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Medford residents angry at construction company, township

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The people who settled off Medford's Gravelly Hollow Road sought a quiet idyll in the Pinelands.

And that's what they found - until a construction company moved into the municipal lot next door. Trucks rumbled through. Vehicles dumped enormous piles of gravel. Machines crushed cement.

Two and a half years later, neighbors say the disturbance remains intolerable for a residential subdivision, despite some improvements. And they question how Medford allowed the firm, Mount Construction, use of a site zoned for education, parks, and public purposes.

The arrangement was "a sweetheart deal between Medford politicians and Mount Construction," resident Leonard Howe wrote last month to the Pinelands Commission, which is charged with regulating development in the environmentally sensitive region.

The agency is reviewing a belated permit application filed by the township in June - well after a neighbor's January 2008 complaint led Pinelands officials to investigate the lot, said commission spokesman Paul Leakan.

"It is unclear to us how the establishment of what appears to be a contracting business on the lot does not constitute development, which requires an application to the commission," Charles Horner, the commission's director of regulatory programs, wrote the township in May 2008.

What has been a problem for regulators and neighbors has been a boon for Mount Construction, which has received millions of dollars in contracts from Medford.

The origins of the municipal lot arrangement date to August 2006, when Medford sought bids for utility repairs and rehabilitation. The sole bidder: Mount Construction.

The council approved a resolution that month awarding Mount a year's contract, with four one-year renewals. Medford paid the Berlin contractor \$480,000 under the resolution over the next

six months but never formally signed a contract.

In February 2007, the township amended its resolution and executed a contract that authorized Mount to handle repairs and roadwork. An addendum created what the township manager acknowledges was an unprecedented arrangement.

To give Mount "more efficient means of responding to emergency situations," Medford would allow Mount to store equipment and materials at no charge on four acres of township-owned land off Gravelly Hollow Road.

Mount, in return, would fix the site, which officials said was a dumping ground for derelict vehicles and debris, and would improve some local roads at no cost.

"It's in the nature of a lease," said Township Solicitor Rick Hunt. "They're doing work in lieu of rent."

New Jersey law says that a municipal lease must be competitively bid. That did not happen in Medford.

Hunt was aware of the requirement, he said, but the township thought it could make the agreement an addendum to the underlying contract.

"It's a contract that was properly bid," Hunt said. "The addendum is a very useful function and, certainly, I think the town is receptive to residents' concerns."

Mount chief executive and founder Dave Smith has acknowledged it was a de facto lease and that his firm, which holds government contracts around South Jersey, also uses the municipal yard to store equipment for purposes unrelated to Medford.

"It's equipment from the entire company," he said. "We're not contractually obligated to only store equipment used in Medford there, although I will say that Medford enjoys substantial savings as a result."

Mount, which has done work for Medford since the early 1990s, carried out significant emergency repairs during the floods that devastated Burlington County in 2004. The township decided having a contracted company at the ready would make it better prepared, according to Hunt and Smith, who said that the arrangement paid off during floods in 2007.

The area now used by Mount was quiet until the construction company moved in, with noise beginning as early as 6 a.m., residents said. In time, the yard appeared to be a satellite office for the company's operations, said Howe, who lives nearby.

Retired engineer and planner Gene Noll - whose son Chris is the township engineer - said he relayed his concerns to Medford officials. "The whole thing stinks," he said.

Under the agreement, Mount built a fence around the property, gates, another entrance and a stormwater basin.

When the Pinelands Commission became involved in spring 2008, it instructed Medford that no further development - including construction, clearing, and soil disturbance - could occur

until the agency granted approval.

A township lawyer said that Pinelands approval was not originally sought because activity in the public works yard was consistent with the pre-existing use.

Two months ago, the Medford township engineer filed an application, after the fact, to convert the old sand/gravel pit into a yard where supplies and equipment used by the public works department and its contractors could be stored.

While residents have complained, Smith has socialized with local officials. He threw a party at his Medford home in 2007 for Scott Rudder, then mayor and a candidate for an Eighth District Assembly seat. Rudder won and now is up for reelection in the legislature.

In March 2008, he hosted a fund-raising party at his house for Chris Myers, mayor of Medford at the time and running for Congress. Myers lost, but has retained his council seat.

"David has a nice place, a nice house for a cocktail party," Myers said, saying there had been about 50 similar parties during his congressional campaign.

"I take my integrity very seriously," Myers added. "If the contractors don't perform well, they don't work for us." He described it as a "good deal" for Medford to have a contractor on hand for emergencies and to do extra work for the township.

Smith has contributed \$13,000 in recent years to Constructors for Good Government, a political action committee run by a trade group of which he is vice president. The PAC - which gives to both major parties across the state - has poured money into the campaign coffers of local Republicans, including the Burlington County GOP, Rudder and Rudder's running mate, Assemblywoman Dawn Addiego. Most recently, the PAC donated \$5,500 to the pair, around the same time that Mount gave \$3,600 to the committee.

Smith said he has no control over how the PAC distributes money. He said he got to know politicians through his involvement in athletic programs for his children, which Myers and Rudder supported. The parties he hosted may have created an impression of conflict of interest, "but it's an illusion, it's not reality," he said.

Smith's firm has received \$8 million from Medford since 2006, including \$6.5 million from the agreement that was later amended, according to municipal records.

Last month, the Pinelands application concerning Mount drew critical responses from several residents who live near the site.

"The storage and dumping of construction materials on the site by Mount Construction continues. . . . A construction company business does not belong adjacent to our pristine Pinelands residential subdivision," wrote Nancy Schade and Bill Mangiapane.

Howe, who has asked the commission to deny the application, said the noise still bothers him - "the banging, the clanging, the loading, the dumping."