

UL v. Cataret, Old Bridge 1984

- Notarized Affidavit of Listokin
- Cover letter to Judge

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FILE NO.

November 5, 1984

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JUDGE SERPENTELLI'S CHAMBERS

The Honorable Eugene D. Serpentelli
Judge, Superior Court of New Jersey
Ocean County Courthouse
Toms River, NJ 08753

Re: Urban League, et al. v. Borough of Carteret, et al, C-4122-73; O&Y Old
Bridge Development Corp. v. Twp. of Old Bridge, et al. L-009837-84
P.W.

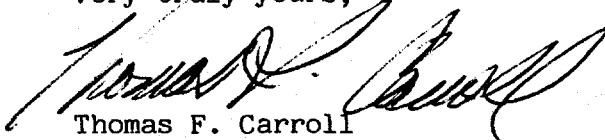
Dear Judge Serpentelli:

Enclosed please find the executed, notarized affidavit of David Listokin, Ph. D., a copy of which has been previously supplied to Your Honor as Exhibit "J" to Olympia & York's Motion returnable November 16, 1984. As previously indicated to Your Honor, it was not possible to have Dr. Listokin execute this affidavit in time to serve an executed version with the Motion papers.

By copy of this letter, all counsel are being served with a copy of this executed affidavit.

Trusting Your Honor will find this in order, I am,

Very truly yours,


Thomas F. Carroll

TFC:te

Enclosure

- cc: Jerome J. Convery, Esq.
- Stewart Hutt, Esq.
- Thomas Norman, Esq.
- Barbara Williams, Esq.
- John Payne, Esq.
- Bruce S. Gelber, Esq.

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Attorneys for Plaintiff

Plaintiff

O & Y OLD BRIDGE
DEVELOPMENT CORPORATION
A Delaware Corporation

vs.

Defendants

THE TOWNSHIP OF OLD BRIDGE in the
COUNTY OF MIDDLESEX, a municipal
corporation of the State of New Jersey,
THE TOWNSHIP COUNCIL OF THE
TOWNSHIP OF OLD BRIDGE and the
PLANNING BOARD OF THE TOWNSHIP
OF OLD BRIDGE

: SUPERIOR COURT OF NEW JERSEY
: LAW DIVISION
: MIDDLESEX COUNTY/
: OCEAN COUNTY
: (MOUNT LAUREL II)
: Docket No. L-009837-84 P.W.
:
: CIVIL ACTION

: Affidavit

Plaintiffs

URBAN LEAGUE OF
GREATER NEW BRUNSWICK,
et al.,

vs.

Defendants

THE MAYOR AND COUNCIL
OF THE BOROUGH OF
CARTERET, et al.,

: SUPERIOR COURT OF NEW JERSEY
: CHANCERY DIVISION/MIDDLESEX
: COUNTY
:
: Docket No. C 4122-73
:
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STATE OF NEW JERSEY)
) SS:
COUNTY OF MERCER)

DAVID LISTOKIN, of full age, having been duly sworn according to law upon his oath deposes and says:

1. I am a professor at Rutgers -the State University, Center for Urban Policy Research, and am employed as a housing economist.

2. The Center for Urban Policy Research has been employed, under contract, to perform certain investigations as to the housing market in Old Bridge Township, Middlesex County New Jersey, which contract is between the Center for Urban Policy Research and Olympia & York/Old Bridge Development Company.

3. This affidavit is submitted in support of plaintiff's motion for the appointment of a master to assist the Township of Old Bridge to reform its land and development processes to provide additional housing opportunities for persons of lower income and to accelerate the process of Ordinance revision..

4. As part of my responsibilities under the aforementioned contract, I have reviewed financial statements supplied to me by Olympia & York/Old Bridge Development Company with respect to land acquisitions undertaken by the Company beginning in 1974.

5. The data supplied to me indicated that Olympia & York/Old Bridge Development Company paid in excess of Sixteen Million Five Hundred Thousand (\$16,500,000.00) Dollars for the land assembled in 1974-1978; and purchased additional land for which it paid in excess of Two Million, Five Hundred Thousand (\$2,500,000.00) Dollars between 1978 and the present. Olympia & York's total cost for land acquisition and related costs, including surveys, legal fees, closing expenses, real estate commissions, etc., between 1974 and the present, is approximately Twenty Million (\$20,000,000.00) Dollars.

6. Olympia & York/Old Bridge Development Company has also incurred approximately Four Million Six Hundred Thousand (\$4,600,000.00) Dollars of administrative and developmental expenses, including fees for planning consultants, attorneys, preparation of marketing and financial reports and technical studies of a variety of kinds.

7. During the same period, Olympia & York has incurred carrying costs, principally in interest and municipal realty taxes of approximately Thirty Million (\$30,000,000.00) Dollars. Two Million Six Hundred Sixty Thousand (\$2,660,000.00) Dollars has been paid as municipal realty taxes; Twenty-Seven Million Two Hundred Thousand (\$27,200,000.00) Dollars has been paid in interest costs.

8. Olympia & York's total incurred costs from 1974 to the present amount to approximately Fifty-Five Million (\$55,000,000.00) Dollars.

9. Olympia & York's consequent current carrying costs, principally in interest and municipal realty taxes, are approximately Six Million Five Hundred Thousand (\$6,500,000.00) Dollars annually. This amounts to approximately Eighteen Thousand (\$18,000.00) Dollars per day; or Five Hundred Forty Thousand (\$540,000.00) Dollars a month.

10. The cost of delay has become one of the most significant problems facing Olympia & York/Old Bridge Development Company and continued delay in this project will significantly affect the company's ability to supply lower income housing on an economical basis.

11. I have also reviewed the history of Olympia & York/Old Bridge Development Company's attempts to obtain permission from the Township of Old Bridge to develop a project of the size and scope it intended to develop. This review indicates that after the expenditure of over 60 months of effort, Olympia & York/Old Bridge was unable to obtain development plan approval from the Old Bridge Township Planning Board, even after a law suit and the passage of a land development ordinance which apparently would have provided for the development of a size and scale as contemplated by Olympia & York.

Summary:

It is my conclusion, as a housing economist, that the following facts are true:

1. Olympia & York has expended approximately Twenty Million (\$20,000,000.00) Dollars in land acquisition costs between 1974 and the present time.

2. Partially due to delays in the planning and development process, no housing has been built in Old Bridge Township under the auspices of Olympia & York/Old Bridge Development Company.

3. Because of the processes of delay, the carrying charges for Olympia & York have risen to the point where, at the present time, Olympia & York has approximately Fifty-Five Million (\$55,000,000.00) Dollars invested in the project.

4. These costs amount to approximately Eighteen Thousand (\$18,000.00) Dollars per day; Five Hundred Forty Thousand (\$540,000) per month; Six Million Five Hundred Thousand (\$6,500,000.00) Dollars per year; which costs will continue to compound, which means that each day of delay adds an additional increment of cost to the total project.

5. These costs add no value to the product to be ultimately sold by Olympia & York; and depending upon the housing market in which Old Bridge is located, may not be capable of being recovered.

6. Each day of delay will make it more difficult for Olympia & York to provide lower income housing.

Any process put in place which would accelerate the capability of Olympia & York to begin the development process, reduce its land carrying cost, and begin to generate positive cash flow would enhance the company's ability to provide lower income housing.


David Listokin, Ph.D.

Date: November 9, 1984

Sworn and Subscribed to
before me this 4th day of November
, 1984.

[Handwritten Signature]

*an attorney at law of the
State of New Jersey*