

Heritage Minerals Working Group
MEETING SUMMARY
January 21, 2016
Manchester Civic Center
3:00 PM

Call to Order

1. Roll Call of Working Group Members:
 - ✓ Mayor Ken Palmer
 - ✓ Donna Markulic, Business Administrator
 - ✓ Craig Wallis, Councilman*
 - ✓ Jim Vaccaro, Councilman*
 - ✓ Lt. Dolan for Lisa Parker, Chief of Police
 - ✓ Al Yodakis, Director of Public Works
 - ✓ Don Somerset, Director of Utilities
 - ✓ Felicia Finn, Zoning Board
 - ✓ Michele Zolezi, Planning Board
 - ✓ Dave Trethaway, School Superintendent
 - ✓ Blanche Doran, Senior Advisory Committee
 - ✓ Marge Camposano, Secretary to Mayor Palmer

*Council members Wallis, Vaccaro and Fusaro will alternate

2. Redeveloper Representatives Attending:
 - ✓ John Pagenkopf, Vice President of Development, H. Hovnanian Industries
 - Susan Kyrillos, Consultant to H. Hovnanian Industries
3. Staff Attending
 - ✓ David Roberts, Township Planner (Maser)
 - ✓ Zachary Zeilman, Planner (Maser)

Approval of Minutes:

1. Approval of Meeting Summary of December 3, 2015 – Internal Meeting – Working Group Only
 - a. We will wait to approve December 3rd summary until everyone has had a chance to review

Presentations:

1. Update on Fiscal Impact Analysis
 - a. Contract for Rich Redding's review is on the Township Council's agenda for Monday (1/25/16)
 - b. A kick-off meeting is expected for Tuesday with Rich and Hovsons experts (1/26/16)
 - i. We will have an exchange of any additional information that he needs
 - ii. They can start to go through the analysis and give us feedback
 - c. In the meantime, we will start going through the Redevelopment Plan
2. Distribution and Overview of Working Draft Redevelopment Plan
[Dave distributed hard copies of Draft Redevelopment Plan at today's meeting]
 - a. The Draft Redevelopment Plan has been revised as of today's date *[Jan. 21, 2016]*
 - b. There are similarities to the sample Plan from Berkeley Twp, but there are also significant differences
 - i. The front- and back-ends are boiler plate, while the middle section is unique to the site
 - c. Effectively this proposed zoning is an overlay – The existing zoning will stay in place, but the developer has the option to use the zoning of either

- d. The development will only go forward assuming that there is an agreeable consensus between the Township and property owner in the Redevelopment Agreement
- e. *Outline of the Redevelopment Plan provided by Dave Roberts:*
 - i. *"Section 2. Public Purpose"* (Pg.4) – A boulevard through the site is a significant benefit for traffic and safety – highlighted as a priority in phasing in the Plan
 - ii. *"Section 3. Vision Statement"* (Pg. 6) – There is a contrast between mix of uses in the Town Center and what was originally proposed
 - iii. *"Section 4. Consistency with the Manchester Township Master Plan"* (Pg. 8) – Township Master Plan Addendum date that is highlighted is a placeholder and has not yet been adopted
 - 1. If the Addendum is adopted at the February meeting, the Board can say that the Redevelopment Plan will be consistent with the Master Plan
 - iv. *"Section 5. Redevelopment Plan"* (Pg. 8)
 - 1. *"5.2 Deviations from Plan"* (Pg. 8) – What happens with deviations?
 - a. There is no right or wrong way to handle that
 - b. We are giving Planning Board discretion
 - c. Acts like a zoning issue, but under a different statute
 - d. Want to give flexibility without having to get variances
 - e. Want to have assurance that the governing body is aware of and comfortable with deviations
 - f. The Redevelopment Entity (Township Council) would have the option to pre-approve deviations
 - g. Redevelopment Entity could create a sub-committee (perhaps the Working Group or a separate Technical Advisory Committee (TAC)) before they get to the Planning Board to be a filter on deviations
 - h. It is up to Governing Body (Redevelopment Entity) to decide whether they want an advisory council or a TAC
 - 2. *"5.3 Redevelopment Area Framework Plan"* (Pg. 9) – Land uses
 - a. Map 2 (Pg.11) – Land bay diagram where we get into organization of uses on the site. The Framework Plan is a more detailed version of a Land Use Map
 - 3. *"5.5 Land Use Requirements"* (Pg. 12) – Provides individual names for land bays
 - a. Generally laid out by "Residential Uses", "Mixed Uses", and "Non-Residential Uses"
 - b. The Reexamination Report Addendum recommended switching to NAIS list of uses in the Zoning Ordinance, but the Plan lists the uses in each category
 - c. The Working Group was asked to look review and comment on the uses that were listed in the draft redevelopment plan
 - d. *"5.5.2 General Land Use Requirements for All Districts"* (Pg. 16) – Descriptions/requirements of land uses
 - i. There are many types of uses – want to make a clear list and subject to less interpretation
 - e. *"5.5.3 Conditional Uses"* (Pg. 18) – "Cellular Telecommunication" is the only conditional use
 - i. It is unusual for a Redevelopment Plan to have conditional uses

- f. *"5.5.4 Permitted Temporary Uses"* (Pg. 18) – Temporary uses were added to pre-anticipate things that might be necessary for a short period of time, particularly in the beginning of construction
 - i. Sales trailers; farmers markets; Temporary Signage; Outdoor entertainment; etc. are pre-approved in the Plan
- g. *"5.5.6 Prohibited Uses"* (Pg. 18) – Short list of prohibited uses
- 4. *"5.6 Design Standards"* (Pg. 19)
 - a. *"5.6.1 Maximum Impervious Coverage"* (Pg. 19) – An adaptation of Berkeley Township issue
 - i. Both sites were in Suburban Planning Area 2 where there is a CAFRA requirement
 - ii. We anticipate 30% is going to apply to the overall site in the CAFRA Zone (4,000 acres) – compensate developed areas with open space
 - b. *"5.6.3 Bulk Requirements – Schedule A-Bulk Standards"* (Pg. 21) – Bulk standards for individual use categories
 - i. Somewhat based on examples we have seen
 - ii. We don't have standards on density right now – some of that is driven by the lot sizes – may want to look at more carefully as a group
 - iii. Some of the development requirements will be dictated by fiscal and we may need to back into them after fiscal impact of the buildout yield is fully understood
 - c. *"5.6.4 Building and Site Design"* (Pg. 22) – Photos showing types of designs we are looking for in the redevelopment
 - i. Manchester has always had a theme of "colonial" – Let us know if you'd like to see more of an emphasis on that in the Town Center
 - ii. May want to make it more evident
 - iii. Redevelopment Plans can require the design/style – right now it is just suggested
 - iv. Image for *"Light Industrial"* (Pg. 29) is more modern/contemporary
 - 1. Want to influence a new expression of reasonable design standards for industrial areas
 - d. *"5.6.7 Signage – General Standards"* – There are some items we still need to agree upon (Pp. 33-34)
 - i. Expecting to get some examples from Hovsons of what they're expecting to use for signage – A "palette" for wayfinding, monument signage, etc.
- 5. *"5.7 Parking and Loading"* (Pp. 35-36)
- 6. *"5.10 Provisions Related to Affordable Housing"* (Pg. 39)
 - a. Some language might go back to Growth Share model, which said that the more you build, the more obligation you accumulate
 - i. If this was still in place there would be significant obligation
 - ii. Growth Share has been thrown out by the Court – now it is based on a regional need (still being debated in courts)

- b. Manchester's Housing Plan was submitted by the deadline and the Township is operating in good faith
- c. Settlement agreements will need to be renegotiated – we put the number in the Plan because it is the only number we have now, but we are expecting it will be changing
 - i. Three different numbers available now
 - ii. FSC (Kinsey) – 1,000 unit cap
 - iii. Rich Redding (Court Special Master/Regional Master) – 600+ units
 - iv. E-Consult (consortium of towns) - ~100-200 units
 - v. Supposed to abide by Rich's numbers right now, which we have met with the Housing Plan up through Year 2020
 - vi. Courts still have to decide what's reasonable and whether each town has done their fair share
 - 1. Manchester has immunity right now
- d. Affects the Redevelopment Plan – We indicated that whatever number comes out of this site will have to put the Township in a better position with their affordable housing plan than the previous Agreement
 - i. This will be worked out in the new Redevelopment Agreement
 - ii. There are restrictions on how many units can be affordable age-restricted and apply to COAH numbers (as per underlying zoning)
 - iii. The trick is the financial feasibility
 - 1. Pro formas are going to be driven by revenues, which will be reduced by affordable requirement
- v. *"Section 6. Relationship to the Land Use and Zoning Ordinance"* (Pg. 40)
 - 1. Heritage Town Center Redevelopment Plan Area Map
 - a. This is what you can expect zoning map to look like, although it doesn't need to be amended to the Zoning Map because it is an overlay
 - b. Overlay will cover all 3 or 4 of these existing zoning districts
- vi. "Back end" beginning on (Pp. 39/40) with standard "boiler plate" content
 - 1. References to CAFRA, Master Plans, etc.
- vii. *"Section 8. Amendments and Completion"* (Pg. 45) – Description of how you would go about amending the plan
 - 1. Assumptions that went into creating the Plan will change over time
 - 2. If redeveloper and Board agree, it can be amended
 - 3. *"8.2 Certificate of Completion and Compliance"* (Pg. 45) – Most likely will happen project by project

Discussion:

- 1. Topic: Working Group Comments – Draft Manchester Heritage Town Center Redevelopment Plan
 - a. What is our status with our application to the State?
 - i. John: We are working now on a lot of the environmental components that will be part of an application to the State for an overall development area.
 - 1. We hope by the end of Spring to make that application
 - 2. We have been making some reports to them regularly

3. They are anxious to see our reporting
- ii. Dave Roberts: What is the sequence of the Application/ timing?
 1. John: Working Group makes recommendation to Governing Body, hope to have field work in place at the same time so that we can then make case to the State
 2. The State does not have anything to respond to yet –if the Governing Body approves the Redevelopment Plan, Hovsons will work toward expanding the sewer service area.
 3. DR: Any kind of pre-determination on whether they would allow disturbance?
 - a. John: They're going to look at the footprints, don't need Site Plans for land bays
 - i. They would be able to act on the footprint after we pass the Redevelopment Plan
 - b. DR: Our focus will be how much, where, etc. – Developer will have a lot of hoops to jump through before they can submit a site plan
 - i. Most developers will submit to CAFRA and Planning Board at the same time
 - ii. Redevelopment Agreement negotiation will be complicated
- b. Mayor: Do we come up with number now with which we're comfortable and then revisit it in Redevelopment Agreement?
 - i. Do we come up with number now or wait for state to knock out numbers for the areas that we can't build on?
 - ii. DR: Hopefully that will come out of the fiscal analysis after Rich reviews and he will be able to ask questions we may not know to ask
 1. Didn't put specific densities in each land bay in the redevelopment plan yet, but the fiscal did assume densities for the land bays in order to generate the yield estimates that were plugged into the cost and revenue calculations
 2. If and when we get to a point where both sides are comfortable with the build-out and fiscal numbers, then we can plug them back in to the redevelopment plan as overall density and/or as maximum threshold levels of units and/or square footage.
 3. We want the ultimate build-out and mix to work for the Township before the Working Group moves the Plan on to the Township Council
 - a. How much of each use can the Township absorb?
 - b. Once adopted, the redevelopment plan will be the basis for negotiations between Hovsons and the Township
 - i. If the point is reached in the process where the Redevelopment Agreement is executed, the Township will become a public-sector partner with Hovsons and would likely be advocating for the implementation of the redevelopment plan with the State and attend the meetings between the redeveloper and State
 - iii. Is it permissible to have the final number in the plan?
 1. DR: Maybe try to put in a general density number and a cap for each land bay
 - a. If you add that up, it will give you the magic number not to exceed, and then depends on fiscal
 - b. If we have a conversation on a cap for each land bay, it may ease focus on density

2. Al: The total allowable numbers of units should be in the Redevelopment Plan
 - i. DR: At this point we weren't sure what the numbers would be
 1. Test a couple of the land bays in diagram?
 2. John offered to sketch out conceptual layout to see what would fit in a land bay
- iv. John: If Reading says fiscal works out and the site could support the 6,543 – would the Township still reduce that to something less?
 1. Mayor: Can the Town support it? Afford it?
 - a. Need to decide whether the Township wants to be a 60,000 person town
 - b. In closed session, the Working Group had concerns as to whether the residents would accept an increase by 25% of our population
 2. John: Zoning is the first step and then we can change the numbers in negotiation with the Redevelopment Entity (Township) in the Redevelopment Agreement
 - a. Ask that we not diminish the number now, because the State may reduce it and then we can manage numbers in the Redevelopment Agreement
 3. DR: The Plan dictates that there has to be a Redevelopment Agreement
 - a. One of the things in the language is that the project cannot go to the Planning Board until there is a Redevelopment Agreement in place
 - b. Tradeoff is that the town has more control
 - c. If you don't get a Redevelopment Agreement, you don't move on
 - d. Framework Plan in this document, but there is a requirement for an overall Concept Plan to be attached to the Redevelopment Plan
 - i. The Township or redeveloper can always opt out of the Redevelopment Agreement
 - e. At something of this scale, it requires each step to become more refined
 4. Mayor: Example – Land Bay H “Heritage Multifamily” – Redevelopment plan says 10 units per acre – assuming it is 15 acres
 - a. What's the difference for us making the zoning now versus in the Redevelopment Agreement?
 - i. DR: The Township can keep requesting revisions to the Overall Concept Plan until they become comfortable
 - ii. DR: You're not going to sign the Agreement unless you have a Concept Plan that you like
 1. Hovsons is not going to put the resources into a concept plan that you're not going to adopt
 2. This Working Group can serve a role in that
 - iii. DR: Either side can terminate agreement at any stage
 1. Even after the Redevelopment Plan is passed and Redevelopment Agreement is signed, one side can default on contract and there are protections to both sides built in
 - b. Can there be a conceptual timeline?
 - i. This could be a couple of decades long – will ease the stress of adding 15,000 people to know that it will take a long time

1. Everyone wants to know how much of each use is going to build out – Should be able to give an estimate
 - ii. Rich is going to look at Fiscal Analysis and we'll be able to figure out the phasing
 1. It is not uncommon to amend the Redevelopment Agreement, with the consent of both parties
 - a. Don't want to be an instant burden on schools, services
 - b. Not going to happen over the next couple of years
 2. DR: There was also an analysis by Robert Powell – Nassau Capital Advisors (helped work with State on affordable housing) that Rich will also be looking at
 - a. Gauges where the area is on growth
 3. DR: Interested in whether there would be a long term tax exemption (PILOT) or not – would affect how much of revenues go to schools or the County
 - a. PILOT payments are apportioned differently than real estate taxes
 - iii. DR: There was also interest in what the effect going to be on surrounding development (residential neighborhoods and commercial development along Routes 37, 70 and CR 571).
 1. Neighborhoods and composition change over time and go in cycles
 2. Want to make sure there isn't an unintended impact on other parts of town
 3. Two big impacts in the population being the baby-boomers and the millennials and what choices they are making
2. Next steps
 - a. John will try testing the land bays for possible outcomes
 - b. Need more supporting documentation on the fiscal and densities
 - i. When fiscal numbers come back, we will also have comfort level on densities
 - c. Financial analysis – doesn't show how the math works
 - i. Show how you got to the answers and the rationale
 - ii. Spreadsheet that tabulated all of the units
 - iii. John: Don't think it's a good idea to put numbers and types of products for each land bay in the Redevelopment Plan stage where all those homes might be, it won't be consistent by the time we get to the Redevelopment Agreement stage
 - iv. Mayor: We see how you got the numbers, but you really need to go through land bay by land bay to get the information
 - v. John: Going through the density study, we will be able to discuss this, but whether it is incorporated into the final document may depend on the likelihood that the redevelopment plan would have to be amended
 - vi. There may be things that we haven't done yet that Rich will need to see – he will have access to Hovsons professionals.
 - vii. If we are fiscally positive we will be able to come up with Concept Plan
 - viii. Don: Pages are missing from the fiscal document

- ix. Felicia: Will we get to meet with Mr. Reading?
 - 1. Mayor: Absolutely
 - 2. DR: The way his engagement is set up is pretty open ended – whatever the Township asks him to do and is paid for out of Hovsons escrow
 - 3. In next day or two, John will forward him emails to get background and see what additional information he needs and set up a meeting
 - a. Tuesday's meeting (1/26/16) is to get an understanding (John, Hovsons experts, Dave, Township officials
 - 4. Similar to when we had traffic consultants come in
- x. Don: Redevelopment agreement will happen simultaneously with the state application – cannot get finalized until approval by the state – there will be a provision assuming that it gets approval
- xi. February 1st Planning Board meeting –Dave may be explaining the process of the Redevelopment Plan and Agreement to the Board

d. Next meeting: February 4, 2016

Adjournment:

- 1. Meeting adjourned at 4:38pm