

UL v. Certaset (Old Bridge)

(1985)

letter
re: Memo to file - presentation for City/Old Bridge
+ corresponding
notes Meeting

5 pgs

CA000044L

MEMO TO FILE (Urban League v. Carteret)
 FROM: BJW
 RE: Old Bridge Meeting, ~~Monday~~

Presentation by Todd Sonor of Hanoach Weisman for O&Y.

Unlike sewers where there is capacity, not enough of it. O&Y looked for alternative sources. Entered into a concept agreement with O&Y to supply water. Middlesex will bring to property line and an additional balance for WMUA. In order to deal with making it work as a Mt. Laurel project and eliminating capital fees and costs, O&Y wants to create a private water company on land owned by O&Y. MUA to give franchise to O&Y, O&Y will construct facilities to the site and sufficient quantities to serve land with out-parcels and a structure to provide sufficient water from Middlesex for MUA for SW&E where there is a water problem.

Middlesex has sufficient surface water for any need with sufficient diversion permits to meet any need. Draws 20 million gals. a day with right to withdraw 80 million gallons. Has no place to expand. Has a modern water plant efficiently operated, excellent treatment. Line would run from Raritan through Sayreville to development.

Middlesex would construct main at their expense if Middlesex awarded franchise so could place in rate base. Cost of water competitive with MUA rates. MUA contacted S. Amboy, Sayreville, Marlboro and Gordon's Corner Water Co. regarding a five community joint venture. WMUA connection with Middlesex in connection with Sayreville. Sayreville has commenced design of river crossing. Sayreville is to proceed alone from Middlesex to Rt. 9. Rt. 34 to Marlboro boundary. Projected needs: Marlboro 7 million gallons, Sayreville 10 million, Old Bridge 10 million. Main would be larger than 37 million.

O&Y rejected Perth Amboy as source because inexpertly managed, closed ~~filters~~, treatment plant old with water supply from well field which is polluted.

MUA If franchise is segmented, then will probably be segmented again by another developer closer to developer would do the same thing. Concerned about how Middlesex would meet debt service in first year when building a 24/36 inch water main with only 1,000 units sold.

As soon as on line would go into rate base with carrying costs defrayed among existing users as part of tariff. As used, costs spread among users.

Possibilities: Expansion of current system, Middlesex with 5 participants, Perth Amboy as bandaid, Sayreville alone. MUA is thinking of entering into contract with Sayreville.

O&Y says not a traditional builder's remedy suit. Needs financial contribution and trying to avoid connection fees. No sense paying connection fees without water. Looking at 36-42 inch line, tap in by town. Main advantage would be able to buy at bulk rate with resell at fair rate of return.

Engineers to meet without attorneys before January 23, 1985.
Attorneys to meet on January 23, 1985 at 7 PM.

Assemblyman Flynn objecting to quick decision and says
will take to Appellate Division.

Lloyd Brown presented new position of O&Y (see attached).

January 29 - Procedural Issues
30 Conclusions

Cost to O&Y of bungalow units \$39,000.

Old Bridge Meeting, January 2, 1985

Page Three

Hutt indicates in Branchburg he agreed to have Township planner and engineer make decision with the advantage most could be done during the day.

O&Y would agree to appointment of architect or engineer and master and arbitration to be paid by O&Y.

Old Bridge would prefer to have developers pay fees and \$ go into an escrow fund if costs could be outside cap.

O&Y is not interested in increasing density. Tom Norman is not at all sure Old Bridge should pay. Hutt says the project must be economically viable and one technique is to increase densities. Other things of the town can help. If still can't produce then only "least cost" housing. Classic 7 units is Branchburg, N. Brunswick. No way can physically develop at high densities and would not want.

Lloyd Brown says O&Y has done a lot of study and sees Housing Authority, borrowing, tax exempt bonds, syndication of Mt. Laurel units as possibilities as would provide the money.

If interest rates increase could lose \$40 million. Projects \$10,000 lost on Mount Laurel units.

O&Y is evaluating low interest \$ and financing being indexed 6% - 5% per annum.

If municipality through Agency owned units. O&Y would build for Agency at actual cost and 10% profit with costs subject to scrutiny. Once municipality owns, not subject to This would make even the low feasible. Or could build low units and at end of 30 years town would down, 1 bedroom rental (1-2 persons), 2 bedroom rental (3-4 persons), 3 bedroom bungalow.

10,000 units approved, 2,000 units Mt. Laurel to be added, 12,000 total.

Problem: Necessary to decrease open space requirements and 10% midrise apartments.

Hutt says areas not commercial, not on highway and road, infrastructure problems.

Outstanding issues: Water/exchange with Middlesex
Roads/oversized and not needed

cc/Alan Mallach
Bruce Gelber

MEMO TO FILE (Urban League v. Carteret)
FROM: BJW
RE: Old Bridge Meeting, January 2, 1985

Concept Plan - (p. 10 §3 of O&Y proposal)

Subdivision review process would occur after the concept plan. Concept plan would provide for areas and density not specific application of sections - with phasing over twenty years. O&Y would submit subdivision, size of lots, roads, etc. but specific housing should not be of import re: subdivision. More appropriate at building permit issuance level. Subdivision is based on totality of requirements independent of architecture and design. It would apply to all residential except where clearly in the area of site plan approval. With major office building could not intelligently approve lot, size of building, parking and would have to go for subdivision and site plan together.

With apartments would have to talk about site plan. With townhouses, common areas, parking areas but with single family only meeting requirements of ordinances and that should be it. Avoid as to single family but applies to others because of site design. The subdivision would be approved subject to site plan approval. It knows townhouses but do not know type. O&Y should not bring in plans just to get subdivision.

For example, if apartments are to be surrounded by single family, O&Y provide size and dimensions of apartments and approval of subdivision is conditioned on site plan of apartments. No approval until site plan of apartments.

Tom Norman sees no problem with road planning and storm drainage if new the number of lots.

Approved as a plot with breakup of surveyed lots. Builder comes in afterwards and wants to build, clearances, grading, landscaping part of building permit.

Second Concept, p. 10

At preliminary approval essentially final set of drawings are submitted. Applicant is working in dark as to what is expected. A malicious Planning Board by re-engineering can bankrupt. At preliminary should be a layout of the roads, contours of land, elevations, approximate crowns to the roads, general thought to drainage even though the lots are not dead accurate. Planning Board dealing with schematics without a lot of the fine engineering. Would have estimate of site improvements. The purpose is to get a preliminary sense of costs. At the present time no real difference. Engineering is done at preliminary. Sketch plan of engineering so can foresee at final.

Engineering standards would be set down in writing. The staff would not have to make judgments. However, there are always situations for judgment which create two options: O&Y makes its peace with the Township Engineer or report is made by staff to a working committee on grounds that the proposal is outside the policy, below standards, the applicant puts forth its position and the Planning Board makes its decision.

Level of detail is not sufficient to determine if need a variance, depends on how developed.

Preliminary schematic contours are there so engineers can make evaluations. Do not see approvals lasting for period now have. Approval is schematic. Developer and engineer can have back within 30 days. If decides to wait housing could change. Approval good only 120 days with new approval after that time. Land use law allows 2 years for approval.

Planning Board member believes trade off of length of time against detail of commitment is valid for preliminary assuming detail in final. But disagrees with shifting detail to building permit stage.

Master indicates subdivision would be fully engineered.

Lloyd Brown indicates subdivision deals with land and matters such as landscaping and grading are not subdivision matters. Without building permit cannot build or could say without Planning Board approval building permits.

Planning Board member thinks pushing out to Building Inspector and back to Planning Board is unnecessarily complicated.

L. Brown counters would allow to get subdivision and still not know what would be built. Could build ten models and presale indicates one model more popular, would allow change based on market and quicker response.

Planning Board member believes this could be done at final but Tom Hall replies would have to go back twice.

Thomas Norman indicates with single family could build any kind they want but townhouses and apartments could build single family and then go back for townhouses and apartments.

20% units interspersed and phased % of what done each year.

At preliminary would agree to meet Township standards. At final prove have met these standards. Preliminary would deal with Planning. Final would deal with engineering.

The concept plan would deal with maximum densities and subtract out for engineering problems.

Final - plans for infrastructure, sewers.

O&Y wants Concept Plan and procedures as part of settlement without a hearing. Hutt says Judge Gibson already allowed.

Planning Board had considered Mahwah approach and rejected it on grounds they felt they would not be carrying out their duties.

MEMO TO FILE (Urban League v. Carteret)

FROM: Barbara

RE: Old Bridge Meeting December 28, 1984

Discussion of Hutt's 12% plan. Only 196 acres in PDI, town willing to extend to PDI and PD II since 196 of 6,000 acres. BJW said not only want zoning but realistic building by 1990. Other developers include Kaplan and Brunetti.

By 1990	1st year	300-400
	2nd year	600-700
	3rd year	1000 year
	4th	<u>1000</u>

Two developers only approx. 1600 units

Could meet totality by 1992

Oakwood at Madison - preliminary approval for 1400 units. Hutt raised possibility of a 20 year repose.

O&Y has received no response on Middlesex water proposal submitted in May.

O&Y evaluating "least cost" housing concept keyed to prevailing interest rates with more low at low interest rates and less low at high interest rates.

Suggests Redevelopment Agency with sale of units to agency through use of bonds and rental.

10,260 units previously approved with 10% - 120 % median net density for residential 6.67 an acre, 1542 acres residential.

Meeting scheduled for January 2.

Old Bridge: (1) Read Sternlieb report; (2) Procedures; (3) Talk to Alan.

John-

Here are typed up notes of what Bruce said about Old Bridge--
I give you his thoughts-- without comments. by me (unless expressly noted)

I will complete this at the office on Monday- where I have my notes.

- 1) He agrees with Barbara's suggestion that we say that to facilitate settlement and in light of the rental proposal, we would agree to ~~17~~ 17 % set-aside- a bit more than their 16.7% proposal.
- 2) As for the nonprofit corp--
he suggests 1/3 of Board of Direc be picked by Civil League,
1/3 by developers, 1/3 by Town
- 3) thinks 2% in lieu payments is max, not 2 or 3 as Alan said Thurs
- 4) thinks it's great that O & Y willing to pay in permit fees in escrow
and let the town transfer to ~~an~~ nonprofit corp.
- 5) ~~x~~ he thinks we should consider, notwithstanding Roy's initial hesitanc
the idea of tying the number of low income units to the
market interest rate-- as long as there is a clear fixed minimum
number of percentage. But need more info
- 6) Bruce and ~~x~~ I agree that there is no reason why all of sales
units should be moderate--
should ask for ~~an~~ 1/3 low- and be willing to settle for 1/4

also should consider the S. Brunswick approach- 25% low, 25% inter-
mediate moderate and 50% moderate
~~Also xxxxxxxxxxkhanxx?~~
- 7) on least cost housing-- we agree no higher than 100% of median--
but if that limit then 2 for 1 moderate okay -- up to 1/2 of
moderate units. If least cost is defined as more than 100%
of median-- then ask for more than 2 replacement units for each
moderate unit given up. *Quest: Is 'least cost' limited to sales units
or does it also apply to rentals?*
- 8) On rental units-- should consider, as Alan suggested, asking
for average to be pegged to 80% rather than 90% of ceilings.
speculation if no interest mod
- 9) we will, of course, have to remind them of need for price and
occupancy controls
- 10) we will, of course, have to put in that no construction of more than
4/acre may be built on any other site without a 20% set-aside
- 11) we ~~can agree~~ ^{should insist} that 17% of each year's housing must be low-mod-
if they fall behind, can't get ~~more~~ building permits for more
market units, until they catch up on low-mod units

~~EB~~

11) con't --

also we would need to insist that each year's production include a reasonable mix of low and mod, of different bedroom sizes, and of rental and sales.

12) the fair share number (2135) is not negotiable. We would also not agree to move the end date (1990). However in light of reality, we would agree to give them credit against the 1990 fair share number of approximately twice the number that will be built before 1990. That is, D&Y could get up to 1000 total credits (tho only about 500 will be built by 1990), Woodhaven about 600 and Oakwood about 290. This would still leave something like 250 units,, which means they'd have to come up with another 250 acres, assuming they stick to 5/acre.