

Washington Township Planning Board
JUNE 27, 2012

Chairman Leavens called the regular meeting of June 27, 2012 of the Washington Township Planning Board to order at 7:30 p.m.

MEMBERS PRESENT

CLASS IV: William Leavens, Lou Mont, Charles DiSalvo, Mark Bauerlein
ALTERNATES: Sam Akin
CLASS I: -
CLASS II: Roger Read
CLASS III: -
ABSENT: Dave Kennedy, Kathleen McGroarty, Eric Trevena, Howard Popper,
Ken Short
OTHERS PRESENT: Engineer Leon Hall, Attorney Tiena Cofoni, Planner David Banisch,
Clerk Barbara Margolese

Adequate notice of this meeting was sent to the Observer-Tribune and the Morristown Daily Record on January 19, 2012 and posted on the Bulletin Board on the same date. Notices were mailed as per requests.

MINUTES

1. Minutes from the June 11, 2012 (Regular Session)
Mr. Di Salvo made a motion to approve the minutes as presented, seconded by Mr. Bauerlein. A roll call vote was taken and the motion carried.
Ayes: Leavens, Mont, Bauerlein, Di Salvo, Akin Nays: None Abstentions: Read

RESOLUTIONS

None

The meeting was opened to the public for items not on the agenda. There were no questions or comments from the public and the meeting was closed to the public.

PUBLIC HEARING/APPLICATIONS -

1. Kings Highway Investment Company, LLC – Block 30, Lots 70, 70.01 & 70.02
214 Kings Highway - R-20 Zone – 42 Acres - Conceptual Plan for Multi Family Housing Units - Representatives present: Attorney Michael Selvaggi, Real Estate Appraiser Peter Matone, Planner John Mc Donough

Washington Township Planning Board
JUNE 27, 2012

Attorney Michael Selvaggi re-introduced the proposed plan to the Board. He stated that Kings Highway Investment Company had been before the Planning Board at its February 13, 2012 meeting at which time they had made a presentation for a change in use from industrial to multifamily housing on a site located on Kings Highway. Mr. Selvaggi stated that the existing industrial zone classification is no longer appropriate for this site. He said that the owner of the property, the Blanchard Company, has been actively trying to market this property for industrial use. Attorney Selvaggi stated that they have not been successful in finding someone to use the property with an industrial use. He said they are looking at pursuing having an overlay zone for this property so that it can be used for multifamily housing.

Mr. Selvaggi stated that they have received a Highlands exemption for the use of this site because the proposed multifamily use will use the existing building footprint. He noted that his clients have provided a lot of empirical data with regard to this site and the proposed use. He stated that his clients would like to enter into a dialogue with Washington Township about the use of the site and that the proposal for 220 apartments is something that they are willing to discuss.

Mr. Peter Matone was introduced as a real estate appraiser and an expert in commercial analysis. He referred to a document titled "Summary Market Study Consulting Report" which was prepared by the firm of Welsh Chester Galiney Matone dated May 14, 2012. Mr. Matone stated that report addresses: 1. the physical condition of the existing buildings on the site along with the condition of the surrounding residential/industrial sale prices and rental rates of in the immediate subject neighborhood. 2. A description of the subject location relative to alternative highest and best uses as well as summary if demographic characteristics. 3. The inventory of the immediate western Morris County industrial market to establish the market's predominant industrial product type in terms of size, configuration, occupancy, demand and rental rates. 4. The inventory of the immediate western Morris County and eastern Warren County attached residential for-sale townhouse and condominium market. 5. The inventory of the immediate western Morris County and eastern Warren County rental apartment market and 6. The most probable highest and best use/redevelopment of the subject property.

Mr. Matone looked at the market for existing industrial buildings in the area and found that the conditions are very soft and spotty. He noted that the existing buildings at this site are monolithic, with floor drains and no windows. He stated that it would be difficult to retrofit the buildings for another industrial use. Mr. Matone said that only one building on the site (Building #3 - the toner production building) has higher ceilings and is probably the most useable of all of the existing buildings. He noted that this structure does have a degree of toner residue. He stated that marginal types of temporary tenants might allow for the continuation of the industrial use.

Mr. Matone reviewed data regarding building vacancy rates in the region for industrial uses. He noted that in the Northern New Jersey region the vacancy rate is 9.6% and in the West Morris area the vacancy rate is 12%. He pointed out that a significant portion of the vacant space in the western Morris market is located in the International Trade Zone in Mount Olive.

Washington Township Planning Board

JUNE 27, 2012

Mr. Matone looked at the local market industrial inventories for 3, 5 and 10-mile radii from the Kings Highway site. He noted that within the 10 mile radius there is an inventory of 152 industrial buildings, the availability rate is 21.59% and the vacancy rate is 16.85%. He noted that at the 5-mile radius there is an inventory of 41 industrial buildings, the availability rate is 15.0% and the vacancy rate is 13.59%. He stated that within the 3-mile radius there is an inventory of 22 industrial buildings, the availability rate is 15.14% and the vacancy rate is 10.13%.

Mr. Matone addressed the vacancy rates for the Hackettstown Commerce Center which is located on Bilby Road in Hackettstown and is 3 to 4 miles from the subject property. He noted that the vacancy rate for all four buildings together is 60.9%. he pointed out that the Bilby Road site is located much closer to Interstate Route 80 and that this would make the Bilby Road site much more desirable for industry. Mr. Matone stated that the Kings Highway site is isolated from the highway system.

Mr. Akin asked if the lack of persons being interested in using the site for industry is a reflection of the economy. Mr. Matone stated that it is a reflection of the economy but it also is a reflection of the fact that businesses want to be located closer to the interstate highway system. Mr. Di Salvo asked if the site has been considered for indoor sports uses like hockey or a roller rink. He said that the property might be considered for multi-uses. Chairman Leavens said that temporary uses might have to be considered because of the temporary economical situation.

Planner Banisch stated that the intention of the zone was to create high value spaces. He stated that warehouse storage space often crops up in these situations. Mr. Leavens asked if Economic Development Association funding has been investigated for the site. Mr. Banisch stated that the warehouse storage use would be too low of an employment generator for this type of funding. Mr. Banisch noted that the 14 ton bridge limit which is noted in the report is incorrect. He said that he asked the County engineer and was told that the bridge has a weight limit of 99 tons and the roadway has a weight limit of 14 tons.

Mr. Matone stated that with regard to "for sale" residential units the market is very soft and prices remain low. He said that the pace of sales has slowed. Mr. Matone stated that a lot of "for sale" residential units are now being rented which indicates a bigger market for rental units. He said that there does not appear to be a market for "for sale" townhouses. Engineer Hall pointed out that the report (page 115) notes that Morris Chase townhouse sales are moving along faster. Mr. Matone stated that Toll Brothers is a little different because of their intense marketing. He added that Ryan Homes' Morris Woods are selling pace is slow and the prices are low. Mr. Matone stated that while the price for "for sale" homes has gone down the rental rates have come-up. He said that the bulk of building permits being issued have been for rental properties. Mr. Matone stated that within 1 mile of Washington Township there are very few rental units; however within 2 miles the number increases because they are located in Hackettstown and Mansfield. He noted that Peachtree Village has units which are quite small and that a 800 square foot unit is renting for \$1200 per month. He said that the higher rental price is being asked because these units are in Washington Township. Mr. Banisch noted that the fiscal impact report does not deal with specific square footage of rental units. Attorney Selvaggi said that his clients are in the conceptual stage and have not nailed down specific square footage for the units. He said that they probably will be around 1200 square feet.

Washington Township Planning Board

JUNE 27, 2012

Mr. Mont said that rental unit sizes would have to be considered. Mr. Di Salvo noted that two overlay zones have been created and Washington Township is now looking at vacant properties in those two locations. Mr. Mont asked if the rental units could be converted later into “for sale” units. Mr. Selvaggi stated that they might look at this. Mr. Matone stated that the conversion becomes more difficult with time.

Engineer Hall asked what the term “generational” means as it used in regards to the demand for apartment housing on page 5 of the executive summary report. Mr. Matone stated that because parents have been renters their children will more likely not take a risk by purchasing housing and will become renters as well.

Mr. Akin cited that the two issues that need to be considered are traffic and school impacts. Mr. Bauerlein noted that whenever a traffic engineer has presented their report to Board on behalf of the applicant they never say that the traffic will be an issue. He added that even so, Washington Township is awash in traffic.

Mr. John McDonough, professional planner and landscape architect, was introduced to the Board. Mr. McDonough presented his June 7, 2012 Fiscal Impact Analysis Report. He handed out a copy of an aerial photo showing the site. Mr. McDonough pointed out that the change in use would result in the elimination of truck traffic to and from the site. He stated that the surrounding area is a blend of residential and commercial uses. He noted that the existing buildings on the site have challenges with regard to low ceilings and a lack of windows.

Mr. McDonough stated that the site is located in the R-20 Zone which allows for two dwelling units per acre. He said that Kings Highway Investment Company is proposing 220 units of multifamily residential units which would be equal to five dwelling units per acre. Mr. McDonough compared the taxes currently received for this property versus another industrial use or the proposed use. He stated that currently this property generates \$172,619 in tax revenues per year. He noted that if another industrial use were to build on this site the taxes would be around \$471,000 per year and if the proposed multifamily residential use is built it would result in around \$1,000,000 in taxes per year.

Mr. McDonough told the Board that in his fiscal analysis he put in a 20% affordable housing set aside. He said that one bedroom and two bedroom units are being proposed. He reviewed his analysis of municipal and school district cost projections. He stated that the projections are based upon the Rutgers University Center for Urban Policy Research Guide to Fiscal Impact Analysis. Mr. McDonough referred to page 15 of his report stating that the proposed build-out will result in a net annual surplus of \$260,851 for the Township of Washington. Mr. Banisch said that the numbers generated from the Rutgers Center for Urban Policy Research are usually reliable except near New York City. Mr. Bauerlein stated that Long Valley is a desirable place to raise children. He pointed out that in his line of work he works with these rates and that he has used 2012 data and Mr. McDonough’s numbers for children per unit appear to be low.

Mr. McDonough noted that this proposal provides different housing for a younger generation. He stated that this use provides an efficient use of the land by providing a residential population to support a nearby commercial area. He said that this would not be considered spot zoning because the use will benefit the community and not just this property alone. He noted that transitional rental housing will be

Washington Township Planning Board

JUNE 27, 2012

provided to younger families who are second generation residents of Washington Township and want to raise their families in the township and would not be able to afford to purchase housing.

Project Engineer John Hansen was introduced. Mr. Hansen stated that Kings Highway Investment Company has already received their Highlands exemption for this site. He said that the proposed development falls under exemption #4. Engineer Hall stated that under the Highlands Act the existing impervious coverage can be expanded by 25%.

Mr. Di Salvo stated that the density does have an impact on the community. He stated that the proposed level of density is high and that it makes him uncomfortable to send a recommendation for this development on to the Township Committee. He said that the level of density is not consistent with the rest of the township. Mr. Akin stated that police, fire, and rescue squad impact was not considered in the report.

The Board decided to have Kings Highway Investment Company continue their discussion with the Board at its August 13th meeting. It was decided that the Peachtree residential community is closest in comparison to the proposed residential development. Mr. Banisch recommended that the Peachtree plans be reviewed to see how many units are there, along with the number of school age children, the number of bedrooms in the units, and their area of disturbance to compare it to the subject proposed residential plans. Attorney Selvaggi said that they will obtain information about the Peachtree site plan application. After review of the files, he said, the raw data obtained will be passed along to Mr. Banisch. Traffic Expert Harold Maltz will be asked to attend the August 13th meeting to present his traffic report to the Board.

DISCUSSION / CORRESPONDENCE

1. Vouchers

Mr. Di Salvo made a motion to approve the vouchers (\$1200 – Habitat by Design), (\$747.50 -A & D Engineering), (\$1709.50 – Banisch Associates), (\$201.50 – Banisch Associates), and (\$981.50 – Banisch Associates) reviewed by the Chairman and found in order and send them on for payment, seconded by Mr. Mont. A voice vote was taken; all were in favor and the motion carried.

Ayes: Leavens, Mont, Akin, Di Salvo, Bauerlein, Read
Nays: None Abstentions: None

Mr. Di Salvo made a motion to adjourn, seconded by Mr. Bauerlein. A voice vote was taken; all were in favor and the meeting was adjourned at 10:25 p.m.

Ayes: Leavens, Mont, Akin, Di Salvo, Bauerlein, Read
Nays: None Abstentions: None

Respectfully submitted,

Barbara J. Margolese, Clerk