

The Minutes of the **Official Meeting** of the Township Committee of the Township of Cranford, County of Union, State of New Jersey on **September 27, 2022** at 8:07 p.m. in Council Chambers.

This Meeting is in compliance with the “Open Public Meetings Act” as adequate notice of this Meeting has been provided by e-mailing the annual schedule of Meetings to THE WESTFIELD LEADER, THE UNION COUNTY LOCAL SOURCE, THE STAR LEDGER, AND TAP INTO CRANFORD, by posting such annual Meeting schedule on a bulletin board in the Municipal Building reserved for such announcements and the filing of said notice with the Township Clerk of Cranford. Formal Action will be taken at this meeting.

**PRESENT:** Mayor Kathleen Miller Prunty  
Commissioner Brian Andrews  
Commissioner Gina Black  
Commissioner Mary O’Connor

**ABSENT:** Deputy Mayor Jason Gareis

#### **INVOCATION AND FLAG SALUTE**

The invocation was led by Commissioner Brian Andrews, followed by the flag salute.

#### **MINUTE APPROVAL**

On motion of Commissioner Black, seconded by Commissioner Andrews and passed, the minutes of the Conference Meeting of September 13, 2022 and the Official Meeting of May 10, 2022 were approved by indicated vote of the Township Committee:

Recorded vote:

Aye: Mayor Miller Prunty, Commissioners Andrews, Black and O’Connor

Nay: None

Abstained: None

Absent: Deputy Mayor Gareis

#### **PAYMENT OF BILLS**

On motion of Commissioner O’Connor, seconded by Commissioner Black and passed, the Bill List dated September 27, 2022, totaling \$2,428,283.10 was approved for payment by indicated vote of the Township Committee and is on file in the Office of the Township Clerk:

Recorded vote:

Aye: Mayor Miller Prunty, Commissioners Andrews, Black and O’Connor

Nay: None

Abstained: None

Absent: Deputy Mayor Gareis

#### **MAYORAL REMARKS**

Mayor Miller Prunty spoke on behalf of the Township Committee and expressed condolences to the Mayor of the City of Rahway, whose daughter had recently passed away.

Mayor Miller Prunty spoke about Resolution No. 2022-343, pertaining to a portion of Lincoln Park that would be renamed in honor of Dr. Deborah Cannon Partridge Wolfe. Mayor Miller Prunty thanked Patricia Pavlak, Betty Crawley, Carolyn Capone, Kathleen Murray, Recreation and Parks Director Steve Robertazzi and Public Works Superintendent Erik Hastrup for their assistance on this initiative.

#### **PRESENTATION**

Township Consulting Finance Expert Bryan Morris conducted a PILOT (Payment in Lieu of Taxes) Agreements presentation pertaining to 750 Walnut Avenue and the South & Chestnut Projects

**(See PILOT presentation insert)**

Mayor Miller Prunty asked if any member of the Township Committee had questions regarding the PILOT Presentation.

Commissioner Andrews asked for clarification regarding the school children population projection. He then inquired whether there was “room” for negotiation.

#### **INFORMAL MEETING**

Mayor Miller Prunty opened the informal portion of the meeting and asked if there were any questions or comments.

Loretta Smith, 21 Onieda Place – Ms. Smith inquired about Ordinance No. 2022-23 pertaining to the prohibition of smoking in public places and inquired if sidewalks were considered public property. She also then about Resolution No. 2022-352 pertaining to a Change Order for the 375 Centennial Avenue Recreation facility and asked when the Township would reach their maximum cost.

Rita LaBrutto, 104 Arlington Road – Ms. LaBrutto discussed the number of school-aged children residing in the Birchwood Park apartments (Birchwood) between 2021 and 2022. She then discussed the land tax associated with Birchwood, revenues and how the Birchwood financial arrangement was affecting the Cranford School District. Discussion ensued between Ms. LaBrutto, Bryan Morris of Phoenix Advisors LLC, Michael Ash of Calin, Ward, Ash & Heiart LLC and Township Attorney Ryan Cooper regarding land tax abatements, PILOT programs, Memorandums of Understanding (MOU's) and properties which were not generating tax revenues for years.

Chrissa Stulpin, 356 Retford Avenue – Ms. Stulpin highlighted concerns raised by Rita LaBrutto. Ms. Stulpin inquired about what the tax revenue of the properties located at 750 Walnut Avenue and the South & Chestnut redevelopment area would be after the improvements have been completed, both with a PILOT program and without a PILOT program.

William Thilly, 22 Bloomingdale Avenue – Mr. Thilly spoke about PILOT programs and asked if Bryan Morris of Phoenix Advisors LLC had been hired by the Township. He expressed his skepticism over the true number of units the Township had been obligated to build and suggested that the Township could build units on their own. Mr. Thilly expressed his affection to the residents of the Township.

Jim Carvalho, 9 Orange Avenue – Mr. Carvalho spoke about an article which appeared in the July 21<sup>st</sup> edition of the Westfield Leader which pertained to new owners of the Swan Cleaners property. Mr. Carvalho asked questions about the Swan Cleaners property including questions about the filing of the deed for the property and the new owners. Mr. Carvalho then spoke about the May 20<sup>th</sup> DMC (Downtown Management Corporation) Meeting Minutes and stated that a portion of such Minutes were false (specifically regarding a “clean” versus “dirty” New Jersey Department of Environmental Protection site).

Christine Esposito, 11 Behnert Place – Ms. Esposito expressed concerns over how the Planning Board was handling the 750 Walnut Avenue Redevelopment project. She inquired about the alignment of driveways in the Site Plan as well the process of pending Planning Board applications. Ms. Esposito inquired about the 750 Walnut Avenue Redevelopment Plan. She inquired how residents could best get involved in the Redevelopment process as well as the correct place to ask questions.

Gerry Stiner, 3 Morningside Place – Ms. Stiner thanked the Township Committee for their service to the Township. She asked for clarification regarding commercial revenue and spoke about the acreage of residential and commercial space at 750 Walnut Avenue. Ms. Stiner expressed concerns over the number of trees being cut down throughout the Township. She spoke about the benefits of trees and suggested that an ordinance be adopted by the Township Committee that would require a tree expert to evaluate the health of a tree before it is cut down. Discussion then ensued between Ms. Stiner and members of the Township Committee regarding the tree matter.

Hearing no further comments, Mayor Miller Prunty closed the informal portion of the meeting.

#### **ORDINANCES – Final Reading and Public Hearing**

##### **Ordinance No. 2022-20:**

REMOVED FROM AGENDA

#### **ORDINANCES – Introduction**

##### **Ordinance No. 2022-21:**

The Township Clerk read by title only Ordinance No. 2022-21 entitled, “AN ORDINANCE FIXING THE SALARIES AND WAGES OF CERTAIN OFFICIALS AND EMPLOYEES OF THE TOWNSHIP OF CRANFORD, NEW JERSEY FOR THE YEAR 2022”

##### **Commissioner O'Connor**

Stated that the introduced salary ordinance would put the Township in line with most other municipalities.

Said ordinance was introduced and approved on first reading on motion of Commissioner O'Connor, seconded by Commissioner Black, and passed by the indicated vote of the Township Committee:

##### **Recorded vote:**

Aye: Mayor Miller Prunty, Commissioners Andrews, Black and O'Connor

Nay: None

Abstained: None

Absent: Deputy Mayor Gareis

**Final Reading and Public Hearing for Ordinance No. 2022-21 to be held October 25, 2022 and the publication will take place in the Westfield Leader on October 6, 2022.**

**Ordinance No. 2022-22:**

The Township Clerk read by title only Ordinance No. 2022-22 entitled, “AN ORDINANCE TO AMEND THE CODE OF THE TOWNSHIP OF CRANFORD, CHAPTER 6, TO CREATE ROBUST CONFLICT OF INTEREST POLICIES IN THE AWARDING OF PUBLIC EMPLOYMENT AND CONTRACTING”

Commissioner O’Connor

Stated that this ordinance would institute conflict of interest and contribution policies for political candidates.

Commissioner Andrews

Commented that Ordinance No. 2022-22 would be the gold standard of campaign finance law.

Said ordinance was introduced and approved on first reading on motion of Commissioner O’Connor, seconded by Commissioner Andrews, and passed by the indicated vote of the Township Committee:

Recorded vote:

Aye: Mayor Miller Prunty, Commissioners Andrews, Black and O’Connor

Nay: None

Abstained: None

Absent: Deputy Mayor Gareis

**Final Reading and Public Hearing for Ordinance No. 2022-22 to be held October 25, 2022 and the publication will take place in the Westfield Leader on October 6, 2022.**

**Ordinance No. 2022-23:**

The Township Clerk read by title only Ordinance No. 2022-23 entitled, “AN ORDINANCE TO AMEND THE CODE OF THE TOWNSHIP OF CRANFORD TO EXPRESSLY PROHIBIT IN PUBLIC PLACES WITHIN THE TOWNSHIP THE SMOKING, VAPING, OR AEROSOLING OF TOBACCO, HEMP, CANNABIS AND MARIJUANA”

Commissioner Black

Explained that Ordinance No. 2022-23 would add additional stipulations to the current Health Code regarding 1) the use and sale of tobacco products as well as 2) the prohibition of tobacco and cannabis use on public property.

Commissioner Andrews

Stated that the introduction of Ordinance No. 2022-23 was requested by the Cranford Police Department.

Said ordinance was introduced and approved on first reading on motion of Commissioner Black, seconded by Commissioner Andrews, and passed by the indicated vote of the Township Committee:

Recorded vote:

Aye: Mayor Miller Prunty, Commissioners Andrews, Black and O’Connor

Nay: None

Abstained: None

Absent: Deputy Mayor Gareis

**Final Reading and Public Hearing for Ordinance No. 2022-23 to be held October 25, 2022 and the publication will take place in the Westfield Leader on October 6, 2022.**

**RESOLUTIONS – By Consent Agenda**

On motion of Commissioner Andrews, seconded by Commissioner Black and passed, the following resolutions were adopted by consent agenda:

**Resolution No. 2022-341:**

**AUTHORIZING THE DOWNTOWN MANAGEMENT CORPORATION TO AWARD A CONTRACT FOR PROFESSIONAL ARCHITECTURAL SERVICES TO DEVELOP RENDERINGS FOR THE PROPOSED NORTH AVENUE REDEVELOPMENT**

**WHEREAS**, the Township of Cranford’s Master Plan outlined specific goals for enhancing the downtown area aesthetically and financially in keeping with the principles of Smart Growth; and

**WHEREAS**, the Township Committee of the Township of Cranford has authorized the Downtown Management Corporation (“DMC”) to promote, brand, beautify, maintain, attract and grow business in the Special Improvement District, i.e., Cranford’s Downtown; and

**WHEREAS**, the DMC requires professional architectural services to prepare illustrative renderings of the design concepts for the mixed-use redevelopment project known as the North Avenue Redevelopment Area; and

**WHEREAS**, the DMC has gathered the public’s input for a Community Vision Plan that incorporates historic architecture and promotes the scale and character of the downtown; and

**WHEREAS**, professional architects Connolly & Hickey Historical Architects, LLC (“Architects”) possess the architectural expertise and qualifications to propose designs with the appropriate massing, scale, architectural features and detailing, which includes roofline delineation, fenestration patterns, street-level access as described more fully in its Short Form Proposal, dated June 24, 2022, entitled Renderings of Proposed Redevelopment on North Avenue (“Proposal”); and

**WHEREAS**, the Architects have completed and submitted a Business Entity Disclosure Certification, which certifies that they have not made any reportable contributions to a political or candidate committee in the Township of Cranford in the previous one year, and that the contract will prohibit the Architects from making any reportable contributions through the term of the contract; and

**WHEREAS**, the Township Committee of the Township of Cranford has determined from the Cost Proposal that all expenses needed to carry out the project are \$30,000.00 which falls below the applicable bid-threshold; and

**WHEREAS**, the Chief Financial Officer and the Director of Finance has certified as to the availability of funds, which is on file in the office of the Township Clerk and that said contract amount shall be charged to Accounts No. 2-01-20-100-100-214 and T-15-00-000-112; and

**NOW THEREFORE, BE IT RESOLVED** by the Township Committee of the Township of Cranford that the DMC is hereby authorized to enter into a contract with Connolly & Hickey Historical Architects, LLC, One (1) South Union Avenue, P.O. Box 1726, Cranford, New Jersey, 07016, for site review and research for development of renderings proposing designs for the North Avenue Redevelopment Area. **BE IT FURTHER RESOLVED** that the legally authorized representatives of the Township are directed to execute any and all necessary documents to implement the intent of this Resolution.

**Resolution No. 2022-342:**

**WHEREAS**, there exists a need for the Township of Cranford to engage an expert to provide general litigation counsel including but not limited to related legal services in connection with the action *MDTV Realty, LLC, et al. v. Township of Cranford, et al.*, Docket No: MRS-L-002575-21; and

**WHEREAS**, the Township of Cranford advertised for a Request for Proposals (RFP’s) for the Provision of Various 2022 Professional Services through a fair and open process in accordance with N.J.S.A. 19:44A-20.4 et seq.; and

**WHEREAS**, pursuant to Resolution 2022-07, the Township of Cranford deemed that the background, experience, and qualifications of Jardim, Meisner & Susser, P.C., satisfied the criteria set forth in the RFP, and designated Jardim, Meisner, & Susser, P.C. as a firm for providing the Township general litigation-related legal services; and

**WHEREAS**, the Chief Financial Officer and the Director of Finance have certified to the availability of funds, which is on file in the office of the Township Clerk.

**NOW, THEREFORE, BE IT RESOLVED** by the Township Committee of the Township of Cranford, New Jersey, as follows:

1. Jardim, Meisner & Susser, P.C., 30B Vreeland Road, Suite 100, Florham Park, New Jersey, 07932 be and hereby is awarded a contract to provide general litigation and related legal services including but not limited to the specific case captioned *MDTV Realty, LLC, et al. v. Township of Cranford, et al.*, Docket No: MRS-L-002575-21, at a cost not to exceed \$5,000; and
2. The Mayor and Municipal Clerk are hereby authorized and directed to execute a contract with Jardim, Meisner & Susser, P.C. for general legal litigation services including but not limited to the specific case captioned *MDTV Realty, LLC, et al. v. Township of Cranford, et al.*, Docket No: MRS-L-002575-21; and
3. This contract is awarded pursuant to the “fair and open” process, N.J.S.A. 19:44A-20.5.

**BE IT FURTHER RESOLVED** that said contract amount shall be charged to Account No. 2-01-20-155-100-200.

**Resolution No. 2022-343:**

**WHEREAS**, the Township of Cranford requires the installation of a public plaza within Lincoln Park to be named the Dr. Deborah Cannon Partridge Wolfe Reading Garden in the Township of Cranford; and

**WHEREAS**, the Township of Cranford requested quotes for the public plaza through a non-fair and open process in accordance with N.J.S.A. 19:44A-20.4 et seq.; and

**WHEREAS**, the Purchasing Agent has determined and certified in writing that the value of the contract will exceed \$17,500; and

**WHEREAS**, Baker Bros. Landscaping LLC. has submitted a proposal dated March 24, 2022, indicating they will provide the Construction Services for \$22,000.00; and

**WHEREAS**, Baker Bros. Landscaping LLC has completed and submitted a Business Entity Disclosure Certification which certifies that Baker Bros. Landscaping LLC has not made any reportable contributions to a political or candidate committee in the Township of Cranford in the previous one year, and that the contract will prohibit Baker Bros. Landscaping LLC from making any reportable contributions through the term of the contract, and

**WHEREAS**, the Chief Financial Officer have certified to the availability of funds which is on file in the office of the Township Clerk and that said contract amount shall be charged to Account No. C-04-15-027-000-202; and

**NOW, THEREFORE, BE IT RESOLVED** that the Township Committee of the Township of Cranford, authorizes the Purchasing Agent to enter into a contract with Baker Bros. Landscaping LLC, P.O. Box 1556, Cranford, New Jersey. 07016, as described herein; and,

**BE IT FURTHER RESOLVED** that the Business Disclosure Entity Certification and the Determination of Value to be placed on file with this resolution.

**Resolution No. 2022-344:**

**WHEREAS**, the Township advertised for bids for the purchase of Special Improvement District Holiday Decorations, through a fair and open process in accordance with N.J.S.A. 19:44A-20.4 et seq.

**WHEREAS**, the Township received sealed bids on September 15, 2022; and

**WHEREAS**, the bid of the lowest responsible bidder for the Special Improvement District Holiday Decorations was **Rileighs Outdoor Decor**, 1053 North Plymouth Street, Allentown, Pennsylvania, 18109 with a submitted bid proposal of \$76,180.00; and

**WHEREAS**, the Chief Financial Officer have certified to the availability of funds which is on file in the office of the Township Clerk and that said contract amount shall be charged to Accounts No.'s C-04-22-012-000-211 and 2-01-20-100-100-290; and

**NOW, THEREFORE, BE IT RESOLVED** by the Township Committee of the Township of Cranford that the bid for the acquisition of Special Improvement District Holiday Decorations, be and is hereby awarded to **Rileighs Outdoor Decor**, as more particularly set forth in the Successful Bidder's bid proposal dated September 1, 2022, which bid proposal is on file in the Office of the Township Clerk; and

**BE IT FURTHER RESOLVED** that the Township Committee of the Township of Cranford, authorizes and directs legally authorized representatives of the Township of Cranford to enter into a contract with **Rileighs Outdoor Decor**, 1053 North Plymouth Street, Allentown, Pennsylvania, 18109, for the purchase of Special Improvement District Holiday Decorations, in the form approved by the Township Attorney.

**Resolution No. 2022-345:**

**WHEREAS**, the Township Committee wishes to purchase one (1) Caterpillar 440 Backhoe Loader from an authorized vendor under the Sourcewell Co-op Price Program, Contract No. 032119-CAT; and,

**WHEREAS**, the purchase of goods and services by local contracting units is authorized by the Local Public Contracts Law, N.J.S.A 40A:11-12; and

**WHEREAS, Foley Inc.**, of 855 Centennial Avenue, Piscataway, New Jersey, 08855, is an authorized vendor for the Caterpillar 440 Backhoe Loader; and

**WHEREAS**, Foley Inc will provide said goods and services to the Township of Cranford; and

**WHEREAS**, the qualified purchasing agent recommends utilization of this contract on the ground that it represents the best price available; and

**WHEREAS**, the purchase of one (1) Caterpillar 440 Backhoe Loader totals a cost of \$137,386.00 (representing total cost after authorized trade-in); and,

**WHEREAS**, the Chief Financial Officer has certified that sufficient funds are available and appropriated for this purchase, and that said contract amount shall be charged to Accounts No. G-01-41-700-101-290 and 2-01-26-290-100-271; and

**WHEREAS**, said certification of availability of funds is on file in the Office of the Township Clerk.

**NOW THEREFORE, BE IT RESOLVED** that the Township Committee of the Township of Cranford, at a meeting held September 27, 2022, does hereby approve that Foley, Inc. is hereby awarded the contract for the purchase of one (1) Caterpillar 440 Backhoe Loader for the Department of Public Works at a cost of \$137,386.00.

**Resolution No. 2022-346:**

**WHEREAS**, at a meeting held May 24, 2016, the Township Committee adopted Ordinance No. 2016-06, which established ranges with minimum and maximum salaries and progressive salary steps for certain job titles within the Township of Cranford; and

**WHEREAS**, pursuant to Ordinance No. 2016-06, the Township Committee reserves the right and discretion to make salary adjustments at any time as it deems it to be in the public interest and in the interests of good management, including for those job titles not on a progressive step schedule; and

**WHEREAS**, the Township Committee is appreciative of the hard work of all of its Township employees and is desirous of retaining dependable and experienced employees; and

**NOW, THEREFORE, BE IT RESOLVED** that the Township Committee hereby approves the progression in steps and/or salary increases for the following employees in the following job titles:

Name	Title	Range #	Salary	Effective
Dan Czeh	Chief of Fire	2	\$177,021.69	June 1, 2022
Cathy Scotti	Executive Assistant	12	\$73,860.58	June 1, 2022

**Resolution No. 2022-347:**

**RESOLUTION AUTHORIZING THE TOWNSHIP CLERK TO ADVERTISE FOR PROJECT BIDS**

**BE IT RESOLVED**, by the Township Committee of the Township of Cranford, that the Township Clerk be, and hereby is, authorized to advertise for bids for the following 2022 Township Consulting Engineering Department projects:

1. Kensington Avenue and Edgar Avenue Drainage Improvements
2. Rehabilitation of Dike – Riverside Drive

**Resolution No. 2022-348:**

**A RESOLUTION REQUESTING PERMISSION FOR THE DEDICATED TRUST BY RIDER FOR DONATIONS – ACCEPTANCE OF BEQUESTS AND GIFTS (N.J.S.A. 40A:5-29) (PERTAINING TO THE TOWNSHIP’S COMMUNITY ADVISORY BOARDS’ DONATIONS)**

**WHEREAS**, permission is required of the State of New Jersey Director of the Division of Local Government Services for approval as a dedication by rider of revenues received by a municipality when the revenue is not subject to reasonably accurate estimates in advance; and

**WHEREAS**, N.J.S.A. 40A:4-39 provides the dedicated revenues anticipated for Donations – Acceptance of Bequests and Gifts (N.J.S.A. 40A:5-29) are appropriated as revenue and are hereby appropriated for the purpose to which said revenue is dedicated by statute or other legal requirement: Acceptance of the Township of Cranford’s Community Advisory Boards’ Donations:

**NOW, THEREFORE, BE IT RESOLVED**, by the Governing Body of the Township Committee of the Township of Cranford in the County of Union, New Jersey as follows:

1. The Governing Body does hereby request permission of the State of New Jersey Director of the Division of Local Government Services to pay expenditures for Donations – Acceptance of Bequests and Gifts (N.J.S.A. 40A:5-29) – Acceptance of Community Advisory Boards’ Donations used for Board-run Events and Activities by the Township of Cranford’s Boards.
2. The Clerk of the Township of Cranford, County of Union is hereby directed to forward two certified copies of the Resolution to the State of New Jersey Director of the Division of Local Government Services.

**Resolution No. 2022-349:**

**BE IT RESOLVED**, by the Township Committee of the Township of Cranford on the 27<sup>th</sup> day of September, 2022 that the Tax Collector has been authorized to refund a tax overpayment for the reason noted:

**Exempt Vet Payment**

Block 526 Lot 16  
 Anders Wenstrand-Nausthaug  
 131 North Lehigh Avenue  
 Cranford, N.J. 07016

**Refund \$889.27**  
 (2-01-55-000-010-025)

**Resolution No. 2022-350:**

**BE IT RESOLVED** by the Township Committee of the Township of Cranford on the 27<sup>th</sup> day of September, 2022 that the Tax Collector be and hereby is authorized to expunge the following 2022 real estate taxes for the reason noted:

**100% Disabled Veteran-As of August 29, 2022**

Block 526 Lot 16  
 Anders Wenstrand-Nausthaug  
 131 North Lehigh Avenue  
 Cranford, N.J. 07016

**Expunged: \$3,335.56**

**Resolution No. 2022-351:**

**BE IT RESOLVED** that the Township Committee of the Township of Cranford hereby authorizes the closure of Eastman Street from North Avenue to South Union Avenue on Saturday, October 8, 2022 (rain date is October 15, 2022) from 5:00 p.m. to 9:00 p.m. for the closing act of Porchfest 2022.

**Resolution No. 2022-352:**

**RESOLUTION AUTHORIZING A CONTRACT CHANGE ORDER FOR ADDITIONAL IMPROVEMENTS FOR THE RENOVATION OF THE RECREATION CENTER AT 375 CENTENNIAL AVENUE**

**WHEREAS**, Tri-Form Construction Inc., 119 Liberty Street, Metuchen, New Jersey, 08840 was previously awarded a construction contract for the Renovation of the Cranford Recreation Center at 375 Centennial Avenue with a total project price of \$1,253,000.00; and

**WHEREAS**, the project is currently on-going and it is understood that the Township of Cranford would like to expedite the Renovation of the Cranford Recreation Center at 375 Centennial Avenue; and

**WHEREAS**, DMR Architects has reviewed the requests and approved each, which outlines the estimated additional construction costs for said improvements to the Recreation Center in the amount of \$43,505.00; and

**WHEREAS**, the Chief Financial Officer has certified that sufficient funds are available within the current and/or previously adopted budget for said purpose; and

**WHEREAS**, the following summarizes the allocation of the \$43,505.00 Change Order:

- Utilize the available funding from Capital Bond Ordinance C-04-21-010-000-209

**NOW THEREFORE BE IT RESOLVED**, by the Township Committee of the Township of Cranford, Union County, New Jersey that the above referenced Change Order for the Renovations of the Cranford Recreation Center at 375 Centennial Avenue is awarded to Tri-Form Construction, Inc., 119 Liberty Street, Metuchen, New Jersey, 08840 in the amount of \$43,505.00 (3.5% of the original contract amount of \$1,253,000.00).

**BE IT FURTHER RESOLVED**, that this Resolution shall take effect immediately.

I, Patricia Donahue, Township Clerk of the Township of Cranford, in the County of Union, State of New Jersey, do hereby certify that the forgoing is true and correct copy of a Resolution adopted by the Township Committee of the Township of Cranford, County of Union, State of New Jersey at a regular meeting of said Committee held on September 27, 2022.

Recorded vote:

Aye: Mayor Miller Prunty, Commissioners Andrews, Black and O'Connor

Nay: None

Abstained: None

Absent: Deputy Mayor Gareis

**PUBLIC COMMENTS**

Mayor Miller Prunty opened the public comments portion of the meeting and asked if there were any questions or comments.

Jim Carvalho, 9 Orange Avenue - Mr. Carvalho discussed Resolution No. 2022-341 pertaining to the award of contract for professional architectural services. He stated that the owner of the architectural services firm, Connolly and Hickey, was a former Board member of the Downtown Management Corporation. Mr. Carvalho spoke about corporate welfare and cronyism in the Township.

Rita LaBrutto, 104 Arlington Road - Ms. LaBrutto stated that she supported Resolution No. 2022-341 and spoke about the importance of hiring a firm that specialized in historical architecture. She spoke about her preference for three (3)-story structures and the importance of providing a model for residents to view.

George Collins, 5 Behnert Place – Mr. Collins expressed his concerns over commercial truck traffic and safety in the area of 750 Walnut Avenue. He asked if funds could be allocated to conduct an extensive traffic study in that area. Discussion ensued.

Hearing no further comments, Mayor Miller Prunty closed the public comments portion of the meeting.

**PROFESSIONAL COMMENTS**

**Township Administrator Jamie Cryan**

- Provided a flood elevation update and stated that the New Jersey Department of Community Affairs would be working with the Township to assist more residents to qualify for home elevations; directed residents to contact the Administration Office if they needed assistance with such application process.

**COMMISSIONER REPORTS/COMMENTS**

**Commissioner Gina Black**

- Thanked Township Consulting Finance Expert Bryan Morris for putting the PILOT (Payment in Lieu of Taxes) presentation together;
- Announced that the Recreation Center programs were “in full swing” and stated that program registration was open; spoke about the Recreation Departments third (3<sup>rd</sup>) Annual Halloween House Decorating Contest;
- Stated that the Township’s Candidate Forum would be held on Thursday and encouraged members of the public to participate in the process.

**Commissioner Mary O’Connor**

- Thanked Township Consulting Finance Expert Bryan Morris for attending the Township Committee Meeting and conducting the PILOT (Payment in Lieu of Taxes) presentation;
- Spoke about upcoming Downtown Cranford activities and encouraged members of the public to support local retail businesses;
- Invited members of the public to watch and discuss the upcoming Candidate Forum;
- Wished everyone a Happy Rosh Hashanah;

**Commissioner Brian Andrews**

- Spoke about his experience serving as the Liasson for the Downtown Management Corporation for the past two (2) years;
- Complimented Connolly & Hickey Historical Architects, LLC as well as Township resident Joseph Colangelo;
- Discussed road disruptions due to paving projects including work on Severin Court, Elm Street and Burnside Avenue;
- Stated that Cranford was the Halloween Capital of the World; spoke about the upcoming Haunted Cranford History Tour;
- Announced that Porchfest would be held on October 8<sup>th</sup>;
- Urged members of the public to get their flu shot.

**Mayor Kathleen Miller Prunty**

- Spoke about her 21 years as Director of the Downtown Management Corporation (DMC) and thanked past and current DMC Board members. She also extended her gratitude to everyone who supported businesses in the Downtown area;
- Wished everyone a Happy Halloween and reiterated that Cranford was the Halloween Capital of the World

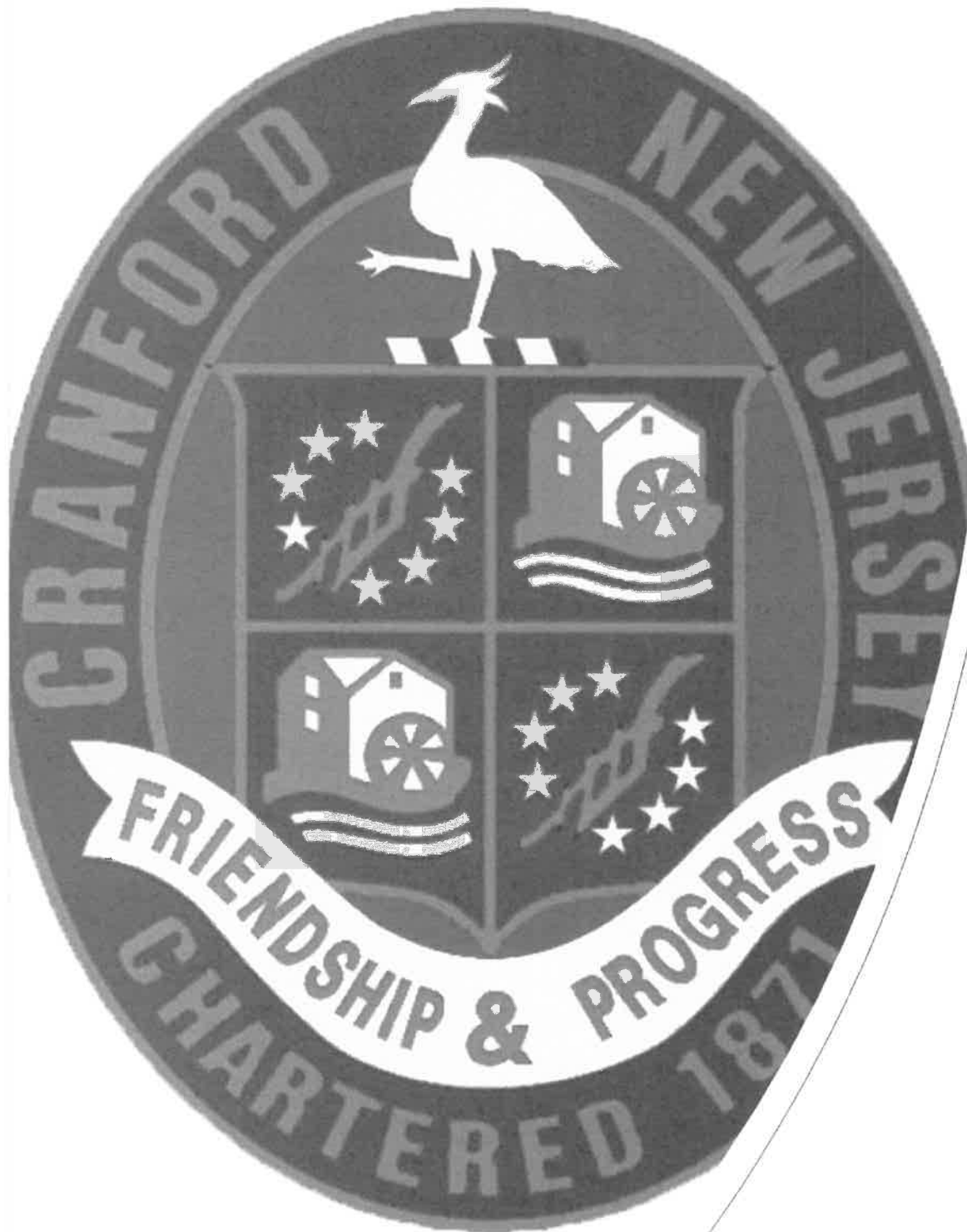
On motion of Commissioner O’Connor seconded by Commissioner Black and passed, the Township Committee moved to closed session at 10:01 p.m.

Respectfully submitted,

Patricia Donahue, RMC  
Township Clerk

Date: September 27, 2022





**Township of Cranford**

**Redevelopment  
Projects & PILOTs:**

**Hartz Mountain &  
Iron Ore Properties**

Phoenix Advisors, LLC

September 27, 2022

# How We Got Here

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- 2017 & 2018: Hartz Mountain lawsuits seek to leverage affordable housing obligation to build 905 apartments at 750 Walnut.
- August 2020: Township approves South & Chestnut MoU including a 5-year PILOT with Iron Ore Properties, as part of a Fair Share Housing Center Settlement.
- December 2020: Township unanimously approves 750 Walnut MoU including a 30-year PILOT with Hartz Mountain, for a project consisting of 250 residential units and 15-acres of commercial space.
- April 2021: Court approves the Township's Affordable Housing Plan conditioned on completing these projects, including South & Chestnut and 750 Walnut. Compliance with the Affordable Housing Plan provides protection from builder's remedy lawsuits.
- The proposed projects fully conform with the respective MoU with Hartz Mountain and Iron Ore Properties approved by Township Committee in 2020 and comply with the Township's Third Round Affordable Housing obligation.



# PILOT Basics

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- A PILOT, or “payment in lieu of tax”, is an amount that a property owner pays instead of paying conventional real estate taxes on the improvement portion of their property. The amounts due under the PILOT are a municipal lien.
- Facilitates redevelopment in areas that need it and helps fulfill affordable housing obligations. Allows the municipality to have increased decision-making powers throughout the redevelopment process.
- The land portion is not exempt from taxation.
- The term of the PILOT is generally 30-years for Long-Term PILOTs and 5-years for Short-Term PILOTs. After the expiration of the financial agreement, the payments revert to conventional taxes.
- State law sets the minimum Long-Term PILOT at 10% of annual gross revenue (“AGR”) or 2% of project costs; whereas Short-Term PILOTs are typically structured as the taxes paid in the prior year plus a percentage of the incremental conventional taxes on the new improvements (0%/20%/40%/60%/80%).



# Proposed Project Descriptions

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## 750 Walnut Project:

- Residential Component (Long-Term PILOT)
  - 212 market-rate units and 38 affordable units
  - Project site currently produces approx. \$460,000 in total taxes per year
- Commercial Component (Conv. Taxes)
  - Approximately 240,000 SF of commercial/flex space
  - Project site currently produces approx. \$460,000 in total taxes per year

## South & Chestnut Project:

- 201 Walnut Component (Short-Term PILOT)
  - 34 market-rate units and 8 affordable units
  - Project site currently produces approx. \$33,000 in total taxes per year
- South Ave Component (Short-Term PILOT)
  - 48 market-rate units, 9 affordable units and approx. 2,600 SF of retail space
  - Project site currently produces approx. \$81,000 in total taxes per year



# Proposed PILOT for 750 Walnut

ESTIMATED PILOT CASH FLOW - RESIDENTIAL COMPONENT			
	Year 2	Year 30	30-yr Total
<b>Annual Gross Revenue (AGR)</b> <i>Based on 250 units at projected rents/escalation</i>	\$7,815,000	\$17,880,000	\$356,900,000
<b>Annual Service Charge (ASC)</b> <i>Initially at 11.5% of AGR and subject to escalation</i>	900,000	3,025,000	45,965,000
<b>As a % of Conv. Taxes</b> <i>Based on a projected assessment of \$30,960,000</i>	41%	80%	54%
<b>Plus: Administrative Fee</b> <i>2.00% of ASC per statute</i>	18,000	60,000	920,000
<b>Less: County Fee</b> <i>5.00% of ASC per statute</i>	(27,000)	(120,000)	(1,590,000)
<b>Less: Net Land Tax Credit</b> <i>Based on a projected assessment of \$5,250,000</i>	(280,000)	(485,000)	(10,955,000)
<b>Net PILOT Revenue to Municipality After LTC</b>	<b>\$610,000</b>	<b>\$2,480,000</b>	<b>\$34,340,000</b>

ESTIMATED TAXES - COMMERCIAL COMPONENT				
	Current Taxes	Year 2	Year 30	30-yr Total
<b>Projected Assessment</b> <i>Based on 240,000 SF of flex space</i>	\$14,000,000	\$17,200,000	\$17,200,000	\$17,200,000
<b>Projected Total Taxes</b>	925,000	1,205,000	2,100,000	48,000,000
<b>Municipal Share (22%)</b>	205,000	270,000	470,000	10,695,000
<b>School Share (56%)</b>	520,000	680,000	1,180,000	27,015,000
<b>County Share (20%)</b>	185,000	240,000	420,000	9,590,000
<b>Library Share (2%)</b>	15,000	20,000	30,000	705,000
<b>Estimated Total Tax Revenue</b>	<b>925,000</b>	<b>\$1,205,000</b>	<b>\$2,100,000</b>	<b>\$48,000,000</b>

- The Residential Component (Long-Term PILOT) will be built on 50% of the site and the Commercial Component (Conv. Taxes) will be on the other 50%.
- The proposed PILOT is for 30 years and is based on a percentage of annual gross revenue: 11.5% in years 1-10; 12.5% in years 11-20; and 13.5% in years 21-30.
- The land will continue to be taxed conventionally and is projected to produce \$360,000 of total tax revenue per year.
- The Commercial Component is subject to conventional taxes and will be split between the Township (22%), School District (56%), County (20%) and Library (2%).
- The Commercial Component alone (15-acres) will exceed the current total taxes on the aggregate 30-acre property.

(1) Based on discussions with Tax Assessor and preliminary estimates. Assumes 2% tax rate growth per year.  
 (2) PILOT terms were independently analyzed based on information in MoU, supporting documentation and consultant reports.  
 (3) Current taxes reflect the projected 2022 taxes on the full 30-acre property. The Project is not located in the SID.  
 (4) Totals may not add due to rounding.



# Proposed PILOT for South & Chestnut

CURRENT/PROJECTED TAX ASSESSMENTS							
	Current				Projected		
	Land	Imp.	Total		Land	Imp.	Total
201 Walnut	314,000	163,300	477,300	201 Walnut	600,000	4,500,000	5,100,000
South Ave	679,000	511,900	1,190,900	South Ave	1,190,000	5,310,000	6,500,000
<b>Total</b>	<b>\$993,000</b>	<b>\$675,200</b>	<b>\$1,668,200</b>	<b>Total</b>	<b>\$1,790,000</b>	<b>\$9,810,000</b>	<b>\$11,600,000</b>

ESTIMATED PILOT/TAX CASH FLOW							
PILOT/Tax Basis	Current	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	Conv. Taxes	0% Increment	20% Increment	40% Increment	60% Increment	80% Increment	Conv. Taxes
<b>Est. Taxes/PILOT:</b>							
201 Walnut	\$33,000	\$43,000	\$114,000	\$185,000	\$257,000	\$328,000	\$400,000
South Ave	<u>81,000</u>	<u>84,000</u>	<u>169,000</u>	<u>254,000</u>	<u>339,000</u>	<u>424,000</u>	<u>509,000</u>
<b>Total</b>	<b>\$114,000</b>	<b>\$127,000</b>	<b>\$283,000</b>	<b>\$439,000</b>	<b>\$596,000</b>	<b>\$752,000</b>	<b>\$909,000</b>
<b>Allocation:</b>							
Municipal	\$25,000	\$27,000	\$174,000	\$321,000	\$467,000	\$614,000	\$196,000
School	62,000	69,000	71,000	72,000	74,000	75,000	496,000
County	22,000	25,000	33,000	41,000	49,000	57,000	176,000
Library/SID	<u>5,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>41,000</u>
<b>Total</b>	<b>\$114,000</b>	<b>\$127,000</b>	<b>\$284,000</b>	<b>\$440,000</b>	<b>\$596,000</b>	<b>\$752,000</b>	<b>\$909,000</b>

- The properties currently generate \$114k of total tax revenue split between the Township (\$25k), County (\$22k), School District (\$62k) and Library/SID (\$5k).
- 201 Walnut and South Ave are Short-Term PILOTs, structured as 5-year incremental tax phase-ins (0/20/40/60/80%).
- The land is not abated so all taxing entities will receive no less than current taxes.
- In Year 6, the PILOT reverts to conventional taxes and is projected to generate over \$900k per year.

(1) Based on discussions with Tax Assessor and preliminary estimates. Assumes 2% tax rate growth per year.  
 (2) PILOT terms were independently analyzed based on information in MoU, supporting documentation and consultant reports.  
 (3) The Project is located in the SID, so the tax split differs from 750 Walnut.  
 (4) Totals may not add due to rounding.



# Aggregate Cost/Benefit Summary

PROJECTED PUBLIC SCHOOL CHILDREN (PSC)					
Project Component	Unit Count	Applicable Multiplier	Projected PSC	Est. Cost per Pupil	Estimated Total Cost
750 Walnut -Res.	250	0.13	34	10,500	355,000
750 Walnut -Com.	0	0.13	0	10,500	0
201 Walnut -Res.	42	0.13	6	10,500	65,000
South Ave -Mixed	<u>55</u>	0.13	<u>7</u>	10,500	<u>75,000</u>
	<b>347</b>		<b>47</b>		<b>\$495,000</b>

PROJECTED COST/BENEFIT SUMMARY AT FULL STABILIZATION					
	Municipal	School*	County*	Library*	Total
<b>PROJECTED REVENUE</b>					
750 Walnut -PILOT	\$530,000	\$0	25,000	\$0	\$555,000
750 Walnut -Land Tax	80,000	205,000	70,000	5,000	360,000
750 Walnut -Ratable	270,000	680,000	240,000	20,000	1,205,000
201 Walnut -PILOT/Land	10,000	24,000	9,000	1,000	43,000
South Ave -PILOT/Land	<u>19,000</u>	<u>47,000</u>	<u>17,000</u>	<u>1,000</u>	<u>84,000</u>
<b>Total Revenue</b>	<b>\$909,000</b>	<b>\$956,000</b>	<b>\$361,000</b>	<b>\$27,000</b>	<b>\$2,247,000</b>
<b>PROJECTED COSTS</b>					
Municipal Costs	\$330,000	\$0	\$0	\$0	\$330,000
School Costs	<u>0</u>	<u>495,000</u>	<u>0</u>	<u>0</u>	<u>495,000</u>
<b>Total Costs</b>	<b>\$330,000</b>	<b>\$495,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$825,000</b>
<b>NET REVENUE</b>	<b>\$579,000</b>	<b>\$461,000</b>	<b>\$361,000</b>	<b>\$27,000</b>	<b>\$1,422,000</b>

- Based on information provided by the District, 409 comparable existing units generated only 55 school children (0.13/unit).
- Further, enrollment in the District has decreased by 162 students (a 4% reduction) from 3,905 to 3,743 over the last 5 years (per 2021 audit).
- The projected aggregate annual PILOT/tax benefit far exceeds the estimated incremental school (\$495k) and municipal (\$330k) costs.
- The combination of the PILOTs and new commercial ratables results in an increase in revenue to all taxing entities as compared to the current underutilized or vacant properties.

*\*New tax revenue produced for the School District, County and Library does not add to their respective budgets; it redistributes the tax burden across the tax base, thus reducing the average resident's tax bill.*

(1) Based on discussions with Tax Assessor and preliminary estimates. Assumes 2% tax rate growth per year.  
 (2) Demographic multipliers are based on actual data from other new residential development in the Township.  
 (3) Cost per pupil is based on the Cost of Classroom Spending per Cranford School District FY2022-23 Budget.  
 (4) Totals may not add due to rounding.



# Additional Considerations

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- \$200 million investment in the Township and addition of 55 affordable housing units in compliance with the Township's Third Round Affordable Housing obligation.
- Significant reduction in total unit density, reduction in new school children and increase to affordable housing set aside.
- On- and off-site improvements such as public open space, walking trails, basketball courts, traffic improvements and ground floor retail space.
- A reliable stream of new revenue for the Township that can be leveraged for various public improvements.
- Dropping tax appeals on 750 Walnut Avenue filed over the last seven (7) years; the cost of which is estimated to be \$325,000 per year. Tax appeals are not permitted under the LTTE Law.
- Addition of a new commercial ratable to the tax base with an estimated assessment of approx. \$17.2 million, which exceeds the total assessment on the current 30-acre parcel at 750 Walnut prior to the 2022 reduction.

