

The following are notes, not official minutes. For an official transcript, go to the Delanco Municipal Building at 770 Coopertown Rd.

Township Committee 1/11/09

Lord, Hinkle(absent), Templeton, Fitzpatrick, Jass

Also Present: Mr. Schwab, Acting Township Administrator, Mr. Heinold, Twp.

Solicitor; Janice Lohr, Municipal Clerk; Karen Zimmermann, Deputy Municipal Clerk; Mr. Denton, Township Engineer; John Fenimore, Public Works; Chief Sacalis, Delanco Police

****SPECIAL PRESENTATION****

RESOLUTION 2010-30 HONORING LOUIS "LOU" MARINO

Fitzpatrick: We've had an animal control service for 15 years. Some towns have pulled out of this shared service for financial service. We've had to let this employee go and would like to honor his 15 years of service.

Passed unanimously

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REQUEST FOR PILOT AGREEMENT – ZURBRUGG PARTNERSHIP

Randy Cherkas (managing partner of Zurbrugg Partnership): Made a statement of the history of the property.

Cherkis: I made a mistake when I stated to Mr. Templeton that Township put it on tax rolls at Mansion inflated value. We were advised to pay and appeal. We don't plan to appeal for carriage house. Construction has begun on mansion. Funds cover renovation. \$180,000 a year to cover utilities, trash, snow, insurance, and management - \$196,000 a year. It's a break even. Current tax bill is over \$40,000. We propose to pay taxes as a percentage of rents as is common for affordable housing. \$6,000 for year one. Members of the Committee should have the details – total of \$320,000 over the life of the agreement. \$40,000 when there is no chance of school age children for a generation in a property that was deteriorating. (Statement was longer. You may wish to listen to the tape of this meeting.)

Templeton: Do you have a copy of the proposal?

Cherkis: I sent it to council.

Heinold: I attached to solicitor's report. I apologize for not circulating it tonight.

Cherkis: I have a copy.

Schwab: I'm going to make copies for everyone.

(Committee looked for their copies. They didn't have them.)

Templeton: What is the cost of the mansion to bring it up to operation?

Cherkis: Construction is about 2.1 million with soft costs – engineering, architecture, environmental, cost of having it listed on the national register and legal around 3 million.

Templeton: What is the cost of Lutheran Services to operate?

Cherkis: 6-8% of the rents

Templeton: Gross or net? Some deduct utilities.

Cherkis: Gross as well as a direct cost for a manager and maintenance person that are shared with other properties.

Templeton: Rents are ?

Cherkis: DCA – fair housing act establishes

Templeton: Cost of (missed this)

Templton: Length of loan?

Cherkis: 2.1 million from the state ½ million from county , \$110,00 from the township

Templeton: County loan costs

Cherkis: 1% interest, but we've negotiated for ½ of the rents.

Templeton: Principal on the loan?

Cherkis: paid back at the end, but they may forgo it.

Templeton: So it's a soft loan.

Cherkis: Yes, they do it as a loan because a lot of people do it for a tax credit.

Templeton: Historic designation for the property - so you are taking advantage of the tax credits for that?

Cherkis: We are hoping – having problems with the townhouses being on the site. If it were just the two buildings, it would be a lot more flexible.

Templeton: (missed this)

Cherkis: We went down there and are going through an appeal process over the next 4-6 weeks.

Templeton: If you met the requirements?

Cherkis: Net \$240,000 If we don't get the tax credits, we will have to put the money in ourselves. It's really a problem not to have the tax credits. These are related to the start up as opposed to the property taxes.

Fitzpatrick: Doug, do you want to go over the figures for the PILOT or do you, Randy?

Cherkis: Proposing percentage of rents which will be based on the actual rents. We will be required to do audited financial statements. five years at 4% of the rents, 5years at 4% 5 years at 6% and remaining of the thirty years at 6.2 percent. (missed little bit of this while typing the above details, but the gist was about start up costs) Deal is similar to Abundant Life's. I'm trying to be prudent.

Fitzpatrick: Doug, should we go over Marrybeth's analysis?

Heinold: PILOT is to address taxes going forward. 2009 tax appeal pending now in Trenton. Our issue is the request for PILOT on affordable housing project. Base was \$6,000. We asked Randy to put that in context of Abundant Life. That's where the 6.2 came from. Marybeth reviewed and is in agreement. This is solely on the mansion. We're not talking about townhouse lots or the carriage house.

Cherkis: We're already paying on the land and lots and are paying the taxes on that property. We expect the improvement to be in \$400-500,000. We're talking about full tax load for those

Heinold: What happens if you can't reach a PILOT agreement?

Cherkis: We would have to press forward on an appeal. We deferred the appeal for a decision on the PILOT. We don't have a choice.

Heinold: What does it do to your project? You are bringing in Lutheran Services?

Cherkis: We have held off on an agreement pending this. We had to borrow money to pay last quarter's taxes.

Heinold: Agreement with Marybeth and a letter from our tax assessor regarding tax credits. Representation is that affordable tax credits aren't being sought. Low income housing tax credits are competitive – expensive and unlikely for a project of our size. Marybeth was away for the holidays. She is going to have a conversation with the assessor. I still need to effectuate that conversation. Not sure we can move forward.

Fitzpatrick: Can't we vote on the PILOT?

Heinold: You will have to put that on an agenda. I'm not sure that the PILOT isn't involved in the appeal.

Fitzpatrick: I think the appeal and additional legal fess – we should have a meeting with both attorneys regarding the value of the properties. Marlene has agreed to sit on that meeting with me. The PILOT, on the other hand, is something that...I thought this formula is standard. We could vote on it. I think Marybeth should come to a meeting. I think the Township Committee needs to actually hear her talk about it. I would like her here for your benefit as well as ours. I think she needs to address the issue so the public understands what the formula is for that project to move forward. I don't know, Doug.

Heinold: It's up to you, Mayor. As long as we are all on the same page. I don't want you to be penalized for us not being set up for this meeting.

Fitzpatrick: We would like the public to understand why we do these PILOT deals. That's why we have Dietz and Watson and NVR. We're in line because it's COAH and a redevelopment

Heinold: PILOT works both ways. Real assessment is on the townhouse lots. Tax bill – 20% to township – now \$8000. We're not talking ultimately about the township not getting money out of it.

Fitzpatrick: What the township receives is a historical building renovated. It provides housing for seniors. It is the jewel of the town. The taxes on the PILOT go solely to the town. Though they are not going to the school or the county, I'm sure they (the developers) will contribute to our library or to recreation. They have contributed to rec in the past. I would like for Joan to be here and would like that to happen for the February 1 meeting. We'll put a hold on this until this meeting is resolved. February 1st meeting.

Cherkis: I appreciate the consideration. I'm on the planning board in Moorestown and would want to have professionals. I understand this isn't a trivial issue. The previous proposal would have been a tax except property. We need to be gentle and not hurt the operation and pay a reasonable amount of taxes.

Fitzpatrick: We'll follow up.

Templeton: Is there an opportunity for the public to speak to this?

Fitzpatrick: I guess they can do that in the public session.

Public comments:

Resident of Delaware: It sounds like with the PILOT thing, I'd like to hear Marybeth. If I caught it right, you are at 6.28%, do a 15 year PILOT. It's more palatable to people than 30 years..

Heinold: To clarify, 6.28 is the cap rate for a PILOT.

Resident: Market rate for COAH -

Cherkis: It goes back to market rate.

Heinold: It does. This is what I need to speak with tax assessor and Marybeth. The way you assess, it doesn't go back to market rate.

Cherkis: You could say it could be 6.28% It's a percentage of the rents.

Resident of : What is happening in other communities with projects of this size? If it does go to court, we need this information. It's something I want to look into.

Heinold: Marybeth used to work with COAH. Delanco is one of the most exemplary towns for dealing with COAH in a straightforward manner. We work to meet the state mandates.

Cherkis: Most common thing is that affordable housing is run by not-for-profit. Usually it's for an amount so it isn't zero. Township and us – don't have to make our money from the COAH.

Heinold: When you do COAH, you aren't doing it for profit.

Cherkis: One other thing ...part of the deal was the transfer of COAH and RiversEdge to our project. Those units got valued at the full market rate.

Resident of Perkins: Speaking as member of Fire District. I like the project and don't have a problem with the reduced rate, but none of the revenues are going to the fire district. We are going to be required to provide coverage for this very complicated, large building. Township Committee hasn't been able to donate to First Aid Squad. I would rather have the same percentage allocated. I feel that everyone should pay for schools. I recommend that you shouldn't talk about snow removal because you will be using ours.

Cherkis: All benefit from tax benefits of having the schools. You had the responsibility when it was owned by the township. Some additional payment for the fire department.

Resident: I would like it to be in writing.

Cherkis: We will contribute to rec.

Resident of : Should paint a better picture – whole Township Committee didn't even have a copy of the proposal. There have been plenty of concessions on this project. They entered into this – they crunched the numbers. It will be interesting to see...

I commented next. (Didn't take notes on my comments. The gist was a question about children – are they not allowed by law? Neither Cherkis or Heinold was sure. My other comment was that we had a room full of people who want to build fields two weeks ago. PILOT doesn't collect the Open Space Tax. Money doesn't go to the library, etc...

Thirty years is way too long for a deal.

Fitzpatrick's response was that you could ask for contributions.

Heinold: You can't discriminate against children in Fair Housing Act. 20% set aside for 55 and over. Not sure of 65 and over.

Cherkis: Lot of restriction. If there is an issue, and you get custody of your grandchildren, do you have to move?

Heinold: Yes,

Cherkis: Spread is 30% moderate, 30% low, and 30% extremely low income.

COMMENTS – PROFESSIONALS

Brief comments by Denton and Heinold

COMMENTS – TOWNSHIP ADMINISTRATOR

Schwab: RFP for animal services is out

COMMENTS - DEPARTMENT HEADS

2. Public Works

-snow removal – some repairs to equipment were needed. Problems with Newton's Landing mailboxes being plowed in – 2 ft of snow going into a 4 ft spot that already has snow. \$2,214 – most salt we've ever put out. Complaints about plowing in driveways and tried to go back to help them out. It's difficult not to plow people in. I met with Newton's Landing

Fitzpatrick: It's difficult when people don't have driveways. I appreciate that you worked around the clock and came in at 12 on Sunday.

Lord: I had company from out of town and they were really impressed.

Templeton: How about your injured worker?

Fenimore: He's OK

Fenimore: Leak in building was fixed.

2. Police

-Thanks to John for keeping Police snow free

- New vehicle coming

-volunteer fingerprinting - \$26.25 per person – possibly a grant for that. If not, people would need to be reimbursed. Coaches for DYSA.

Jass: Requirement for insurance. Mandated.

Templeton: Everyone or just those who deal with children? Library..fire

Sacalis: Just children. Two ordinances... one for township and one outside..

Heinold: We did that in Shamong.

Sacalis: We'll take one step at a time.

4. Municipal Clerk

-visit from Red Cross – needed training site – we can't accommodate their schedule. If an organization can accommodate them, call the Burlington County American Red Cross.

Fitzpatrick: I will check with the Fire House.

COMMENTS - TOWNSHIP COMMITTEE

Lord:

-appreciate delay on Zurbrugg until Marybeth can be there. I have my concerns too.

-thanks for the basket Township Committee sent on the death of my father-in-law

Templeton

-Mr. Marino, it's been one of the more difficult decisions we've been forced into. Please use us as a reference. This has been one of the most difficult decisions in my three years here.

Jass:

- Thanks to Lou for a wonderful job.
- Sustainable energy – going out to bid for natural gas

Fitzpatrick:

- reorganization for Historical Advisory Board – presented Alice Carr Smith with framed item from exhibit from the post office. Doing a great job. Skit on Mr. Diggs on Buttonwood Street – kind gentleman. Approached school to have students to use it as a history lesson or for drama club to participate.
- Eagle Scout honor court -

(I left at this point>)

CONSENT AGENDA ITEMS:

ORDINANCE 2010-1 AN ORDINANCE AMENDING AND SUPPLEMENTING ZONING CHAPTER 110 IN VARIOUS NAMED SECTIONS OF THE ORDINANCES ENTITLED PART II LAND USE PROCEDURES OF THE TOWNSHIP OF DELANCO TO IMPLEMENT 2009 MASTER PLAN RECOMMENDATIONS
 *1ST READING BY TITLE ONLY AND SET PUBLIC HEARING DATE FOR FEBRUARY 8, 2010 - 7:30PM

RESOLUTION 2010-32 RESOLUTION AUTHORIZING THE EXECUTION OF A MUNICIPAL SOLID WASTE/RECYCLING SERVICE CONTRACT WITH THE COUNTY OF BURLINGTON FOR THE PROVISION OF SOLIDWASTE/RECYCLING SERVICES

PAYMENT OF BILLS
 ACCOUNT AMOUNT
 GENERAL \$623,142.05
 PAYROLL 72,741.05
 CAPITAL 1,286.76
 TRUST 4,432.80
 APPROVAL OF CONSENT AGENDA

MEETING OPEN TO THE PUBLIC FOR COMMENTS AND QUESTIONS

MEETING CLOSED TO THE PUBLIC

CORRESPONDENCE

DISCUSSION ITEMS:

1. STATUS OF PROPOSED ORDINANCE

AN ORDINANCE GRANTING RENEWAL OF MUNICIPAL CONSENT TO COMCAST TO CONSTRUCT, CONNECT, OPERATE AND MAINTAIN A CABLE TELEVISION AND COMMUNICATIONS SYSTEM IN THE TOWNSHIP OF DELANCO, NEW JERSEY.

2. RECEIPT OF ENERGY AUDIT – FINDINGS AND RECOMMENDATIONS

3. 2010 CENSUS – Request for Use of Municipal Building – Questionnaire Assistance Center

ADJOURNMENT

Submitted by Maureen Barrett