Committee, the following resolutions were approved for recommendation to the Board:

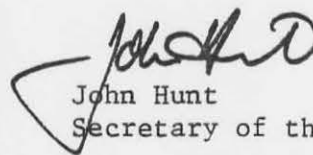
Resolved, that the Board, pursuant to the approval of the Special Committee on Land Development, support zoning boundaries permitting the development of approximately 400 units of housing, the first stage of a planned 600-unit development.

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Resolved, that Richard S. Weinstein Associates, Inc. and Webster & Sheffield and McCarthy and Hicks be authorized (1) to pursue obtaining cluster development approval by preparing necessary site and plat plans, schematic architectural plans and elevation drawings and negotiating and drafting covenants and restrictions and other necessary documents; and (2) to work with appropriate town officials to develop an acceptable "conditional high-density ordinance" covering the Institute's land.

There being no further business, the meeting was adjourned at 2:45 p.m.



John Hunt  
Secretary of the Corporation

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Friday, October 23, 1981

2:00 pm

West Building - Second Floor Seminar Room

### AGENDA

1. Minutes of the meeting of April 24, 1981
2. Progress report
3. Recommendations for Board action
4. Other business

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October 5, 1981

M E M O R A N D U M

TO : John Hunt  
FROM: Richard Weinstein  
Donald H. Elliott  
RE : Progress Report on Land Development Project

This memorandum will summarize the highlights of the Land Development Project to date and its current status and our judgment about the prospects for the future.

History

In August of 1978 New Sources for Funding and the Institute for Advanced Study (IAS) started to seek a developer and began a feasibility study. The developer was chosen in September and an architect was selected in December.

By April of 1979 the original feasibility study had been completed and a memorandum of intent setting out the terms of the arrangement between the developer and the Institute had been negotiated. At its April board meeting a presentation was made by Collins Development Company and its architect, Venturi and Rauch, and the next phase of the work was approved.

In our judgment the maximum number of units which could be accommodated by the land was 1,000. At that time the Town Planning Board was considering much greater densities to achieve some lower cost housing. We also projected the development on the basis of 600 and 800 units. Based on both the guaranteed price to be paid by Collins and the Institute's expected percentage of the sales as they were consummated and, assuming an 8-year period of development, the returns to the Institute at the three density levels were estimated to be approximately as follows:

600 units	\$ 8.2 million
800 units	10.1 million
1,000 units	12.0 million

In addition, rental income ranging from \$345,000 to \$500,000 a year was also projected.

Up to that point and through most of the rest of 1979 the Planning Board or Council members in Princeton refused to discuss the project in any detail because they were preparing a new Master Plan and did not want to prejudice that undertaking.

In late 1979 and through the Spring of 1980 the Town Planning Board considered various drafts of the new Plan. The Institute actively participated in that public consideration with the result that the Planning Board voted in May to designate the Institute property first priority for conditional high

density residential development. However, it became increasingly clear during this period that the Board would never approve as many as 1,000 units because such a density would overwhelm the desired growth of the community. Even the overall density of approximately 600 permitted by the current E-2 zoning would be very difficult, if not impossible to achieve.

After the Master plan was completed, we again expected to be able to begin realistic negotiations with the Town concerning the Institute's development plan; however, it was not to be. The Board decided to consider next a cluster zoning ordinance and again did not want to be influenced by a specific development. They spent the last half of 1980 and through the summer of 1981 drafting and approving the ordinance.

In late 1980, the Collins Development Company became seriously involved in bidding for, and subsequently acquired, Palmer Square. This project is not inconsistent with the development of the Institute property but makes it more difficult for Collins to give the Institute project the attention it deserves and to give it the priority which may be necessary when bargaining with the town authorities. The Collins Company, therefore, suggested and the Institute agreed to terminate their relationship. Collins may be interested in again becoming the developer after the zoning and subdivision approval process is finally completed. When Collins withdrew, the

Institute authorized us to continue working with local officials to achieve workable zoning regulations and a feasible development plan.

#### Current Status

The cluster ordinance excludes the Institute's land because of concern over the density it would permit. We have strongly objected to this since no realistic development of the land is desirable or even possible unless clustered. The Board has countered by undertaking to remap a portion of the Institute's land with a more conventional residential zoning designation which would then qualify under the cluster ordinance.

By excluding part of the land from this new zoning and lowering the density somewhat they are attempting to permit the Institute to build no more than 400 units. We do not yet have agreement on the exact boundaries of the new zone, since the proposed lines appear to permit only 350 units. We believe the town will allow 400 units, as it has been discussed since last year by the counsel to the Board and various Board members as an appropriate density. In addition to this, they might allow as many as 200 additional units if a workable conditional high density provision can be developed. Of these extra 200 units, approximately 40 might have to be subsidized not only with free land and a limitation on the developers profit but



maybe also with a contribution from the land value of the balance of the 200 units. At this point no drafting has been done on the conditional high density and no serious discussions have been held about its details.

Because of inflation and the fact that at a lower density the average price of the houses can be higher, the return to the Institute of a 400 unit development is still significant. Assuming that the houses are sold in the \$200-\$250,000 range and that approximately 13% of the sale price is paid to the Institute for its land, a 400-unit development would return between \$10 and \$13 million. An 8-year build-out of 400 units would require absorption of approximately 50 units a year, which should be achievable.

#### Recommendations

If the Institute is assured of approximately 400 units (in addition to whatever conditional high density is allowed), we believe the Institute should support the rezoning and the cluster ordinance.

It would then be necessary to go through the design and approval process which is provided by the new ordinance. Since it has never been done it is difficult to estimate how long it will take, but past history leads one not to expect expeditious action.

We recommend that the Board authorize the following actions:

1. Support zoning boundaries, with the approval of the Land Development Committee, that would permit development of approximately 400 units of housing while reserving all of the land necessary for further Institute use.

2. Authorize Richard Weinstein and Associates and Webster & Sheffield in conjunction with the Institute and McCarthy and Hicks (1) to pursue obtaining cluster development approval by preparing necessary site and plat plans, schematic architectural plans and elevation drawings and negotiating and drafting covenants and restrictions and other necessary documents; and (2) to work with appropriate town officials to develop an acceptable "conditional high density ordinance" covering the Institute's land.

By the Spring meeting of the IAS Board we should have a site plan and program for the first increment of development and an overall plan for the entire development. If it has not been approved by the Town by that time, we should have a clear idea of what can be approved.