

**MINUTES - PLANNING BOARD
SPECIAL MEETING
May 8, 2019**

Workshop meeting of May 8, 2019

WORKSHOP PORTION. Ms. Murray called the workshop portion of the meeting to order at 7:44 p.m.

1. COMMUNICATIONS

None

2. RESOLUTIONS OF MEMORIALIZATION

None

3. MINUTES

Motion to adopt minutes of the April 3, 2019, Executive Session & Official Meeting was made by Dr. Chapman, seconded by Ms. Didzbalis and passed on unanimous voice vote.

4. OLD BUSINESS/NEW BUSINESS

Board members reviewed Township Ordinance # 2019-05. Discussion was held and a motion was made by Ms. Feder, seconded by Ms. Pedde to favorably recommend Ordinance # 2019-05 to the Township Committee.

The meeting schedule for the next few Planning Board meetings was reviewed. Tonight Mr. Liotta will discuss the Fiscal Impact Statement. The May 15th meeting will be a summary by Mr. Rhatican and public comments, and the June 5th meeting will be deliberation and voting on the Hartz application.

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 8, 2019 at 8:09 p.m. in Room 107 of the Municipal Building, 8 Springfield Avenue, Cranford, New Jersey. Ms. Lenahan announced this Special Meeting is in compliance with the "Open Public Meetings Act" and the MLUL as adequate notice of this meeting has been provided by publishing of the notice 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
Dr. Chapman
Mr. Cossa
Deputy Mayor Dooley
Ms. Feder
Mayor Giblin
Ms. Pedde
Mr. Taylor

Members Absent:

Ms. Anderson

Alternates Present:

Ms. Didzbalis

Alternates Absent:

Mr. Aschenbach

Also present:

Mark Rothman, Esquire; Kathy Lenahan, Board Administrator

Ms. Murray announced that tonight the planner from Maser Consulting will testify and questions from the Board and the Public will be taken. Mr. Rhatican will be able to make his rebuttal statement. The next meeting on May 15th will be for Public comments and the meeting after that on June 5th will be for deliberations.

Mr. Rhatican stated that he has two rebuttal witnesses. Stated his summation will be made after the Public makes its comments.

4. Application # PBA-17-00004- Continued from April 3, 2019

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).

Mr. Liotta appeared and was reminded he was still under oath.

He testified to the following through questions posed by Mr. Rothman:
He has prepared a fiscal analysis and considered the three fiscal impact reports that were submitted in the application for 750 Walnut Avenue. Stated he reviewed the

information regarding the valuation and cost projections included in the reports. Presented Exhibit marked P3, which was a 15-slide presentation entitled *Fiscal Impact Analysis*. Reviewed the slides and his analysis. The presentation included discussing the valuation of the property, the CAP rate, the PUMS/PUMA data, the market rents, and affordable unit rents. Discussed municipal costs per resident and using the various CAP rates. He used the applicant's three reports and he used the average number for fairness. The per capita method is called the Burchell method. It is an accepted method in his field. He has used this method over the course of his career many times. In his analysis, he considered both the Rutgers study and the PUMA Study. His opinion is that based on the analysis and assumptions in the various reports and the methodology in all three analyses. There is a negative fiscal impact on the municipality which places a burden on the municipality with regard to fiscal issues.

Questions posed by the Board ascertained the following:

Differences in his calculations could possibly be due to rounding. Less than half he rounded down and more than half he rounded up. PUMS/PUMA are projections for total population. In his experience the CAP rate is generated by the developer and varies from region to region. As the CAP rate goes down, the value of project will increase. The Burchell method does not provide guidelines for a discount. The operating expenses are based on the developer's projections. The updated Rutgers study focuses on school children not total population. He could not determine the reason for the drop in population in the Hartz second report. If using the 1846 number, the negative impact would be greater. Could not find any reason for the drop in the CAP rate. If the CAP number goes down, the valuation goes up. He used the number 1761 for total population, full build out.

Mr. Rhatican asked Mr. Liotta questions and ascertained the following:

He prepared the report the first week of April and is presenting it to the Board tonight.

Ms. Murray asked if the Public had questions for this witness and the following appeared:

Rita LaBrutto – 104 Arlington Road - Asked about a resident and non-residential condition and the costs for police/fire if residential population changes. Asked about the methodology and discount and about loss to municipality and to schools.

Mr. Liotta stated there is a residential and non-residential component in the application. In Phase One they are keeping a portion of the non-residential. Stated future costs could go up. Each report had a slightly different number due to different budget numbers.

Joe La Bracio - 4 Carolina Street – Asked about the negative impact on the school board and about building a new school.

Mr. Liotta stated that based on the school district numbers it is a negative. Does not include any future costs.

Thomas Roettker – 347 South Union Avenue – Asked about income to Hartz Mountain fully built out and if taxes to municipality were in the operating costs. Asked about page 15 and applicants' numbers and his numbers.

Mr. Liotta looked at page 7 which shows gross annual market revenue of about 23 million. Stated 1.7 million of affordable units subtracting operating costs generates an annual revenue of net 15.9 million. That would include the cost to operate the facility.

Lyubov Ursic – 197 Stoughton Avenue – Asked about the proposal being consistent with the surrounding neighborhood and environment.

Mr. Rhatican objected to the question.

Mr. Rothman stated Mr. Liotta had already testified to the Planner portion at the last meeting.

Jim Carvalho – 9 Orange Avenue – Asked a question regarding some previous testimony on April 3rd by Mr. Liotta.

Ms. Murray stated questions on previous testimony should have been asked at the April 3rd meeting.

Mr. Rhatican called Jeffrey Martell as his first rebuttal witness. Mr. Rothman reminded Mr. Martell he is still under oath. Reviewed his qualifications.

Questions by Mr. Rhatican to Mr. Martell ascertained the following:
Discussed the testimony by Mr. Brunette with regard to the conversion of the office space at 750 Walnut to warehouse/distribution. Discussed the challenges in converting the property: one is the shape and size, not ideal for warehousing. Stated floor slab might need to be improved, the basement possibly would need to be filled in, if raising the roof, might need to replace internal columns. The perimeter walls might have to be reinforced. Discussed the column spacing. Stated there would need to be more loading docks, excavating and under pinning would also be required. Stated smaller tenants and the shape of the buildings are not conducive. Described condo Unit 2, which is two story office space, does not believe can be converted into warehouse. Stated condo Unit 3, has larger column spacing.

Questions from the Board for this witness ascertained the following:
He did not go and look at the building that Mr. Brunette referenced in his testimony. He does not know what the shape of that building is or what the floor loading is or if there is a basement or if they needed to replace any columns or reinforce the walls or if there were loading docks added. He does not know what the floor rating is for the condo units, but generally there is a range for warehousing. On interior,

the column spacing is the bigger challenge. He partially watched Mr. Brunette's testimony.

Mr. Martell stated he will now comment on the on-site circulation testimony from the Traffic Consultant. Stated they have provided templates for fire trucks, move in trucks, schools buses and all of them can be accommodated by the site design. Will make accommodations for school bus stops. Fire lanes will be complied with. Did not design bike lanes or bike racks, but can be accommodated. Site designed with curbs not shoulders, but snow will not be stored in paved areas. This site plan is designed to comply with RSIS standards. This plan is very similar to others he has designed. Discussed parking for the clubhouses. Stated RSIS does not have a parking requirement unless open to the general public. Will provide a few spots at each of the clubhouses along with ADA parking.

Questions from the Board for this witness on the traffic testimony ascertained the following:

They have run turning templates based on AASHTO criteria which was provided and marked as Exhibit Martell 24. They show two circulation paths on the site. There were also box truck and fire truck turning plans. They are accepted standards by NJDOT. The most comparable project that he has built is in Roselle. That project has approximately 40 acres and 1200 units and is half built.

Ms. Murray asked if the Public had questions for this witness and the following appeared:

Christine Esposito – 11 Behnert Place – Asked if Hartz is planning on retrofitting the currently buildings into the residential space. Asked if Hartz could demo the buildings and construct commercial buildings in that space.

Mr. Martell stated that Hartz is not planning on retrofitting the current buildings, and they could construct modern commercial office space.

Lyubov Ursic – 197 Stoughton Avenue – Asked if the challenges with the buildings are insurmountable or just financial. Asked about model simulations and how many vehicles were included in those simulations.

Mr. Martell stated none of the challenges are insurmountable but are financial. He does not have a number of vehicles, but stated there can be multiple vehicles that could get in and out of property.

Follow up questions from the Board for this witness ascertained the following: He review part of the testimony by video. He was asked by Mr. Rhatican to review the site circulation and the idea of converting the office to warehouse. He reviewed about 15 to 20 minutes for Mr. Brunette and about 35 minutes for the traffic consultant. Stonefield Engineers are site civil engineers, they do not do

building conversions. All the testimony is his general knowledge of his field. On his rebuttal, he did not speak with a structural engineer, but did communication with an architect, (Mr. Englebaugh), Mr. Rhatican and the client.

Frank Krause – 20 Pittsfield Street – Asked about his knowledge of the site and asked when BOA built and about their lease. Asked about trucks facing the golf course.

Mr. Martell stated his is familiar with the site and BOA was built around 20 years ago. Stated he has been in the building, but has not done a structural analysis. Stated he has not noticed trucks by the golf course.

Rita LaBrutto – 104 Arlington Road – Asked about the Roselle development and the density. Asked about how wide the street is for the bus route. Asked how wide is a bus and would cars be parked in the road.

Mr. Martell stated he is aware this is a higher density then the Roselle project. He made no comparison to this project and the Roselle project during his testimony. Stated the street is 24 feet wide, a bus is 8 feet and cars may be in parking lot. Described T-1 which shows no parking on the route and T-2 which shows going through the area for parking. RSIS requires 24 feet and two vehicles could pass each other.

Mr. Rhatican called Keenan Hughes as his next rebuttal witness. Mr. Rothman reminded Mr. Hughes he is still under oath.

Questions by Mr. Rhatican to Mr. Hughes ascertained the following:
He was here for the testimony of Dr. Haber. Stated he will be referring to Exhibit School District 3 and Exhibit School District 6. Stated there is no support for the number by Dr. Haber in School District 3's report to estimate the total number of school children. Dr. Haber stated the analysis he used was on new and comparable developments in comparable communities. However in Dr. Haber's cross testimony, he stated he did not evaluate any specific comparable developments. Stated that he was looking at total housing stock within a community. Dr. Haber did not adjust for when they were built, their amenities, or access to transit. Stated that 74% of the communities that were listed on Exhibit 6 are single family homes. Only 4% are multifamily rental units similar to this development. Stated that Dr. Haber used Chatham Township which is an outlier. However, Chatham Township & Chatham Borough are a combined school district. It is his opinion that Dr. Haber's projection of 353 students with his multipliers, is a flawed analysis. Stated it is not based on empirical data.

Questions from the Board for this witness ascertained the following:
His analysis uses different types of housing stock in the community. Dr. Haber did not adjust for affordability. His opinion is that Dr. Haber's methodology is flawed. He did go back to Montclair and did an analysis and found his margin of error was less than projected. He does not account for other children moving into the

neighborhood, only the children moving into the development. Exhibit School District 6 total housing units is 65,324, with 74% being single family homes that equals 48,340. He has never relied upon single family home data to project numbers for school age children in rental apartment projects. Stated 89% of school age children attend public school. The range of 110 and 135 is the difference between case study multipliers and the 2018 Rutgers study.

Ms. Murray asked if the Public had questions for this witness and the following appeared:

Frank Krause – 20 Pittsfield – Asked about retired people living in Cranford and not generating children going to school.

Mr. Hughes stated he has not done any estimates on retired people living in Cranford.

Lyubov Ursic – 197 Stoughton Avenue – Asked about the numbers of the census data and about a report from 2018 from the State of New Jersey.

Mr. Hughes stated he is looking at the public use micro data from 2017. Stated he is not familiar with the specifics of the report Ms. Ursic is referring to, it may be state wide information.

Mr. Rhatican objected.

Christine Esposito - 11 Behnert Place – Asked about an age restricted community and about limiting the number of children in a bedroom. Asked if the number of children could be higher than projected.

Mr. Hughes stated it is not age restricted and he did not testify to how many children in a bedroom. Stated his number is based on an average multiplier for a specific type of housing unit.

Rita LaBrutto – 104 Arlington Road - Asked about Dr. Haber's data and utilization of the building. Asked if he reviewed the fiscal analysis and about how many school age children for a 3 bedroom affordable unit with 15 units.

Mr. Hughes stated Dr. Haber's numbers were based on the housing supply and the communities. His projection was a range 110-135 public school students. Stated he reviewed the fiscal analysis dated October 2018. Stated the 2018 Rutgers study was 152 with an adjustment of public school children to 135. His number is 1.089 for a 3 bedroom affordable unit.

Mr. Hughes discussed Mr. Liotta testimony and the reason why the study was revised due to additional data received such as new budget, new tax rate, etc. Discussed the reason the CAP rate was reduced from 6% to 5.5%. Stated he looked at market studies for region, other practitioners' reports and consulted with the developer. They used the average of 5.5%. Discussed using the 2006 Rutgers study, then the PUMA analysis in the 2018 report. Stated the 2006 report was outdated and he stopped using it for total population. Per capita costs increased from 2017 to 2018 due to budget, tax base, etc. With 937 as the full per capita cost there is still a positive fiscal impact on the municipality. The market value difference could be a rounding error.

Questions from the Board regarding Mr. Hughes additional testimony ascertained the following:

He used the 2017 PUMA Report. Operating costs included taxes in the 35%. He does not recall the specific studies he used for the CAP reduction. Typically they will estimate the CAP rate and ask client if it is reasonable. He is referring to the municipal budget when speaking about a budget. Discounted cost is really per capita cost versus marginal cost. Per capita methodology and marginal cost methodology are both accepted in impact analysis. Reason for revising the report was due to available tax rate and possible demographic information. Marginal cost estimate included additional services such as police, fire, and health. His office has phased out using the Rutgers 2006 study. He does not recall if he ran the numbers for the 3 or 5 year POMS/PUMA Report. Rutgers updated their study in December 2018 which was after his testimony and after the submittal of the report.

Rita LaBrutto – 104 Arlington Road – Asked about the number of residents going down by 224 from the March 2017 to October of 2018 and the discounted numbers. Asked if all that was needed was 56 additional residents on the 1622 and there would be negative impact. Asked if even a small population increase could take a positive to a negative. Asked about road maintenance and other expenses.

Mr. Hughes stated the numbers go down because of not using the 2006 Rutgers report and relied on PUMS Report. Stated certain services are impacted and some are not impacted at all. Stated from a fiscal impact standpoint, if there were residents that exceeded a certain threshold, then it would be considered a negative fiscal impact. Stated that the development is not requiring or expanding on the services to the community. There are some services that are internal to the site.

Lyubov Ursic – 197 Stoughton Avenue – Asked about the revised site plan, the utilities and the costs associated with those utilities.

Mr. Rhatican objected, stating that was testimony provided by another witness.

Mr. Hughes stated his analysis is based on the budget impacts to the municipality and the school district.

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

Mr. Rhatican confirmed that the next meeting on May 15th is public comment and that June 5th is the following meeting.

Mr. Rothman and Mr. Rhatican talked about the timing of his summation and the public comments.

Ms. Murray stated the next workshop will be at 7:30 p.m. and public comment will begin at 8:00 p.m.

8. PUBLIC PORTION

There being no further business, a motion to adjourn the meeting was regularly made, seconded and passed. The meeting concluded at 11:25 p.m.

Donna Pedde