

***Borough of Peapack & Gladstone
Special Land Use Board***

November 18, 2020

Opening Statement: Adequate notice of this meeting of the Land Use Board of the Borough of Peapack & Gladstone was given to the Courier News on January 16, 2020 and was posted at the Municipal Complex, 1 School Street, Peapack; The Peapack Post Office, 155 Main Street, Peapack; and the Gladstone Post Office, 266 Main Street, Gladstone, New Jersey on January 16, 2020. The meeting is a web-based platform providing remote access as the meeting will be open to the public remotely. In the event any member of the public cannot access the public file documents or exhibits, and/or cannot access the Zoom web-based virtual meeting room, they may contact the Board Secretary at sjnoll@peapackgladstone.org or 201-400-9043.

Meeting started at 7:03 p.m.

Salute to the Flag

Roll Call:

Present:

Susan Rubright
Greg Skinner, Mayor
Mark Corigliano, Councilman
Kingsley Hill
Joan Dill
Chris Downing
Judy Silacci
Peter Sorge
David DiSabato
James Heck, Alternate #1
Robert Riedel, Alternate # 3
Paul Norbury, Alternate # 4

Absent:

William Ryden, Borough Engineer
Matte Sutte, Alternate # 2

Also Present:

Roger Thomas, Esq. Board attorney
John Szabo, Borough Planner.
Sarah Jane Noll, Clerk/Administrator
Craig Gianetti, Esq. – Attorney for Melillo Equities
Anthony Melillo

Minutes – October 21, 2020 – The minutes were deferred to later – 1st paragraph.

Chairwoman Rubright advised that John Szabo has to leave the meeting at 7:30 p.m.

Block 22, Lot 13 and Block 20, Lot 5 - Preliminary Investigation to Determine whether the Proposed Study Area, which includes Block 22, Lot 13 and Block 20, Lot 5 –

BOROUGH OF PEAPACK & GLADSTONE
LAND USE BOARD
November 18, 2020

Lackawanna Street for Classification as an area in need of Non-Condensation redevelopment pursuant to N.J.S.A. 40A:12A:12A ET SEQ.

Chairwoman Rubright proceeded to address the redevelopment authorization and the appointment of the planner to do the study. She advised the board that Craig Gianetti, attorney for Melillo Equities and Mr. Melillo were both present.

John Szabo advised the board that the statutory authority to conduct a study for redevelopment is governed by the local redevelopment housing law. The council had authorized and directed the land use board to investigate the need for redevelopment of the area. The land use board will generate a report and conduct public hearings. The designation of the area will depend upon the satisfaction of eight separate criteria any one of which could qualify an area as an area in need of redevelopment. Parcels that are not necessarily qualified under the statutory criteria but are needed for the effective development for the redevelopment area can also be included in that as a consideration. There will be public hearings and a recommendation sent to the Council. The determination finally rests with the Council. If the council determines that there is a need, and accepts the recommendation of the board, the redevelopment plan is prepared. The benefits or the powers conveyed are such that you can bond, payment in lieu of taxes can be offered, and entities can be created and developers designated. Parcels can be condemned but this a non-condemnation designation investigation.

Roger Thomas advised that the local redevelopment and housing law 40A:12 A.1 Et Sec. says that the governing body has the power to redevelop and they then will designate the Land Use Board in this case to effectuate a study. The board then authorizes somebody to conduct that study. A recommendation is made at the end of the study. He reviewed the notice criteria, that being different then a development notice. The Council is the entity that makes the final determination as to whether or not redevelopment will occur. Mr. Melillo and his attorney were asked to be at this meeting.

Mr. Gianetti and Mr. Melillo and Chairwoman Rubright continued the meeting. Chairwoman Rubright advised that the purpose of the discussion is to enlighten the board to the understanding of the process since this board has never done a redevelopment study. David DiSabato questioned if there is a vote tonight and if so, what will the vote be. Susan Rubright advised that the board would authorize our Planner to do this study. Mr. DiSabato asked if it is appropriate for John Sabo to participate during the meeting and the discussion. John Szabo then said that he will be excusing himself in 15 minutes for an ongoing project. He has no issue with Mr. DiSabato's question. Roger Thomas does not feel that John Szabo has a conflict with hearing the discussion.

Mr. Gianetti from Day, Pitney Law Firm then introduced himself as representing Melillo Equities. He then discussed whether this property meets the criteria as a re-development area and that determination will open a lot of doors for the developer and also for the Borough. He explained that when they talk about Little 'R' and a Big 'R'. He explained each. Little 'R' is a small parcel and Big 'R' is usually bigger properties, tighter areas. People often think of areas like Camden, Jersey City, et cert. More often you see small

BOROUGH OF PEAPACK & GLADSTONE

LAND USE BOARD

November 18, 2020

areas which is an assemblance of smaller lots. It is being used more and more in these smaller areas to help with the costs involved. It helps redeveloped property, that would not otherwise necessarily be redeveloped naturally, because the cost associated with this type of redevelopment is expensive. There's not much vacant developable land left. You are dealing with aging infrastructure. In this case, Melillo Equities felt the redevelopment was a great opportunity. There's almost a partnership between the town and the developer as how this property is going to get developed in the future. The borough has a clear picture of what they're getting and the developer has a clear picture of what his path forward will be. If at any point in the future, that they would see tax abatement or any sort of funding, they would submit all the necessary information. He explained the application for this funding to have detailed financial information that outlines the pro forma and numbers that demonstrates the need. They look forward to working with the Land Use Board and the Council on this project.

Mr. Thomas discussed the representations which have been made by Melillo Equities that in order to be able to get a wider variety of financing opportunities, the redevelopment plan is a necessary element. He asked Mr. Gianetti to give a little more detail as to how the redevelopment plan assists individual developers.

Mr. Gianetti outlined some of the reasons: 1) Pilot in lieu of taxes (tax abatement). It is called the annual service charge and there's a formula in the statute as to how its calculated based upon either a percentage of revenue or percentage of construction costs. 2) Ability of the Borough to see any impact on the Borough. Not all taxes go to the town. When he is making a pilot payment, even though the number is less the Borough is getting more out of the share. What is the impact on services to the Borough to make sure in the end, we can demonstrate effectively net neutral for the Borough? 3) Redevelopment Bonds for re-development and infrastructure improvements and parking can be issued by Borough, County or State. 4) grants and tax credits are a potential avenue. They are not necessarily applying for these tax credits but going through the very statutory regulatory scheme. There are different avenues, whether it be through tax credits, through pilots or tax abatement which can be tapped if it is in a redevelopment area. It is too early in the planning stage to have a discussion on what exactly the source will be. As they go through the process, that's when the project takes shape. Roger Thomas asked if they get a better positioning with the redevelopment designation.

Chairwoman Rubright asked if any tax benefits or pilots will have any negative impact on the Borough. Mark Corigliano added that the Affordable Housing Committee has made it clear that the reason that they are requesting this area designation is to assist with funding and getting tax credits. A Pilot will be very favorable and will not affect the taxes of the Borough residents. The Borough Council must approve a pilot. Susan Rubright asked that this needs to be promised in a document. Mr. Gianetti advised that when they apply for a pilot, it does not mean that the town must approve the pilot. He will show the impact on the Borough and can demonstrate net neutral impact on the Borough. Mr. DiSabato asked what it looks like today. He does not understand. Mr. Gianetti then tried to provide information without figures. Anthony Melillo suggested that Mr. Gianetti go over the division of taxes. The county is shouldering this burden. With the pilot payment, there is an annual service charges to the town which is reduced down which is less than what the taxes would be, but town gets 95% which is more than the town would get from taxes. He

BOROUGH OF PEAPACK & GLADSTONE

LAND USE BOARD

November 18, 2020

then explained the impact to the schools and public services. Roger Thomas continued the explanation. The town would not necessarily give the full amount to the County, the county absorbs some of the burden. Anthony Melillo assured the board that they do not want the residents to be impacted by this. David DiSabato commented on this. Anthony Melillo responded to Mr. DiSabato's comments.

John Szabo has left the meeting at 7:40 p.m.

The biggest cost is structured parking according to Anthony Melillo. There are 3 Affordable units in that area. If this development were being built in Morristown or Caldwell, the cost would be the same, but the rent would not be the same closer to New York City. This is the reason they are asking for this subsidy. Peter Sorge pointed out that the council has asked the LUB what professional is to be used; they are asking if we do the study. The request is to authorize someone to do the study. The Group Homes on Main Street; the 3 affordable in the Lackawanna Area; and the affordable units on Railroad Ave. are all part of the development. By allowing this denser development it gives the Borough 17 units according to Mark Corigliano.

Robert Riedel has joined the meeting.

Chairwoman Rubright thanked Craig Gianetti and Anthony Melillo for joining the meeting.

David DiSabato applauded Mr. Szabo on his work as the Borough Planner but felt it behooves the board to consider other options for the planner to do the plan. Mark Corigliano advised that he feels John Szabo is objective and honest and there is no conflict and that Mr. Szabo's firm had quoted a fee for the study which was negotiated down. Mr. DiSabato feels there should be fresh eyes on this project. Mark Corigliano said that the fee would not exceed \$5,500. Kingsley Hill echoed the same concerns as David DiSabato has. Mr. Kingsley has reservations with the process, and he respects and likes John Szabo, but he feels that any appearance of a conflict should be avoided. He dislikes that the developer is going to pay for this, which is against the law. Roger Thomas spoke to the comments of the board members and cautioned all of the members to be aware of the words that are being used by them and there are issues of predetermination are being made by them. Chairwoman Rubright suggested that the board solicit RFP's from other planners. Kingsley Hill continued his comments. Chairwoman Rubright advised what the board must adhere to the 'Redevelopment and Housing Law'. Kingsley Hill asked 1) Does this study impact value of the properties; and 2) does it make other areas available to other developers for re-development. Chairwoman Rubright answered that every application stands on its own. A specific area is being looked at. The governing body must initiate that study according to Roger Thomas. Kingsley Hill wants a reading from a planner on the values of property based on the findings. Peter Sorge does not see a problem with getting proposals from other planners and decide at a subsequent meeting. Someone must create the RFP and send it out. Mark Corigliano suggested getting the names of 3 qualified planners. Chairwoman Rubright suggested contacting several planners to see if they are interested. Roger Thomas advised that there is no protocol for soliciting RFP's. Chairwoman Rubright will work with Roger Thomas and come up with a letter asking planners for RFP's. It was decided to postpone this until after the holidays.

BOROUGH OF PEAPACK & GLADSTONE
LAND USE BOARD
November 18, 2020

David DiSabato moved to have Chairwoman Rubright and Board attorney Roger Thomas prepare an ad to put in the NJ Planning Association for planners to submit RFP's for a preliminary investigation into a redevelopment plan; Mark Corigliano seconded the motion which was approved by the following roll call vote:

AYES: Susan Rubright, Greg Skinner, Mark Corigliano, Kingsley Hill, Joan Dill, Chris Downing, Judy Silacci, Peter Sorge and David DiSabato.

NAYS: None

Public portion – No one from the public wished to speak.

Adjourn – A motion to adjourn was made and seconded and the meeting was closed at 8:40 p.m.

The next meeting of the Board is January 13th.

Sarah Jane Noll
Administrator/Secretary