

MINUTES - PLANNING BOARD

Workshop meeting of May 16, 2018

WORKSHOP PORTION. Ms. Murray called workshop portion of the meeting to order at 7:30 P.M.

1. COMMUNICATIONS

None

2. RESOLUTIONS OF MEMORIALIZATION

- 1. Applicant #PBA- 18-00001
Verizon New Jersey
1100 Orange Avenue
Block: 293, Lot: 1, O-1 Zone**

The applicant in this matter is seeking amended preliminary and final site plan approval, a C(2) variance for parking and a design waiver (§255-44 Schedule 1). The applicant proposes to increase the number of work vehicle parking spaces from 43 to 58 and reducing the number of regular vehicle parking spaces for the site from 255 to 223. The site currently contains 255 regular parking spaces for vehicles and 43 parking spaces for work vehicles for a total of 298 parking spaces. The ordinance requires 248 regular spaces for this site and 223 regular spaces proposed. The applicant is requesting a variance for 25 parking spaces. The applicant is also proposing a 30' x 60' Quonset structure in order to store a portable chiller or chillers.

After discussion, a motion to adopt the resolution approving Application PBA-18-00001 was made by Mayor Hannen seconded by Ms. Anderson and passed by unanimous voice vote.

- 2. Application # PBA-17-00012
SCODEE Properties, LLC
112 Park Drive
Block: 198, Lot: 1, Zone: R-1**

The applicant in this matter is seeking site plan approval for a subdivision of a single lot into two fully conforming lots with no variances and no design waivers.

After discussion, a motion to adopt the resolution, as amended, denying Application PBA-17-00012 was made by roll call vote with the following voting in favor of the motion: Ms. Murray, Dr. Chapman, Deputy Mayor Dooley, Ms. Feder, Mayor Hannen, and Mr. Taylor.

3. MINUTES

Motion to adopt minutes of the May 2, 2018 Executive Session was made by Ms. Anderson and seconded by Ms. Pedde and passed on unanimous voice vote.

Motion to adopt minutes of the May 2, 2018 meeting was made by Ms. Anderson and seconded by Ms. Pedde and passed on unanimous voice vote

4. OLD BUSINESS/NEW BUSINESS

None

PUBLIC HEARING - ROOM 107

1. STATEMENT OF COMPLIANCE WITH OPEN PUBLIC MEETINGS ACT

Ms. Murray called a public meeting of the Cranford Planning Board to order on May 16, 2018 at 8:08 P.M. In Room 107 of the Municipal Building, 8 Springfield Avenue, Cranford, New Jersey. Ms. Lenahan announced this meeting is in compliance with the "Open Public Meetings Act" as adequate notice of this meeting has been provided by publishing of the Board's annual schedule of meetings in the Westfield Leader and the Star Ledger with the agenda specifying the time, place and matters to be heard having been posted on a bulletin Board in the Town Hall reserved for such announcements and the filing of said agenda with the Township Clerk of Cranford. Formal action may be taken at this meeting.

2. FLAG SALUTE

3. ROLL CALL:

Members Present:

Ms. Murray
Ms. Anderson
Dr. Chapman
Mr. Cossa
Deputy Mayor Dooley
Ms. Feder
Mayor Hannen
Ms. Pedde
Mr. Taylor

Members Absent:

None

Alternates Present:

Mr. Aschenbach
Ms. Didzbalis

Alternates Absent:

None

Also present:

Mark Rothman, Esquire; Ron Johnson, Zoning Officer; Kathy Lenahan, Administrator/Scribe, Bill Masol, Engineer

4. Application # PBA-17-00004

Hartz Mountain Industries

750 Walnut Avenue

Block: 541, Lot: 2, C-3 Zone

Applicant is seeking to rezone the subject property to eliminate the office and warehousing uses in favor of multi-family residential use (§136-13).

James Rhatican, Esq. appeared on behalf of the applicant. He explained the application. The application is for rezoning of the 750 Walnut Avenue property. Stated that this is not a site plan application. The Town has a specific ordinance and procedure to rezone a property. If this Board makes a recommendation, it will then go to the Governing Body to amend the ordinance, then go back to the Planning Board for a site plan application. Tonight they will be presenting a concept plan. Feels it can work on the site, but only a concept plan and is not fully engineered as if they were here for a site plan application.

Described Exhibit A-1 which is an aerial photo of the site. Site outlined in red. It is approximately 30 acres in size and is currently in the C-3 Zone. C-3 zone allows for professional offices, health care facilities, research laboratories, distribution center. Stated that they will show that such uses on this property are not feasible. Existing building is approximately 420,000 square feet. Described the history of the building. Hartz bought the building in 1988. Manufacturing ceased about 25 years ago and after that Bank of American leased approximately 248,000 sq. ft.

Bank of America vacated the building a few years ago, lease formally ended last June. Currently LabCorp leases about 80,000 sq. ft. in rear of building, a small warehouse tenant occupies approximately 40,000 sq. ft. and PSE&G occupies approximately 22,000 sq. ft. for a call center. There are vacancies in the building and they have been aggressively marketing the building without success. They have tried to market the building for distribution but the location is not good since it is not near a highway that trucks can travel on. They continue to try and lease the property.

Stated section of ordinance that they are relying on is §136-59. List factors for rezoning application:

1. Necessity
2. Evaluate proposal regarding the Master Plan
3. Effects of the current zoning regulations regarding inutility of the property.
4. Will proposal inhibit the planned and orderly development of the Town.

Stated they will demonstrate that proposed amendment satisfies the criteria.

Has received the Town professionals' reports and one from the school district. Stated that there is one wavier that they are requesting. Town's ordinance stated they must show a plan with a .5-mile radius around the site. They do have exhibits to show what is around the site but asking for that technical wavier. Stated that the application had been declared complete.

Mr. Rothman described the technical wavier the applicant is seeking.

Discussed was held as to if the applicant would need to provide that .5-mile radius map.

Mr. Rhatican stated that there is a map on the cover page of the site plan package that shows radius of that size.

A motion to deny the wavier was made by Mayor Hannen and seconded by Mr. Aschenbach. A roll call vote was taken with the following voting to deny the wavier: Mr. Taylor, Ms. Pedde, Mayor Hannen, Ms. Feder, Deputy Mayor Dooley, Mr. Cossa, Dr. Chapman, and Ms. Anderson.

Charles Reese appeared and was sworn in. He is testifying as a fact witness.

He testified to the following through questions posed by Mr. Rhatican:

He is employed by Hartz Mountain as a VP of Sales & Leasing. Described his responsibilities. Has been with Hartz 30 years and 16 years as a VP. Familiar with the Northern New Jersey leasing market and familiar with the 750 Walnut Avenue property. His responsibility is to show the building, negotiation leases and retain tenants. Described Exhibit A-2 which is an overall site plan showing different units on the property. Described the various condo units, who occupies them and their leasing arrangements.

Stated that the site plan was prepared for Summit Medical Group who was interested in leasing 80,000-100,000 sq. ft. in 2012. However, they decided to buy a building in Florham Park.

Stated Hartz Mountain did build an addition for Bank of America, but over a period of time, Bank of American moved out and about 80% of the building was vacant by 2012. Lease expired May 31, 2017. Had discussions with BOA to stay but they moved to Metropark.

Had discussions with LabCorp to expand their facilities. They decided to expand down in Middlesex. LabCorp asked to reduce their sq. ft. from 81,000 to 30,000 on a one-year basis.

Described the efforts they use to try and lease space. Put information on their website, do mailers, and list properties on Costar and LoopNet. Stated they start to market properties 12-14 months before a tenant terminates their lease.

LabCorp's lease will end July 31, 2019. They do have an option to renew.

PSE&G's lease will expire on July 31, 2019 and notified Hartz that they are not renewing their lease. Stated that Condo 6 is a warehouse industrial use, it is a little over 40,000 sq. ft. and their lease expires April 30, 2019.

Stated that Hartz is willing to subdivide for tenants and do renovations and that 25-30 years ago, suburban office markets were being built. Now, workforce is changing, people working from home, mass transportation more important. Stated Newark is a hot market in northeast right now. Feels trend will continue.

Questions posed by the Board ascertained the following:

Building was modernized by changing the façade and putting in new windows. Also, when converting from manufacturing to office space, renovations were done to the interior. Drop ceilings were added to the office space. The two-story addition for Bank of America at the time, was a modern office building. Landscaping is now mature.

Mr. Reese does not feel that a building near the GSP, near restaurants and shops, and close to a recreational facility is a good location for a building in today's market.

Board member described what was done for the Cranford Business Office Park to make it vibrant.

Mr. Reese stated that most of those buildings that house companies such as Amazon, have a clear height of 32' to 40' and most are on the I-95 corridor or further out west. Feels big box warehouses want quick access to their customers and want to be near the I-95 corridor. In industrial market today, does not feel he would be able to identify customers for that site even if they were to demolish the existing building and building a new building. Unless you design something 50,000 sq. ft. and divide it into smaller units. Stated you are competing with Linden and Perth Amboy. From a leasing perspective, has been marketing since 2012. Most creative thing they have done is trying to get Summit Medical Group. Majority of his portfolio is in Hudson County. He does have two buildings in Linden and a building in Elizabeth. Has not marketed the 750 Walnut property for sale. Described the office buildings in Hudson County Stated they are different types of buildings and some are waterfront properties. Does not know if there were tax incentives on those properties in Hudson County. They do speak to local brokers. Does not feel they have similar properties like the one at 750 Walnut Avenue.

Board member suggested it is a corporate strategy to go into residential development.

Mr. Reese stated he feels the rents are more than fair and fall in line with comparables. He listed some of the tenants in the condos and the price per sq. foot. None of the tenants have been told their leases will not be renewed. Hartz has not reached out to any other entities similar to Summit Medical Group or any higher education institutions. Has not reached out to any startup companies to rent space. Having a hard time finding someone to lease the facility. Hartz relies mostly on brokers. They have an in-house leasing team, but they do not report to Mr. Reese. Their design team put together the brochures. Stated that advertising consists of mass mailers every 2 to 3 weeks. Does not know what their marketing budget is. Primary contact for lease negotiations is himself, Ernest Christoff and Rick Vanderbeck. There is not one point of contact. Mr. Reese found out that Bank of American is paying 40% more by the real estate broker. They have not looked into converting into Class A warehouse or office. Feels it could fit on site but does not feel a viable use. His focus is not on building but on leasing. Discussed why the tenants are or will be leaving. Stated that data companies have fiber maps and already know based on their needs where they want to go.

Board member showed pictures that were provided that showed garbage bags around site and looks like properly not maintained.

Mr. Reese stated they do a walk-through on a space that is being vacated and make sure when marketing it is clean and will make suggestions in order to better market it.

Mr. Rhatican stated that Mr. Reese was involved in the preliminary inquiry from PSE&G to purchase a portion of the building.

Mr. Rhatican appeared and was sworn in. He stated that PSE&G made an offer for a substation. They made an inquiry about a portion of the property. They were not sure of the configuration and they are currently in discussions with PSE&G.

There were no further questions by the Board.

Ms. Murray opened the application to the public for questions of the witness the following appearing:

Mark Zucker– 19 Pershing Avenue – Asked why it is so hard to market and attract tenants to this property, when the commercial news stated that in 2016 it had the lowest vacancy rate since mid-2013.

Mr. Reese stated he does not feel that this property is Class A market space which is what the article is referring to.

Liz Mazza – 205 Walnut Avenue – Asked about knocking down the building and build something more appealing.

Mr. Reese stated he would still need to convince people to come to that location. Does not feel it is the right location for that use.

Jeffrey Marsden – 438 North Union Avenue – Asked about a new building vs. an old building being more desirable. Why is a storage center not being considered. Feels upgrading the building should be considered.

Mr. Reese stated that multi-story buildings are being converted in the inner-city markets which are extremely popular.

Chiara Siliato - 19 Munsee Dr. – Asked if they have reached out to other companies that might want the space, something like *We Work*.

Mr. Reese stated they have reached out to them but all communication has been done through email.

Marcy Duarte - 37 Iroquois Road – Asked what are the advantages of Metropark. Also, stated that Hartz is using the train as a selling point with this proposal.

Mr. Reese feels the advantages are the train and direct access to transportation. Stated that Bank of America moved to a more tradition building.

David Bongiovanni - 111 Cranford Avenue – Asked if in their mailers is a proposal to offer a jitney service.

Mr. Reese stated it would not be on marketing materials but they would do it on a case by case basis.

Carolyn Zamorski – 12 Cornell Road – Asked if they reached out again to Summit Medical Group.

Mr. Reese said no they have not reached out to them again.

Jeff Pistol – 243 Hillside Avenue – Asked why they are referring to the property as the northern New Jersey commercial real estate market. Asked if they should they be marketing it as central New Jersey and possibly stating it is close to GSP, midway between Interstate 78 and I-95. Might reach a different audience.

Mr. Reese stated that when he talks about northern NJ he is referring to central and northern New Jersey. Feels it is being targets to those areas.

Eric Robinson – 8 Alan Okell Place – Asked about the length and stability of the leases. Stated parts of building have had to be closed off due to weather related issues. Asked if they have explored any other alternatives even on a smaller scale.

Mr. Reese stated that the tenants left because they wanted to leave. If they wanted to stay they would be thrilled.

Rita LaBrutto – 104 Arlington Road – Asked if they advertise on LoopNet and if so has it been in the past 6 months. Listed different properties in Cranford that are advertising on LoopNet. Feels it is the commercial listing spot on a national level. Asked about rent per square foot and about giving a lease to PSE&G. Asked about PSE&G making an offer to purchase the property. Described an advertisement that is on the Hartz Mountain.com website for 750 Walnut Avenue. Stated there is a diagram for a 5 mile radius on the website.

Mr. Reese stated they do advertise on LoopNet, but most of the brokers that they deal with are on Costar. Could not give a square foot price without knowing the particular space being asked about. Stated that PSE& G contacted him to let him know that they would not be renewing their lease and that PSE&G did have an interest in purchasing a portion of the property. Stated they were interested in about 8 to 10 acres.

Kathy Allegro – 17 Shetland Drive – Asked about reconfiguring the property and keeping it as office space. Asked about the incentives that some of the tenants are getting in other cities. Are they asking tenants to lease in the existing, old buildings. Asking about demolishing and building new buildings.

Mr. Reese stated that there are incentives for companies to move to NJ and greater for transit hubs. Stated if there was a company out there wanting to lease 50,000, 60,000, 70,000, 100,000 square feet they would know about it and be talking to them and trying to make a deal with them. Stated that what tenants are looking for is first square footage and then location. After that, they would discuss the condition of the building. Mr. Reese stated that they are not talking about building new buildings. Feels they have done everything they can to lease the space.

No one else appeared and this portion of the hearing was closed with the matter referred back to the Board.

Mr. Rhatican stated that his next witness would probably take about 45 minutes on direct testimony and probably another 45 minutes on cross examination. Can proceed or come back to another meeting.

A special meeting was suggested by one of the Board members.

Mr. Rhatican stated that they have conflicts with the next two regularly scheduled Planning Board meetings.

Board discussed the different options. A decision was made to continue the hearing on June 6, 2018. If a special meeting is decided upon, it will be noticed.

5. **Application # PBA-17-00011 – carried to June 6, 2018**
 Sergio Martins & Sandra F. Julio Martins
 116 Garden Street
 Block 285 Lot 5, R-4 Zone
 Applicant is seeking a minor subdivision in the R-4 Zone.
 Minimum lot area required is 6,000 square feet and relief requested is
 minimum lot of 5,000 square feet as per Section 136 Attachment 1.
 Minimum lot width is 60 feet and relief requested is minimum lot
 width of 50 feet. Minimum combined side yard required is 15 feet and
 relief requested is 14.82 feet per Section 136 Attachment 1.

8. PUBLIC PORTION

There being no further business, a motion to adjourn the meeting was regularly made, seconded and passed. The meeting concluded at 10:23 P.M.

Donna Pedde, Secretary