

Cape May Court House, NJ
July 16, 2012 4:00pm
SPECIAL MEETING
FLAG SALUTE
THIS MEETING IS BEING RECORDED:

This Special Meeting was called pursuant to the provisions of the Open Public Meeting Law. Notices of this meeting were emailed to the Cape May County Gazette, Atlantic City Press and the Cape May County Herald on July 12, 2012. In addition, copies of notices were posted on the bulletin board in the Municipal Building and filed in the office of the Municipal Clerk on aforementioned date. Notices on the bulletin board have remained continuously posted.

Members present were Mayor Lockwood, Committeemember Donohue, Committeemember DeLanzo, Mark Mallett, Administrator; Marcus Karavan, Municipal Solicitor; Mike Jedziniak, Elizabeth Terenik and Deputy Township Clerk Dawn Stimmel.

Mayor Lockwood stated that if any action taken, it would be at the regular meeting at 6:00.

Eileen Fausey: It does say formal action may be taken on your agenda.

Mayor Lockwood: You are correct and that is why I made it clear that if we take any action it will be taken at the 6:00 meeting.

Eileen Fausey: Then it won't be taken between now and then.

Mayor Lockwood: No, that is why I went on the record to say that no action will be taken so that everyone doesn't feel like they have to wait or something will be snuck in or what happens. We may come out of Executive Session, no actions will be taken until after both Executive Sessions are over, which I anticipate being at our 6:00 meeting, our second attorney is showing up at 5:30.

Carol Mattessich: Asked what potential litigation is going to be discussed and you mentioned the Railroad Avenue project, can you describe the topic about Railroad Avenue that will be discussed.

Marc Karavan: What we will be discussing is contractual matters regarding COAH, Railroad Avenue, which is an active member of litigation and we have some police matters to discuss.

Carol Mattessich: So the potential litigation relates to COAH, can you say the parties.

Marc Karavan: The potential litigation relates to the police department.

Mark Mallett: It is a personnel matter.

Carol Mattessich: So on COAH matters you are only discussing contractual matters and that falls within which exemption.

Marc Karavan: Contractual matters exemption. We have a matter of litigation relative to Railroad Avenue, we have the COAH matters which are contractual with the various people that we are contracting with to make the COAH Fund contracts.

1. RESOLUTION 314-12 – CLOSED SESSION-CONTRACTUAL MATTERS REGARDING POTENTIAL LITIGATION - POLICE MATTER; COAH TRUST FUND; LITIGATION OF RAILROAD AVENUE PROJECT – On motion by Committeeman Donohue seconded by Mayor Lockwood and passed on roll call, the following resolution was adopted.
*Upon adoption of this resolution and conclusion of this meeting the governing body will convene on the following topic in closed session: Potential Litigation.
This matter will be released to the public when the matter has been deemed resolved and the need to hear said item in closed session no longer exist. The public will be invited back into open session at the conclusion of this meeting and formal action may be taken.

Motion to go into closed session:

1st Committeeman Donohue 2nd Mayor Lockwood

Roll Call Vote: Committeewoman DeLanzo, Committeeman Donohue, Mayor Lockwood

No Action Taken. Closed Session Adjourned 5:25pm.

Motion to adjourn closed session and go into open meeting:

1st Committeewoman DeLanzo 2nd Committeeman Donohue

Roll Call Vote: Committeewoman DeLanzo, Committeeman Donohue, Mayor Lockwood

2. PUBLIC COMMENT:

Carol Mattessich: Asked Committee to describe what was discussed and the determination.

Mayor Lockwood: As described by the resolution, it involved matters regarding potential litigation in a police matter as well as the COAH Trust Fund and the litigation of the Railroad Avenue project, so it was contractual issues regarding COAH, ongoing litigation that was discussed, as well as 2 other matters with legal counsel that involved the police department.

Carol Mattessich: Spoke of attending public meetings a few years ago where it was said our COAH numbers were decided by COAH representatives who were, quote "on the coolaide", but not to worry, they have an opportunity to ask questions and be heard about that at some point. I sat here through many representations about Conifer for 2 years, participated in a large public hearing at Elementary #2, which gave way to Court decisions. My question is this, having sat through these things, as well as many, many, many closed meetings, where it appears that the developers points and litigation points were considered point by point by point, I have to ask, with all respect, why have we not had a public hearing where members of the public, as opposed to the developers, would be entitled to submit their evidence by way of either sworn testimony or expert testimony or documentary evidence relating to the impact that the proposed projects would have on their homes? Why hasn't that been held, or in the alternative, why is there not a public referendum where people can make their voices be heard in that regard?

Mayor Lockwood: I know that you make most of the meetings Carol and will say that there were many people here when we did bring in many of the organizations involved in the Spending Plan that we were trying to prepare for the COAH monies that are set aside, and Conifer was one of them. I guess you didn't make that meeting and we did take a lot of comment, and I thought that that was a decent venue as far as people being able to speak their mind and answer their questions. We have an open public forum at every meeting here. I am not certain that satisfied what you are interested in doing.

Carol Mattessich: I truly don't intend to argue, but at a full-fledged public hearing, when evidence is put on, whether it is by the developer, or by a member of the public, it is subject to cross examination, and if appropriate, it is subject to rebuttal by the other side. My fear is that because we have been at so many meetings, especially by the new team that represents the Township, our new team of professionals, who were not present during the long history of this matter, that particularly in the past 6 to 12 months let's say, the developers points have been considered in closed meetings, the public has never been invited to a hearing where they have been told to bring in their evidence about the impact that you believe this proposed project would have on your community. In my opinion, one of the appellate court decisions that came out of the developer's lawsuit, I believe the appellate court invited Middle Township to put on evidence with respect to certain items as to how these projects would affect our community. When is that going to be done? We have sat through so many closed meetings and you have said so many times that you cannot talk about it, when can we be heard?

Marc Karavan: The board is going to introduce tonight an ordinance amendment on first reading. At second reading, after it goes to the Planning Board, there will be a full public hearing, as there is for every ordinance, at which time the public can absolutely weigh in on every aspect of that ordinance. Also the Planning Board, when they are considering the change, will have a hearing and you may proceed there and be heard. When the developer, should the change be approved and go through, makes its presentation, it will be before the Planning Board on full open public hearing, at that time the public can present evidence, they can cross examine, they can present their own experts, they would do whatever they would normally be able to do. There will be 3 opportunities.

Committeeman Donohue: Just one stipulation I would like to make for clarification, there were a number of Closed Sessions forced by circumstances that in litigation but, at least to my memory, there was never anyone from Conifer or any other developer in any of those Closed Sessions.

Marc Karavan: There were not.

Committeeman Donohue: Nor any expert witnesses that they paid to come to those sessions. Our representatives are our professionals, we are your representatives there, and I hope you believe that. They were bringing information back to us for our scrutiny. There were never any developers in any of those Closed Sessions.

Sam Kelly: Just to follow up a bit on what you are saying, I understand clearly, I have been through this process. That you have been dealt this hand is a sore point for me. Dan you have been on committee now for 3 years, I think the litigation that you speak of is not dated 3 years old, Susan has certainly been here forever, and Tim, you have been here a year and all of this is happening now. I think that what we are speaking to is that meeting after meeting I have set there through Zoning and Planning and committee and you have witnesses sitting up there speaking in defense of Conifer and how this process will move forward. I haven't been invited to sit up there. It has always been for them, time and time again. The community, under the people that dealt you this hand, we had meetings, that time that you speak of at the school, where the community was brought in, you were there Dan, and we worked together on this thing. We don't feel that at all here now, this thing has been on a fast track and Mr. Karavan, right now it will go from here to there to there. The process has completely eliminated the public.

Madelyn McCarroll: I would like to request that the expert testimony given several years ago be read into our record. We don't have to go and do it again, it has already been done.

Mayor Lockwood: Let me back up one step. Not every developer that is involved in this process has litigation pending. We are working with Habitat, we are working with ARC and we are working on other ways to solve our affordable housing needs or obligations or mandates in our community. I would say that the project that is being proposed that involves litigation is significantly different than the one where testimony was provided before.

Madelyn McCarroll: We still provided testimony on the evaluation of similar projects and so I would disagree and I would like those comments read into the minutes, I have already typed some of them out.

Mayor Lockwood: Were they for the Zoning Board though?

Madelyn McCarroll: No, they were the meetings that we had, several of them, over in the schools, where experts were brought in on these projects. We have already done this, this is like a redo.

Mayor Lockwood: We did visioning sessions at the school and we did Zoning Board sessions at the schools, we did not have committee meetings at the schools.

Madelyn McCarroll: We have done this before, maybe we went to 2 different meetings. We had experts come in and your comments at those meeting were kind of what we are voicing now. They are already written down. I would like those expert testimonies read into what we are currently doing now Mr. Karavan said you are holding a hearing on this, that needs to be done.

Mayor Lockwood: I guess possibly the nature of testimony might be more appropriate if it involves the Zoning Ordinance. I mean at that point, where the Zoning Ordinance goes to second reading and public input there, as opposed to just the general comment in an open public meeting at a work session. I have no problem with reading it in, I just answering your question where you said those comments apply today still, but I think there are some differences.

Madelyn McCarroll: I will send you what I think would be nice to have heard and on the record. Thank you.

Bob Noel: In all fairness, there has been members of the public who have been working on the affordable housing issue for a long time, so when people say the public hasn't been involved, I happen to be a member of the public and we have worked 2 years to try and understand this issue, so not every member of the public, but it is important and in all fairness to those people that dedicated their time, for people to say the public hasn't been involved is not correct. The public has been involved, there are people that came to those meetings, they did a lot of research in trying to help, so in all fairness there has been public input on this issue. I think it is important for the record to know that. I mean it is not that the public hasn't been involved, we have been involved.

Female (could not catch name): Are these meetings taped and is there a way the public can get access to the transcript of these meetings so this way you are not guessing what was said? If so, where can we get these transcripts?

Mayor Lockwood: Dawn can lay out the procedure, but it is an OPRA Request through the Clerk's office.

Barbara Cresse: I am curious about who was involved in the litigation. We have heard about builders remedy lawsuit that we are all so afraid of, but I haven't spoken to anyone in the public who is afraid of that lawsuit. When Conifer was here testifying, the representative from Conifer was asked if they intended to file a lawsuit and he said no, they would not file a lawsuit if turned down. Mr. Karavan, can you tell us which members of the committee, former and present, that are involved in the litigation personally?

Marc Karavan: What do you mean that was involved personally?

Barbara Cresse: It was my understanding that Mr. Schmidt....

Marc Karavan: Mr. Schmidt brought 2 lawsuits, actually there were 2 lawsuits brought, one by Mr. Schmidt to affect the change in the Zoning Ordinance. He had a problem with the manner in which the Zoning Ordinance was changed. The other was brought by Conifer in which they appealed the denial of their 90 unit project. The 90 unit appeal went to the appellate division, that matter was heard and was returned by the appellate division with their recommendations that were set forth in the opinion. Mr. Schmidt's lawsuit is presently on hold pending the resolution of various matters.

Barbara Cresse: So Mr. Schmidt is holding this off waiting for you to decide if you are going to go along with the plan and then he will drop the lawsuit. On behalf of the Taxpayers Association, I know that all the people that are communicating with me through the Taxpayers Association are really against this. They are not against affordable housing, what they are against is the Pilot Program. We don't want to pay for all of these people that are coming into our town, from 3 different counties, for their

children to go to school here. Once they get in this project, they qualify once, they are in for as long as want to stay. That is really objectionable. We have a lot of people that retired to this community, they can no longer afford to pay your taxes, and there is not a single way in the world nobody could possibly believe that taxes won't go up once this goes through. It really does hurt a lot of people that just aren't as fortunate, they have a limited income, they are not going to get any more money, they are struggling to get by now. So, to take this and put this burden onto taxpayers is unfair. There are a lot of other ways of doing this. You had 8 years to do it, there are a lot of other ways of doing it. If people had been working for the last 8 years we could have done it in single family homes, could have taken the land that was repossessed by the Township over near Oyster Road, those lots could have been built on. There has been a lot of different ways to reverting property. I have read through this stuff. There is a lot of different ways. You keep on telling us that this is the only way that these mass units, subsidized by taxpayers are the only way. It is not the only way and never was. It was just because Fred Schmidt was promised these and that when he brought the lawsuit everybody has been intimidated. It is because people that weren't on the committee and made those promises before, promised him and went to Trenton and said that this development was part of our COAH obligation, part of the Fair Share Plan, everything that was done, has already happened, has already gone on, it happened a long time ago. But the people in this community that elected you, that pay your salaries and that are going to pay your retirement for the rest of your lives are against this.

Mayor Lockwood: I don't get a retirement and I welcome the Taxpayers Association to come in and look at the analysis that we have done with the Pilot Agreement. We have run numbers and compared it and if that is something that you are interested in doing, I am sure Mark Mallett I am sure would set some time aside to

Barbara Cresse: Can you explain to us then how the Pilot Program is going to work because I think a lot of people really don't understand it, because I really didn't understand how you had to advertise in 3 counties

Mayor Lockwood: That is not the Pilot Agreement...

Barbara Cresse: No, I know that is not the Pilot Agreement, I am just saying that there was another aspect that I didn't understand. Every time I get involved or come to another meeting I learned something else. And not once did it seem for the good. Not one time.

Committeeman Donohue: Not once Barb, in all the years, no one up here has ever done anything good for this town, is that what you are saying?

Barbara Cresse: I am talking about this particular project have I ever heard anything that encouraged me that it was for the public good. Not once.

Mayor Lockwood: There has been a lot of misinformation and even lies spread about this project and some of the activities that have been involved in it too.

Barbara Cresse: That is why I am asking you to explain the Pilot Program so that people will understand this Payment in Lieu of Taxes, these developers will never pay taxes, not for our lifetime, we'll be dead. They are not going to have to pay taxes, they are going to have to pay a small percentage of their profit, it's a corporation, if they are smart.

Committeeman Donohue: That is not right, let's take the time right now because that is not correct.

Madelyn McCarroll: Every other time we come to a meeting there's charts, there's maps and xyz, give us.....they never give anything that anyone asked at the last meeting that there was a delineation of how much we were going to get in the Pilot, how much it was going to cost us in police services and school services, I don't see that here.

Mayor Lockwood: I'll go back to the comment that I've made in previous meetings, partially that is, opposed to what many people think, there is no deal that has already been made, these details are not finalized.

Madelyn McCarroll: Can you go forward with a project that you have no information on, I can't even internalize what you are saying. You have no idea how much they are going to pay us in a Pilot Program

Committeeman Donohue: Yes we do, it is right down here on paper if you would like to get a copy of it.

Mayor Lockwood: But you want a big chart and

Madelyn McCarroll: Well, that is what you do with everything else and we can probably stop with the sarcasm.

Mayor Lockwood: I am not being sarcastic

Mark Mallett: I made about 15 copies so if you guys would share with one another.

Shirley Green: What I would like to ask, I have properties on Rt 9 and Raleigh Street. Now on this property I had 3 existing buildings. These buildings in 07 were illegally merged, they were conforming, prior to in 07 they were illegally conforming, I mean consolidated and I have for the last 3 years been told that I can only utilize 1 building on this entire parcel that has 3 existing buildings. I am sure there are quite a few people here, remember the story, this is not a new story, this is a story that has been going on for 3 years. In the meantime I had taken it within litigation, the courts told Jim Pickering to put it back in the condition because they were grandfathered, they were an L property with a corner. Three years later this property still has not been reconsolidated and I cannot get a building or electrical permit, these buildings have been sitting like that for 3 years. So the one building that they said could be utilized, I can get a wonderful yard sale permit twice a year. In the meantime, and this is all documented, this is not... I am just not talking to you, in the meantime Middle Township has increased my taxes to over \$7,000 for a property that had pre-existing buildings that I cannot utilize, and it is a total insult that you are going to bring in all of these so called wonderful housing, low income housing and that you have pre-existing housing that could conform and could work for the community, but you would rather just run me around in circles, charge me exorbitant taxes and I am supposed to be happy with all of these other projects. Well, I am just not that happy. And I have gone to the Zoning Board, but you can't get past David May. This is nothing but a run around; they just keep running me around. In the meantime I know COAH helped, I mean Middle Township helped support this COAH project. But in the meantime, you are not supporting the taxpayer who is already giving taxes into this community. What is going on here?

Marc Karavan: Requested a copy of the court decision from Shirley Green. Get it to Mark Mallett, the Business Administrator. Also leave contact information so I can get ahold of you.

Shirley Green: I will definitely get you a copy and I am sure the rest of the Township knows the situation.

Mayor Lockwood: Folks, we are trying to keep this at the Executive Session matter that we had here. We will have public comment on several items that we have going on in the regular meeting once we start that.

Agnes Keenan: Just for the record, on July 2nd, and I am not sure if maybe the attorney could clarify this, but Mr. Schmidt has sued Middle Township, am I correct?

Marc Karavan: Yes

Agnes Keenan: Alright, but Mr. Schmidt is in the back pocket of Conifer, he represents Conifer with this deal or he is going to make money with Conifer. On July 2nd, Mr. Lewis stood right there and said, and I believe it was Carol Mattessich who said, "do you intend to sue if you do not get what you want?" Mr. Lewis said, and I quote, it should be in your minutes of that meeting, "I have never sued and I have no intentions of suing Middle Township."

Betty McGurk: I have to take exception to a few things that were said. Mr. Karavan, one of the first things, one of the very first meetings that you attended, I remember Carol Mattessich speaking in reference to it, and your statement was "Fred Schmidt had made you quite aware of the amount of people who came out against this project." And that is what upset me a little bit because it meant that Fred Schmidt was giving you input that we the public have not been able to do at that time.

Marc Karavan: I met with Fred Schmidt on one occasion relative to this and he gave me a group of documents and we talked. During that period of time he told me there was a lengthy public hearing, he provided me with 2 zoning transcripts and he said many people were in attendance, which I understand to be factual.

Betty McGurk: With that said, when I stand up at all the meetings and ask what is going on, I am told I can't know anything about it because it is in litigation. So you are sitting there saying that you have been open and upfront, and telling us everything that is going on, yet every time I ask, it's in litigation. I can't know what is going on, you gave us a little piece of meat, it might be 48, we are negotiating 48 on Railroad Avenue, a little piece of meat, that's what we are doing. Other than that, I can't ask another question about what is going on, and then finally I believe it was just one of the last meetings, the appellate attorney said he I could have the court papers as far as what suits, and they have given me that. But, when you go back to the Appellate Court and you start reading that decision, it sort of made it sound, and I am a layman, I am not an attorney, it made it sound like the court was just a little bit disgusted with the fact that it was put on a Master Plan and we were now not following through with that and that the environmentalist they named Jessica Daher, they named Matt Blake by name and they named Mr. Schlagle, by name, and in that court, if I am not mistaken, you can tell me that I am wrong, I am sure you will, the court stated that as far as the environmental, they weren't just throwing out their concerns about this site because it is on a Federal Acquisition, and they are not totally throwing that all out, but they said they wanted paid environmentalists to come back and strengthen that particular thing. So with that said, I was wondering why we didn't appeal that decision from the get-go. I took papers I was given, we were going back to some court date, I went over to Mr. Fineberg's office and handed him the acquisition papers and information that I was under the assumption could go the court. We had an out on this a while ago because this is federally sensitive land, it is ranked number 1, and instead of doing what the people asked, you could have appealed that and now I am being told we are past the appeal. Why didn't we appeal that? I

didn't even know it was an option. I stand here and ask you, what do we do as citizens and we asked about this and we asked about this and nowhere along the line did appeal....did it ever cross your mind that with all of the people that came out that we wanted to fight, we told you that we wanted to fight, we told you we didn't want to roll over and that is exactly what you have done. That is the only thing that we can think of is that it gives the appearance....you are asking us now to take and accept, we don't know exactly how you....but you already put it on a spending plan. So, I sort of have an idea, and some of the same people have already voted for that plan on different boards, so we have an idea that you are going to vote in favor of these projects because you have already voted for spending on these projects. So now, you are telling us that we have all this input, and we don't have any input because how many units is it down on Railroad Avenue. One time I am told 48 and then I read in the paper that the special overlay that you want to do is 7 units per acre, which is it. You are sitting there telling us you are open about this project, and we get to know it all, but we don't know how many you are really negotiating because we are not allowed to know anything! And you tell us you are open about this. We have Mr. Noel, who sits on several boards, and I sat at the visionary meetings, I was told I couldn't participate anymore because he already knew my opinion. So we have the same amount of people, doing the exact same thing, sitting on the same boards. We already know his opinion, I know his opinion, he told me, he said people wouldn't have a problem with this if it wasn't 90 units of affordable housing. I do, that is a federal acquisition site on streets that are 14 foot wide and traffic that is almost unbearable. You should have been protecting that site, instead you are gifting that site.

Ray Batts: I came 2 weeks ago and you shared that on the 17th of July you had to have a decision made, which is about 5 hours from now. I would like to know, I asked a question 2 weeks ago about who pays for the schools and that was unanswered. You have 5 hours to make a decision. Please tell us today, presently, what that decision is going to be. You have been negotiating it for 6 years now, and I know Mr. Noel, he has broken his back trying to get this project through. Just tell us what you are going to do. Now there have been a lot of people here tonight, and my wife - this is her first time, and she said the people sound upset with Conifer. She just wrote that little note to me, and yes they are upset. I know there is a million and a half dollars, I know apparently that has been cancelled, so the government says you can't keep it, so what are you recommending in 5 hours. Let's cut the BS, tell it to us straight.

Mayor Lockwood: Much of it what will be discussed tonight will give you....

Ray Batts: Tonight? You have been talking about it since 4:00; you have been talking about it for 6 years. Tell us where you are and who is doing what, that might help, because we are tired of this, I have heard it all day here talking about it.

Mayor Lockwood: We were working towards the Pilot Agreement explanation, but

Ray Batts: Please explain it to us, where you are and who is doing what, is that unfair? I mean, if we are going to have an open meeting, then let's have an open meeting.

Mark Mallett: One of the issues that Ms. Cresse discussed as a Pilot Agreement, we have run some analysis on that. We got some information that we had been provided from Conifer and a pro-forma from them. You can see revenues, expenses, etc., really when you take a look at the second page we can focus in on what the value of the Conifer project is as a Deed Restricted apartment complex. Our Assessor, Lee Ann Russ, worked together with Ray Brown, the County Tax Assessor, and they are looking at, given the lower rent, because it is Deed Restricted for low and moderate income housing, 48 units on Railroad Avenue have an estimated market value of, with lower rent, of 1.8 million dollars. The Rio Grande site, with 112 units, would have a market value of 4.2 million dollars. If we take a look at the revenues that would generate for the municipality, that is in the color purple, collectively it would be \$23,000, for all of the taxes collected, remember of the total taxes collected by the municipality, 25% goes to the Township, 55% goes to the schools, 15% goes to the County and about 5% goes to the fire districts. So, in total, take a look at the projected taxes based on the estimated assessment it would be about \$88,000. If you take a look at the projected Pilot Program, and I believe for the first 2 or 3 or 4 years it is 7% and then it rounds out to 10%. In year one the Township would be receiving \$77,000, of which 5% would be going to the county. So, if you take a look at this analysis, assuming the Township does not distribute any of these Pilot monies to the schools, we would be getting

Mayor Lockwood: So the short story is

Mark Mallett: The short story is the Pilot is going to generate \$77,000 worth of revenues vs. an estimated assessment generating \$88,000 for revenues per year.

Committeeman Donohue: What percentage is that based on? Is that based on the 7%?

Mark Mallett: Yes it is.

Committeeman Donohue: Which is the first two years are 7%, the next 3 years are 8%, and then it moves to 10%, correct?

Mark Mallett: I believe in year 5 or year 6

Mayor Lockwood: Folks if you want us to explain this, you will have to keep it down please. And then, we would be able to make an arrangement to have some of the money go to the fire district and the schools as we saw fit. Our analysis shows that you're about \$11,000 under what it would generate as a normal tax revenue, but we are well in excess of what it would generate in just municipal taxes.

Richard Cash: You know what this reminds me of. This brings me back, a long time ago during the days of the Viet Nam war, where we destroyed villages to save them. If you are talking about a few bucks, keep the g-- d--- money, excuse my French, and save our town, because it is the destruction of our town (applause-could not hear rest)

Carol Mattessich: The follow up on the Pilot Program presentation, I have to hold your feet to the fire on this one, Tom Schad stood up right here, 2 weeks ago or 4 weeks ago, he is an accountant, I am not, I rarely comment or ask questions about numbers. You are telling us nothing when you tell us what a 40 unit project pursuant to pilot would generate verses what a single family farmhouse would generate. The only thing that makes sense number wise would be to compare how much a project is bringing in to how much the project is going to cost the Township. Can we hear those later numbers please?

Committeeman Donohue: You tell me how many kids are going to be living there and I can tell you how it would affect the schools.

Carol Mattessich: Well I can tell you that in the Rutgers study that somebody put in the records a few weeks ago, was 1.,

Committeeman Donohue: It was .7

Carol Mattessich: Ok, .7. Mr. Lewis from Conifer, under oath I believe, 2 weeks ago was asked what the average number of school children per unit was for all of their projects, and he said 1.7. Factoring those numbers out, I sent these numbers to the Committee, we are looking at, and assuming that these children are not already in the Township, we are looking at additional school costs of approximately \$1.2 million under the Rutgers model and approximately \$2.3 million, this is yearly, under the testimony or the statement made by the fellow from Conifer. Now, I have been told...

Mayor Lockwood: How do you calculate the number Carol, because you are not using the per student cost and multiplying it by the students, are you?

Carol Mattessich: It is \$18,000

Mayor Lockwood: That is not incremental

Committeeman Donohue: That is the total cost that is not the town's cost.

Carol Mattessich: Well, as I understand it, and again I am not an expert on numbers, but as I understand it, those numbers were arrived at by using the same per pupil costs that is used when our tax bills are computed, which does seem the fair way to go about it. Now in fairness, I had an opportunity to speak with Committeeman Donohue about this, and he said that the Township's planner, I believe, and correct me if I am wrong please, has suggested that not all of these children will be coming from outside the Township, only some will.

Committeeman Donohue: The same Rutgers study that you referenced is where that, on average, are between 40% to 60% of the students already living in your town that move into this type of a development.

Carol Mattessich: Ok, let's cut the numbers, the totals in half then and we are looking at a half a million to a million very roughly, that is the number that you compare to the \$77,000 or whatever it was that Mr. Mallett stated as the bottom line on the Pilot, not \$77,000 verses what we get, if it were a farmhouse, there would probably be no children there. It would be an older couple still trying to hang onto their house and farm it in the community. What you look at if you want to do a cost benefit analysis of a pilot program is how much would the reduced taxes come to, which you have given us, verses what costs the Township would be incurring in order to accommodate this project, and that number is highly disagreeable.

Eileen Fausey: Something on a little different note, as I mentioned the last time, one of my fears is having these projects put in different places, or whatever you want to call them, is going to be segregating people and also the fact that they are doing it by lottery after people qualify, also shows me that if people from Middle Township apply, they have probably the same chances as a lot of people in Gloucester or Camden or Atlantic Counties, that is how they are going to pick them, from a lottery, and so, it is wrong.

Committeeman Donohue: That is what we thought, the lottery idea had been talked about, but when I went and toured a couple of the Conifer facilities and talked with Mr. Lewis, he gave me, and his management gave me a different explanation, I don't know if Liz could explain it better than me

about how it can be weighted in favor of the local people. Do you want to try to explain it Liz?

Eileen Fausey: I don't want to hear about that...

Committeeman Donohue: You don't want to hear the good news?

Eileen Fausey: I am glad it is weighted for us, but still people are going to be resenting those projects; there is no doubt about that in my mind. I was also told this is only a matter of facts; it isn't a matter of emotion. Well, I would bet right here in this room we feel very emotional about Middle Township.

Committeeman Donohue: You have a right to feel emotional, but your emotions should be based on the truth not on the misinformation that has been spread.

Eileen Fausey: Because you are emotional and that you care doesn't mean that you don't know the truth, that you can't tell people things that you found out. We haven't been told a whole lot from you guys, so we have to find out the truth ourselves by investigating, but we are not the FBI, ya know

Committeeman Donohue: Look, with all due respect, you bring up the lottery issue and you want to use that as a weapon against what is being proposed here, but yet when we tell you that there is another course, that could be a better course for the people in Middle Township, you tell me you don't want to hear about it.

Eileen Fausey: That really wasn't the point I was trying to make, I am trying to make the fact that just because it is in Middle Township doesn't mean that Middle Township people are going to take advantage of it. If you look at the salaries of the people that work here in this building, a lot of them make under \$50,000, correct? How many of those people are going to still live in their houses and pay taxes for people who make more money than them there. That's the resentment I am talking about. And I would like to hear the lottery reason, but not right now and I am sure you will explain it to us.

Committeeman Donohue: Well, we have 5 hours like the gentleman noted.

Eileen Fausey: Well, I just feel like I don't think you realize, with all due respect to professionals, we are professional homeowners and we should count as much as the professional advice you get. And I think it should be obvious to all of you that people in this town don't feel that this is really the way to go to achieve affordable housing, and please, tell me about the lottery.

Elizabeth Terenik: There are administrative rules that are associated with any kind of affordable housing that gets credit through the COAH program, and those rules say that these units have to be marketed to the region, and our region is Cape May, Atlantic, Cumberland and Salem Counties. However, we have heard from every affordable housing professional that we have spoken to that in reality that people don't generally move from Salem County to Cape May County because they have to have a job, they have to have a job. So, if they are living and working in Salem County, it is not likely they would drive from there. What we heard from Conifer the other day was that when they break ground on their development, the development that they have done in other towns, when they have broken ground on development, do you understand what I am saying, they post a sign that says taking applications for rental units and they post a phone number. They start to take names and numbers of people and they start a waiting list. They send out applications to those folks first. Once the development is complete, oh and by the way, let me back up, they also post in the local library, the municipal hall in the town where the development is located, they post information on the development. Once the development is complete, they then comply with their affirmative advertising regulations that COAH puts forth. They found that, in the development that we saw on Friday, which is in Deptford Township, there are 90 units there that had maybe 5 that came from out of that community. Shawn Locklear is here, she works for Habitat for Humanity. She gave a presentation as part of our public meeting and also confirmed that that has been her experience when they reach out to folks that they want to give the housing to. Does anyone else want to add anything to that?

Committeewoman DeLanzo: I would like to say that the 90 unit site that I visited on Friday, I was given the rent roles of the 2 developments that I went to visit, one was the Village of Deptford, the other was Millstream. The development that is 2 years old, when I went there I saw a young man at his car and I drove over to him and introduced myself and I asked him if he would be willing to talk with me about living there. He said he has 2 children and that he has lived there for 2 years. I asked if he felt it was a good place to raise his children, he said he felt fine, it was safe there. I asked him what the management was like. He said the management has a lot of rules, but he guesses that is a good thing. I asked him if he had a problem with his neighbor, and how they mediate. He said he was in one of the first buildings and they were on a 2nd floor and the neighbor downstairs went to the management and said that they were noisy. He said, I do have 2 little kids. He said the management asked them if they would move to a first floor apartment and that is what they did. And so I can only tell you what I experienced and I would be happy to share with you that I did go into a couple of the apartments, one that was in a changeover, it was very nice and the other I went to an apartment with a grandmother with her 2 grandsons. I will tell you that I was surprised. It was Friday, I arrived about 9:30 and I spent about 2 ½ hours there and I said, how many children live here? They said 135. So

I said, I am surprised I don't see that many children out and about, and it's so quiet, really expected it to be a little bit more noisy. I mean, I did see a few children, I am not really trying to convince you, I am only trying to share with you what my experience was, so please take it as it is given in the most sincere way. So, that was what I was surprised about, was the number of kids I didn't see out. I then asked why it was so quiet, and the manager said they are working. I said, oh ok, that makes sense. When I went into the community room, I was really pleased to see that they had programs and things for the kids to do onsite. My impression was it was well manicured, well taken care of and as I said, I was surprised about how quiet it was. I did ask of the 135 children how many were in school and they said about 75. I did ask the manager if they had any correspondence from the school as if the children were like problems or how the school felt or that sort of thing. She said they had a good repair with the school and the school was very appreciative of their programs that they provide for the children on site. I next visited the Millstream apartments, which was another 96 unit and this complex was 10 years old. It was laid out a little bit different. The first site, the 2 year old site was 3 stories high and it was several buildings. I will say one of the things that I didn't like about the first apartment complex was there didn't seem to be very much ground for people. They have a lot of rules, I was actually given a lease agreement and I also forgot to mention, at that first 2 year old complex, I think it was 7 people in that whole complex that received a voucher. What they showed was, of course they cut their names off, but it showed what the amount of the voucher was, what their apartment cost was and what they contributed. But I was surprised then again to only see about 7 people that received vouchers, assistance with the rent. On the second apartment complex, Millstream in Turnersville, and coincidentally these were not very far apart, they weren't even 5 miles apart from each other. Millstream is 10 years old, the first thing I noticed again was it was well manicured, they did have a little more space. I noticed that outside of every apartment they have like a front yard. That was the biggest difference that I noticed between the first one and the second one. They were only 2 stories high. I also took note of the cars in these complexes. I am not really a car buff but I kind of like was looking to see if there were any broken down cars, you know, we have a lot of complaints, sometimes about people accumulating cars in their yard and I just thought these are the types of things that I was looking to see, what I think a regular resident would come to us with concerns about. The only thing I will tell you about the 10 year old apartment was that the 2nd floor has a deck with a railing balcony and they were wood. The manager told me that they were now going to redo those with the trek; I guess that is the synthetic deck, which would be more maintenance free. But again, the biggest difference there was that they had more space in their yards. I thought that was really nice if you have someone that wants to have a little bit of a yard space. I just wanted to share with you, I did receive lease agreement, I looked at it and I would be happy to share it with you. They have a lot of rules, I can understand why they have a lot of rules. I also said to a different manager at the 10 year old complex, and I was surprised again at how quiet it was. And again they say, most of the people are working. I have to say maybe I should go back on a weekend; maybe it would be a little more active. That was my experience and I just wanted to share it with you. I also asked the management how they get people to abide by the rules. They have a fine, so if you don't comply with their rules, they assess you a fee. If you don't pay the fee it is considered nonpayment of your rent and that is how they evict people.

Mayor Lockwood: Elizabeth did you have a comment.

Elizabeth Terenik: I just wanted to add that I think one of the major concerns is how a property is kept up. I was really surprised that they assessed fines for mops that are left on patios, if you are smoking as all of their facilities are now non-smoking so you can't smoke in your apartment or on the grounds, and those are the type of things that generate fines and by the way, those fines are considered revenue that goes towards the Pilot.

Fran Grant: My concern is how is it going to affect me. In hearing what you are saying, I am very appreciative of that, how they are maintained, but what I want to know, I am hoping that you guys gathered information when you went, which I think is a huge concern for all of us, is how that is going to impact me financially. Of these 75 kids that are going to school, in the 2 year as well as the 10 year place, how much are they having to pay out for the year for school, how much are they having to pay, we made reference to the cost differential as far as what is coming in verses what the people have to pay. In these places that you went to, what did you find out was the costs for the property taxes of the residents, you got a 10 year and you got a 2 year. I'm concerned that we are having people that are going to be coming into Middle Township, Cape May County in particular, that is coming from Cumberland and all those other places and we're having to be responsible and our taxes are going to go up to accommodate them. That being said, is there some kind of thing put in place if they are coming from outside of our township that maybe the township they are coming from, are they having any tax liability or are we just going to assume them. Those are the things that I am wondering, I'm living here and we're trying to bring something into our community that is supposedly going to help those in our community. One we are starting to outsource so it not going to purely help us, our community, but then when you are bringing someone in I don't want to have do more, there are a lot of people that are living on the edge, and just how you take the tax liability of those living on the edge, and living on the edge and for me to survive, I am not going to have health insurance, so I am going to be living on the edge, but now you are asking those same people living on the edge without health insurance and just barely making by to take on a tax hike. I'm looking at how it is going to burden me, how I am going to survive. Those things are very important to me too, the aesthetics and things, but as we are getting to the nuts and bolts of it, through those programs do we have something that we can draw from, what is the tax liabilities, how has it affected those people who have taken on this new burden of taking on taxes.

Mayor Lockwood: You have a couple of different things going on, so I will try to get through a few of them. I know Tim has done work investigating the impact that developments this size would have on our school system and

Fran Grant: I don't mean to interrupt you, but what I want to know would those studies that you investigated, how has my direct points affected...we have some direct information from situations that's up and running and having experience from not only a 2 year fiscal, but a 10 year fiscal, so I can get those comparisons.

Mayor Lockwood: There are so many things that impact taxes thought, I don't know that you can just carve out any of these scenarios and say OK, this was directly impacted. But, we have a declining number of students in our school system, so some of the children that live in these developments won't go to school yet and then some of them will already be in the school system.

Fran Grant: How have those 75 that were in the Pilot program, and in the school system, impacted the tax burden, how much taxes were lost or gained from that, let's just look at that scenario.

Committeeman Donohue: You are asking if we know how the tax base in that town was affected by this development.

Fran Grant: You guys went so I figured you guys went there so you could have a cross comparison to bring back to us so that we could make a very educated decision. Did you guys ask any of those questions?

Committeeman Donohue: I don't have that answer, it is a tough question. I didn't meet with the whole school board, I met with a member of the school board and the superintendent of the schools, and we discussed the Rutgers Study and the stipulation of how many kids might be coming, it is all an educated guess and how they thought it would impact the school. Their explanation to me was that school enrollment is dropping. The sending districts, Stone Harbor, Avalon, Dennisville are sending less students, our student population is decreasing. So I guess the easiest way to explain it is that the school budget can accommodate this many kids, and they are here, well, if this development took it to there, they'd be fine. If it is something that went to here, then there would be a problem. But the numbers that we were discussing with them, it said it would depend on the age of the students, what school they would fall into, if there was a lot of high school students they may have to consider having to hire a couple of extra high school teachers, they did not see a big impact at the lower grades. That is not a dollar answer, but to say that every kid that comes into town makes the cost of education this much higher is not necessarily true.

Fran Grant: They had 10 years to have something.

Committeeman Donohue: I don't have that answer.

Mayor Lockwood: But in 10 years other things get built, other revenues disappear, I mean the biggest impact that I have seen on our ratable base and our taxes in this town wasn't anything that was built, it was a development that was dormant and the developer came in and successfully appealed his taxes 3 years retroactively, we had to give him a refund. I am just saying that as an example, there are other things that impact it, so even if we had the taxes in that town for all those years in the school system, the ratable base changes and there is a lot going on there Fran, so I don't think we have an exact answer for you.

Fran Grant: Well can you understand my trend of thought? I am just trying to cling to some kind of comparison, where we can compare 10 years ago where the situation was and we can take into consideration all those other bearers because change is the only constant, do you understand. If we could have the 10 years from 10 years ago, and we are here now, we could look at that comparison, we have some ballpark where we can say there has been this much change and I am trying to ascertain that and I can't get that and any decision made without any of these answers isn't very wise. It is the same kind of thing, if you have kids going to a new school, you are not going to say we have this uncertainty, but we are going to let our kids go there. Just because we don't know what the expectation might be, but we are going to put our kids in a situation where there is an expectation of good verses bad, but we don't know what percent...you're not going to do that. You are going to dig and try to find something by which you can grasp that says I feel comfortable moving forward in this direction. That is all I am trying to ask for.

Mayor Lockwood: We have all of these same questions and we are trying to get some answers as well. We are going to get into the next meeting where there will be another open public discussion. We will keep this meeting going until 7:30 because all of this is going to happen in the next meeting anyhow and we are just trying to make sure we get out and a lot of the things that we'll discuss next.

Ralph Shuman: Susan, my first question goes to you, I know you visited 2 complexes, where these complexes were built, were they built that there was plenty of ground, they didn't need variances, the people didn't fight it, it was all a good idea. Deptford, I don't know how many square miles it is, but did it fit the towns, like did it fit in the towns properly, is it being shoved on such a little piece of

ground that this one here is, do you know anything about that.

Committeewoman DeLanzo: I can tell you that what I visibly saw, I mean I don't know how much resistance there was to it. Because the Pilot bothers me also, tremendously, and I was trying to really ascertain the facts from Conifer to make sure that it wasn't just a theory or a....when they opened up their rent roles and actually showed us, I went with Elizabeth we drove up together, and they showed us the rent roles for both locations, I thought that was very good because it was about how many people were getting vouchers. To tell you, the first site, the newer site... the 2 year old site, I felt that it was a very small parcel, because it was a very kind of a rural area...Conifer built a senior project right on Bayshore Road and it is right to the street. That is not what this is like, the roads kind of intermingle, it is a rural setting and the one in Turnersville, that wasn't just 5 miles down the road, you had to turn down off of the highway to go down a quiet street and that was a bigger site, it was more open and it was 2 stories. It looked like they were pushing a lot of apartments on the newer site because there wasn't much ground around the apartments.

Committeeman Donohue: The Deptford site was 90 units on 10 acres, 4 of which were wetlands, so actually the 90 units had to be built on 6 acres. I have pictures if you would like to see them, so that you can sort of visual that the Railroad Avenue site is nearly 10 acres and it is proposed for 48 units.

Ralph Shuman: Ok, so my other question goes to the Town Solicitor. I know that you said that you spoke to Fred Schmidt...when you spoke to him, did you speak to him one on one or was that meeting that you had with him taped or is there anything on tape that we can hear?

Marc Karavan: No, there wasn't anything on tape. I just met with him to discuss the case. We don't normally tape meetings with other attorneys when we meet with them.

Ralph Shuman: Well, I know, but this is very important to us, so we would like to know what you and Fred were saying back and forth to each other.

Marc Karavan: He basically gave me the history of the project, provided me with a group of documents, he provided me with the lawsuits, the Appellate Division decision, copies of the transcripts from the zoning hearings and he basically gave me his version of the history from his participation and as a litigate.

Ralph Shuman: Ok, so your whole meeting with him equaled what you said and he talked back to you one minute, two minutes, was it an hour?

Marc Karavan: No, I met with him for approximately an hour.

Ralph Shuman: An hour, well you just said everything you said with him took about, what you said to us, it was less than a half a minute.

Marc Karavan: Well I am not going to recount my entire hour meeting at this hearing, is that what you...

Ralph Shuman: Everybody here would like to know what your conversation was.

Marc Karavan: The conversation was he went through the history, provided me with this document, explained what happened, went through the zoning presentation, said here is the transcripts...this is what happened there and we talked about basically the history...

Ralph Shuman: Do have all of this for everybody that wants to look at it?

Marc Karavan: They are public records, you can get them yourself. The zoning transcripts are public records...

Ralph Shuman: But you said this was a private meeting between you and him.

Marc Karavan: It was a private meeting between me and him, in which he gave me copies of these public records. The complaints are public records, the Appellate Division decision is a public record, the zoning transcript if you care to order it is a public record, these are all documents that everybody can obtain.

Ralph Shuman: OK

Shawn Lockyear: I am the head of Habitat for Humanity and I just want to speak to something Elizabeth said a few seconds ago in terms of people coming in from outside the community when you advertise. We are bound by, because we are building on property and we are trying to get COAH credits for Middle Township, and we are bound by the advertising constraints, we advertised in the 4 counties outside of Cape May County in the same way that they are talking about here...we had 65 applications for a single house, and 1 in any of those counties, other than local, so 1 out of 65. I am just sharing that information because it is recent and it just happened and that is really our experience. I just thought that for whatever it is worth, I would just share that with you.

Bobette Scull: I wondered how you calculated the income on the Pilot program from a percentage of unknown profit.

Mayor Lockwood: It is not based on profit, it is based on gross rents and the rents are set by

Bobette Scull: That is not what Conifer said. So he was wrong?

Mayor Lockwood: Well that is what we are telling you. It is how the Pilot works, it is on gross rents less utilities. He may have misspoken.

Meeting Adjourned: 8:10 PM

Dawn Stimmel, Deputy Clerk