

**TOWNSHIP COMMITTEE MEETING – MARCH 31, 2008**

7:30 PM MUNICIPAL BUILDING 770 COOPERTOWN ROAD, DELANCO NJ

**ROLL CALL:**

**Devinney**, present; **Fitzpatrick**, present; **Hinkle**, present; **Templeton**, present;

**Ouellette**, present

**Also Present:** Mr. Corcoran, Twp. Administrator; Mr. Kearns, Twp. Solicitor; Ms. Zimmermann, Deputy Municipal Clerk; Chief Parsons, Police Department; COAH Council, Kevin Sheehan; Twp. Planner, Barbara Fegley, Twp. Auditor, Mr. Bob Stewart

**FLAG SALUTE**

Mayor Ouellette led the flag salute

**SUNSHINE STATEMENT**

Please be advised that proper notice of this meeting has been given in compliance with the Sunshine Law in the following manner. Written notice has been mailed to the Burlington County Times and the Courier Post and published in the January 7, 2008 editions. Written notice has been posted on the official bulletin board of the Township of Delanco at least 48 hours prior to the meeting.

**\*\*\*PROMOTION APPOINTMENT\*\*\* - Donald Nesbitt**

Mayor Ouellette announced that he would like to promote Donald Nesbitt to Delanco Township Police Sergeant effective March 31, 2008.

Chief Parsons stated that Detective Nesbitt has been in the Delanco Police Department for ten years and he did very well on the Police test and that he would make a very good sergeant. Chief Parsons further stated that they need a sergeant and supervisor on the 3:00 PM to 3:00 AM shift.

Motion by Ed Devinney, seconded by Mike Templeton to promote Police Officer Donald Nesbitt to the position of Delanco Police Sergeant effective March 31, 2008.

**Roll Call:** Devinney, yes; Fitzpatrick, yes; Hinkle, yes; Templeton, yes; Ouellette, yes

Mayor Ouellette reported that the Township came under budget last year and in going through the budget process for 2008; a decision has to be made regarding the dollars left over. Mayor Ouellette stated that the Township Committee would like to authorize the Township Auditor to apply these dollars to the uncompensated absences. A discussion ensued regarding the amount. Committeewoman Kate Fitzpatrick asked for the amount and said she did not want to move on this until it was clear what the amount was. The Township Auditor, Mr. Bob Stewart stated that you can't make any changes to your appropriations or reserves after March 31, 2008, so a resolution would have to be made tonight.

Motion by Kate Fitzpatrick, seconded by Joan Hinkle to allow the Township Auditor, Mr. Bob Stewart to take any excess up to \$100,000 and to use that for accumulated absences.

Deputy Mayor Mike Templeton questioned a previous amount of \$48,000 that had been appropriated.

**Roll Call:** Devinney, yes; Fitzpatrick, yes; Hinkle, yes; Templeton, yes; Ouellette, yes

Mayor Ouellette asked the Township Auditor to explain how the Mansion is tied into our budget process. The Township Auditor, Mr. Bob Stewart stated that Delanco Township is into its third year of a bond anticipation note that exists on the purchase of the Mansion. A State statute states that after the third anniversary, the Township has to begin raising a calculated amount in their budget. One of the caveats in the law states that you do not have to raise it in the budget if you are selling the property and will no longer have that debt, or if council decides to sell serial bonds to fund the project for a fifteen or twenty year period. Mr. Stewart stated that it is imperative that the Township Committee members decide what direction they will take on this. Mr. Stewart stated that he has to know when the budget will be introduced because this dictates what we do with the budget. A discussion ensued regarding the introduction of the state budget deadlines.

### **PRESENTATION BY ZURBRUGG PARTNERSHIP FOR REDEVELOPMENT OF ZURBRUGG MANSION**

Mr. Henry Kent Smith, representing Zurbrugg Partnership LLC and thanked Mr. Sheehan and Mr. Heinold for their efforts in bringing the Township Committee a redevelopment proposal agreement and site plan. Mr. Smith distributed their redevelopment proposal for the Zurbrugg Mansion. Mr. Smith stated that the foremost piece in this redevelopment proposal is the transfer of the fourteen lower and moderate income housing units from the Rivers Edge development to the Mansion. Mr. Smith stated that Ryan Homes and his client have signed an agreement that will enable and memorize the transfer of those fourteen units to the Mansion as part of this redevelopment proposal. Mr. Smith stated that memorandum and agreement are subject to Land Use Board approval. Mr. Smith stated that he is scheduled to appear before the Land Use Board tomorrow night to give the same presentation to secure their review and approval of the proposal. Mr. Smith stated that with their approval of the transfer, they will then have the mechanism to proceed financially to be able to proceed with a closing on the Mansion by June 30th. Mr. Smith stated that the structure of the proposal is for up to 24 senior independent apartments within the Mansion. A discussion ensued regarding the setbacks and the COAH units.

Committeewoman Kate Fitzpatrick asked Mr. Cherkas to go over their proposal so that the public can understand the provisions and how the Township is being paid and that the sale of the property it is not a contingency on any mortgage and that it is basically a cash deal. Mr. Cherkas gave a brief explanation of what they proposed and how they planned on doing the project.

Mr. Cherkas outlined the following plan:

- price offer of \$1.7 million dollars cash for the property
- agreed to pay \$100,000.00 of the \$1.8 million upon closing of the individual town homes
- estimated cost for Mansion renovation is \$1.5 million dollars – once they close on the property they will be submitting to the State Department of Community Affairs and the Federal Home Loan Bank for subsidies (long term loans) to do the renovations
- rough construction budget of \$3.4 million for the carriage house and town homes

Committeewoman Kate Fitzpatrick wanted to let the public know that the Township has applied for the Green Acres Acquisition Grant that will give the Township additional funds toward this purchase up to \$250,000 depending on the appraisal amount.

Committeewoman Kate Fitzpatrick asked them to explain to the public that this property will not revert back to institutionalized living. Mr. Creigh Rahenkamp assured the public that with the redevelopment plan and land use controls, this could not happen.

A discussion ensued regarding the units as rental units versus sold units. A discussion ensued regarding the original J2 agreement with reference to the escrow fees.

Mr. Cherkas stated that in their original letter dated January 17<sup>th</sup> sent to the Mayor of Delanco that one of their proposal conditions was that they were going to use the original J2 site plan and agreement. Mr. Cherkas added that one of their conditions was that the redevelopment agreement would be further amended to limit the professional escrow fees for the final redevelopment plan to \$10,000.00.

### **HEARING OPEN TO THE PUBLIC**

Mayor Ouellette opened the hearing to the public

1. David Suter, 725 Delaware Avenue, asked if there was a difference in the minds of COAH judges between age restricted properties as opposed to family units in terms of Delanco's obligations. Mr. Suter stated that the framework of the original plan was based on a plan that the Joint Land Use Board didn't see.
2. Steve Schofield, 400 Burlington Avenue, asked for clarification on the taxes for these units. Mr. Schofield asked if the addition to the Mansion was on the original redevelopment plan.
3. Harry Litwack, 217 Maple Avenue, commented that using the Mansion for senior housing is admirable; however, he has a problem with the way it was being done. Mr. Litwack is confused about the J2 and Zurbrugg Partnership connection. A discussion ensued regarding the Mansion.
4. Frank Klare, 6 Russ Farm Way, questioned whether there were any other offers on the table for the Mansion. Mr. Klare encouraged the Township Committee to accept an offer and let it be done.
5. Marty Goldberg, 75 Pennington Court, stated that he would like to go through the math with the Township Committee. Mr. Goldberg asked how much the total cost of the project would be and how much the selling price for the townhouses would be. Mr. Goldberg encouraged the Township Committee to look for a sale rather than refinancing.
6. Keith Letizio, 203 Union Avenue, questioned how many COAH units Delanco presently has. Committeewoman Kate Fitzpatrick stated that the Township has 172 in the third round. The Township Administrator, Mr. Steven Corcoran added that COAH is using square footage and the Township is appealing the uses they show for the Township.
7. Jean Mastalesz, 97 Shipps Way, asked:
  - if the Township was keeping the river parcel
  - how many units in the Mansion would be second round COAH units and since they are second round COAH units and they are rental units, would the Township get any bonus for that
  - stated that Newton's Landing does have one COAH unit and Pulte Homes did purchase COAH units from surrounding towns
  - questioned whether the RCA'd COAH units are credited to the Township that sent them or the Township that receives them and will Delanco get credit for them in the third round

- understands that the COAH obligation is for thirty years and when that period ends, does the Township get credit for that or do they have to build new COAH units
  - questioned what issue will be covered at the JLUB meeting tomorrow night
8. Phil Jenkins, 415 Third Street, asked for clarification on the COAH units and how they would be marketed at the Mansion. Mr. Jenkins agreed that the Mansion should be sold and that it would be in the best interest of the Township.
  9. Steve Schofield, 400 Burlington Avenue, questioned the remediation for the oil tanks at the Mansion. The Township Administrator, Mr. Steven Corcoran stated that this will be discussed at the Township Committee Meeting on April 7, 2008

### **HEARING CLOSED TO THE PUBLIC**

Since there were no further comments or questions from the public, Mayor Ouellette closed the hearing to the public.

Randy Cherkas made some closing statements to their presentation.

- intent of proposal is to take a currently vacant property in a prime real estate location in the Township that is an expense to the Township
- agreement negotiated with the Township, if approved, fixes the environmental issues, preserves the waterfront lots, renovation of the property into full independent apartments, addition of nine new waterfront taxable units

Mayor Ouellette concluded that the next step is that the issue is going before the Use Board tomorrow evening to get their input on the proposal and asked to have this put on the agenda for the next Township Committee meeting.

Mr. Henry Kent Smith said that Zurbrugg Partnership LLC is asking that the Township Committee adopt a resolution authorizing the Mayor to execute the redevelopment agreement. They need to know that they are in a position to continue to proceed.

The Township Committee members commented on the redevelopment agreement and what transpired in the Zurbrugg Partnership LLC proposal.

Committeewoman Kate Fitzpatrick stated that she is ready to move forward and sign this resolution tonight. Kevin Sheehan stated that there are conditions that have to be added to the resolution before it is voted on and signed.

Deputy Mayor Templeton stated that the Township Committee is not ready to move forward on this tonight since the document has been changed and he has not seen the completed document and had time to review it. Mr. Templeton felt that it was not in the best interest of the Township to rush into this. Mr. Templeton stated that signing this has permanent implications to the Township.

Committeewoman Joan Hinkle stated that she is willing to vote on this tonight.

Committeewoman Kate Fitzpatrick made a comment about the budget stating that last year they did not start on the budget until the end of March and it should have been cut more than it was. Ms. Fitzpatrick stated that the Mayor said budget discussions would start in September of 2007 and they didn't start until February 2008. Ms. Fitzpatrick stated that the Township Committee agreed that they would not do a referendum, that

they would stay within the caps and they knew there would be cuts. Ms. Fitzpatrick stated that they new something had to be done about the Mansion. Ms. Fitzpatrick stated that this agreement is good for the residents and the Township and she feels they should move forward with it.

Mayor Ouellette stated that he wanted the Land Use Board to have their input into the process tomorrow night and put this on the agenda for the April 7<sup>th</sup> Township Committee Meeting. Mayor Ouellette stated that he did not receive the final copy of this agreement until 2:30 this afternoon and he and the professionals have not had time to review the documents.

Committeeman Ed Devinney agreed with the mayor's statements and would like a postponement until next week to vote on this.

Tracy Seabold, representing Ryan Homes stated that they need relief tonight and asked what the Township wants so they can move forward. Ms. Seabold emphasized that the transfer of the 14 units is necessary for this project to go forward. Ms. Seabold stated that nothing on the Zurbrugg project will be presented to the Land Use Board tomorrow night. The only thing before the Land Use Board is relief from the Ryan Homes site plan.

Phil Jenkins, 415 Third Street, commented that last time we were going through this we had J2 in front of us and we delayed and lost the proposal. Mr. Jenkins commented that we have a viable proposal in front of us now and they are ready to go and he feels we should move forward on this tonight.

Committeeman Ed Devinney asked the Township Solicitor, Mr. William Kearns if by voting for the motion tonight; would the agreement be set in stone. Mr. Kearns stated that it would set the agreement. However, if they do not get the approvals needed from the Land Use Board, the redevelopment plan approved and the court approvals; then they would have to come up with an alternative.

Mr. Kearns explained the redevelopment process and stated that to get adopted it would need the majority of the Township Committee.

**RESOLUTION 2008-54  
AUTHORIZING EXECUTION OF DEVELOPER'S AGREEMENT  
WITH ZURBRUGG PARTNERSHIP, LLC**

**WHEREAS**, in June 2006, the Township of Delanco (the "Township"), designated the Zurbrugg Mansion properties as a Redevelopment area pursuant to N.J.S.A. 40A:12A-1, et seq. The Zurbrugg Mansion properties consist of Block 1202, Lots 1.01, 1.02 and 1.03 and Block 1201, Lots 1.01 and 1.02 (collectively referred to as "the Property"); and

**WHEREAS**, the Property is comprised of two developed lots and three primarily undeveloped lots (one of the waterfront lots contains a gazebo). Block 1202, Lot 1.01 contains the Zurbrugg Mansion, which the Township seeks to have retained and restored consistent with historic preservation principles. Block 1202, Lot 1.03 contains a single-family home referred to as the Carriage House; and

**WHEREAS**, Block 1201, Lots 1.01 and 1.02 are referred to as the “Waterfront Lots”; and

**WHEREAS**, the Township has entered into negotiations with Zurbrugg Properties, LLC with regard to a Redevelopment Agreement wherein Zurbrugg Properties, LLC will acquire the Property, except for the Waterfront Lots; and

**WHEREAS**, the parties have negotiated a Redevelopment Agreement, the most current version of which is attached hereto and incorporated herein by reference.

**NOW, THEREFORE, BE IT RESOLVED**, by the Township Committee of the Township of Delanco that:

1. The Township hereby authorizes the Mayor and Township Clerk to enter into a Redevelopment Agreement with J2 Associates for the redevelopment of the Property.
2. The Township Attorney, Special Counsel, Planner, Architect, Administrator, officers, officials and other representatives of the Township, are hereby authorized to perform the tasks necessary to carry out the obligations and intent of the Redeveloper’s Agreement, including transfer of the Property.
3. This authorization is conditioned upon the finalization of the Agreement in accordance with the comments of the consensus of the Committee and subject to final review and approval of Special Counsel on redevelopment.

Motion by Joan Hinkle, seconded by Kate Fitzpatrick to accept the agreement in accordance with Resolution 2008-54 and final review.

**Roll Call:** Devinney, yes; Fitzpatrick, yes; Hinkle, yes; Templeton, no; Ouellette, no

Motion by Joan Hinkle, seconded by Ed Devinney to adjourn the meeting.

**Roll Call:** Devinney, yes; Fitzpatrick, yes; Hinkle, yes; Templeton, yes; Ouellette, yes

Karen Zimmermann,  
Deputy Clerk  
March 31, 2008