CA - Old Bridge

5/1/89

letter brief in lieu of a formal brief on behalf of O+Y Olel Bridge in Opposition to motion of Civic League for a Stay + Remand for Plenary Hearing + may attachments

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May 1, 1989

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FILE NO.

Emille Cox, Acting Clerk Appellate Division Superior Court of New Jersey Hughes Justice Complex CN 006 Trenton, NJ 08625

> Re: Urban League et al. v. Carteret, et al (Old Bridge) Docket Nos A-4335-87T3 and A-4752-87T3

Dear Mr. Cox:

Please accept this letter brief in lieu of a formal brief on behalf of appellant O&Y Old Bridge Development Corporation (hereinafter "O&Y") in opposition to the Motion of the Civic League for a Stay and Remand for a Plenary Hearing.

PROCEDURAL HISTORY AND STATEMENT OF FACTS

Briefly, the facts are as follows:

(1) O&Y owns approximately four (4) square miles of undeveloped land in Old Bridge Township, Middlesex County.

(2) Between 1979 and 1981, it attempted to develop its property under terms of the then-existing ordinance. The ordinance did not permit the kind of development which O&Y contemplated, and, in fact, O&Y could not even apply to develop its property as envisioned. In 1981, O&Y sued Old Bridge Township, under the theory that the then-existing land development ordinance was arbitrary and capricious.

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(3) O&Y reached a settlement with the Township on that case in 1982, and received a resolution from the Township governing body in May, 1982, permitting O&Y to build 10,260 units and directing the Planning Board and its staff to prepare an appropriate ordinance to effectuate the resolution.

(4) As a result of technical problems and a change in government, O&Y found itself, at the end of 1983, with an Ordinance with a number of inherent problems and an unapproved General Development Plan.

(5) The Urban League, in 1984, re-instituted a motion to achieve the fruits of <u>Mount Laurel II</u>, following the Supreme Court's January, 1983 decision remanding its case back to the trial court for fact-finding and " adoption of affirmative measures" (92 N.J. 158 at 351).

(6) Under the circumstances, O&Y filed a <u>Mount Laurel</u> suit against the Township in 1984. Another developer, Woodhaven Village, Inc. ("Woodhaven") also filed a similar suit at approximately the same time. The cases were referred to Judge Serpentelli and consolidated.

(7) The case was settled after arduous negotiation with all parties in 1986. The settlement was quite comprehensive and included both development standards and procedures for approval of applications as well as two General Development Plans for approximately six (6) square miles, including the holdings of both O&Y and Woodhaven. As to O&Y, the Plan envisioned the construction of 10, 560 dwelling units of various types, the construction of up to two million square feet of office/commercial facilities, a regional shopping center and provided that ten (10%) of the housing units to be provided by O&Y would be affordable to households of lower income. As to Woodhaven, the settlement Mr. Emille Cox Page 3 May 1, 1989

provided for approximately half as many dwelling units with a substantially smaller commercial component, with a similar ten (10%) percent setaside for lower income housing units.

(8) Following the initial hearings before the Planning Board on the final version of the General Development Plan, it was noted that the United States Army Corps of Engineers regulations concerning wetlands had been substantially changed since the inception of O&Y's legal battles, and that portions of the property might be within the new jurisdictional ambit of the Corps.

(9) A detailed wetlands study was performed, using the new Corps methodolgy which relied primarily on vegetative indicators of the "wetlands". Under the new criteria, slightly more than 54% of the O&Y site was effectively constrained from development. The Woodhaven site was similarly affected, although apparently not to the extent as was the case with O&Y.

(10) The Township filed a motion to have the January, 1986 judgment set aside, which was granted by Judge Serpentelli in October, 1987. In his decision, Judge Serpentelli noted that despite the best efforts of the O&Y planners, the development proposed to him in the October hearing was half the size of the January, 1986 plan, and, worse from the Township's perspective, did not contain the amount of commercial development contemplated by the 1986 plan.

(11) That decision also permitted the Township to transfer the case to the Council on Affordable Housing (COAH). Woodhaven filed a motion for reconsideration with Judge Serpentelli, which was denied in April, 1988. Mr. Emille Cox Page 4 May 1, 1989

(12) O&Y, Woodhaven and the Urban League(now known as the Civic League) filed the appeal presently pending before the Appellate Division in 1988.

(13) The Township, as contemplated by the October, 1987 Order, filed an Affordable Housing Plan with COAH in 1988. That plan is now under active review by COAH, and in fact, is being contested by the Civic League. It is contemplated that COAH could approve the Township's plan in 1989.

(14) As a result of further negotiations with the Township, O&Y reached an accomodation with the Township under which O&Y could construct 1,995 dwelling units with a reduced commercial component. That approval was granted by the Planning Board in February, 1989.

(15) Pursuant to Rule 1:6-7 and to case law, O&Y timely notified the Appellate Division that it had reached an accomodation with the Township and therefore was withdrawing its appeal.

(16) The Civic League filed its motion to remand the case back to the trial court on April 7, 1989; the Appellate Division dismissed O&Y's appeal, pursuant to its notification referenced above, on April 10, 1989.

(17) O&Y, through its attorneys, notified the Court and the parties that it sought to re-enter the case for the limited purpose of addressing the Civic League motion, in order to protect its rights, by letter dated April 19, 1989.

(18) It filed the instant motion to be re-admitted to the case and to oppose the Civic League motion on May 1, 1989.

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LEGAL ARGUMENT

I. THE CIVIC LEAGUE'S APPLICATION FOR A STAY IS BARRED BY RULE 2:9-5(b) AND ITS REQUEST FOR A REMAND IS BARRED BY RULE 4:50-1(b)

A. THE APPELLATE DIVISION DOES NOT HAVE APPROPRIATE JURISDICTION OVER THIS MOTION.

Rule 2:9-5(b) provides that:

a motion for a stay in a civil action or contempt proceeding prior to the date of the oral argument in the appellate court or of submission to the appellate court for consideration without argument shall be made first to the court which entered the judgment or order.

The Civic League failed to comply with this rule by filing its motion in the Appellate Division, rather than the trial court, which was the proper court in this case. The reason for the rule is that the trial court is better prepared to entertain such a motion than the Appellate Division because it is already familiar with the factual issues in the case. The rationale behind the rule is quite clear, and amounts to a bar to the Appellate Division taking jurisdiction over the motion. Accordingly, the Civic League's application for a stay is barred by Rule 2:9-5(b).

The Civic League cites Rule 4:50-1(b) as a basis for the reopening of the trial court's decision to dissolve the original <u>Mt. Laurel II</u> settlement between O&Y and Old Bridge. This portion of the rule provides that

"on motion, with briefs, and upon such terms as are just, the court may relieve a party or his legal representative from a final judgment or order for the following reasons: . . . (b)newly discovered evidence which by due diligence could not have been discovered in time to move for a new trial under <u>R</u>. 4:49."

As noted by the Civic League, the New Jersey courts have held that among other factors the new evidence must be of such a nature as to have been likely to have Mr. Emille Cox Page 6 May 1, 1989

charged the result if a new trial had been granted. <u>Quick Check Food Stores v.</u> <u>Springfield Twp.</u>, 83 <u>N.J.</u> 438, 445 (1980). In this case, Judge Serpentelli noted that it was clear that the post-wetlands development proposed by O&Y was so different from the one he approved in 1986 that it would be, essentially, unjust to hold the Township and the developer-plaintiffs to a bargain which could not be achieved, given the loss of the majority of the O&Y site. If further fact-finding were appropriate, it would be the province of Judge Serpentelli to determine, and Rule 4:50 contemplates that the proper venue for the type of motion filed by the Civic League would be the judge who entered the original order. <u>Quagliato v.</u> <u>Bodner</u>, 115 N.J. Super. 133 (App. Div 1971). Thus, whatever the merits of the Civic League motion, they are simply in the wrong court.

II. THE RELIEF THE CIVIC LEAGUE SEEKS AMOUNTS TO A MANDATORY INJUNCTION, AND UNDER THESE CIRCUMSTANCES, SHOULD NOT BE GRANTED.

The filing of this motion by the Civic League with the Appellate Division is procedurally invalid; but more to the point, the Civic League are really seeking inappropriate judicial relief. What the Civic League motion amounts to is a mandatory injunction--the imposition of the settlement of January, 1986, since, in effect, the proposed stay would re-establish the setasides of the 1986 court order, in the face of the radically changed factual circumstances.

Even if the Civic League had complied with the procedural requirements of Rule 2:9-5(b) and had requested the stay in a timely fashion, there is no basis for the court to grant the stay pending appeal, pursuant to that Mr. Emille Cox Page 7 May 1, 1989

rule. The New Jersey Supreme Court has held that a stay of an order pending appeal should not be granted where it is unlikely that the party seeking the stay would succeed on its claim and that the moving party would not suffer irreparable injury if the stay were denied. <u>Borough of Glassboro v. Gloucester County Board of Chosen Freeholders</u>, 98 N.J. 186 (1984) <u>cert. denied</u> 474 U.S. 1008 (1985). The Supreme Court has moreover set out explicit criteria for the granting of such relief, as follows: (1) temporary relief should <u>not</u> be granted when the legal right underlying plaintiff's claim is unsettled; (2) it should <u>not</u> be granted except when necessary to prevent irreparable harm; (3) it should not be granted where all material facts are controverted; and (4) it should <u>not</u> be granted where the hardship of granting the relief to the other party outweighs the hardship of withholding the relief to the moving party. The Civic League has failed to meet any of these four threshhold criteria for the granting of it's requested relief. Crowe v. DeGioia 90 N.J. 126 (1982).

First, the statutory provisions of the Fair Housing Act (N.J.S.A. 52:27D-301, et seq.), as well as recent case law dealing with the Fair Housing Act and Southern Burlington County N.A.A.C.P. V. Mount Laurel, 92 N.J. 158 (1983) (hereinafter referred to as <u>Mt. Laurel II</u>) directly contradict the Civic League's position that the original <u>Mt. Laurel II</u> settlement between O&Y and Old Bridge should be reinstated, especially in a situation in which the developer-plaintiff either no longer wishes or is physically unable to continue to participate in such settlement.

Second, there is no evidence that the Civic League will suffer irreparable injury if the stay is denied. Even if the O&Y and Woodhaven parcels were completely eliminated as potential lower income housing sites, there is Mr. Emille Cox Page 8 May 1, 1989

abundant other vacant land available in Old Bridge to satisfy the Township's fair share obligation. Furthermore, as part of the settlement that O&Y is negotiating with Old Bridge, O&Y will be providing for the public good by making a contribution to the Township of approximately \$6,000,000 for senior citizens housing.

Third, for the Civic League to sustain its claim it would need to prove various material facts, such as whether the GDP is dissimilar to the original settlement plan, which (as discussed in Point IV <u>infra</u>) are now controverted. Finally, as described more fully in point III <u>infra</u>, the relative hardship of granting the stay will be far greater to O&Y than the harm to the Civic League if the stay is denied.

As such, it is clear that the Civic League has not met the criteria of the <u>Crowe</u> or <u>Glassboro</u> cases. Accordingly, the Civic League's request for a stay should be denied.

III. THIS CASE SHOULD BE VIEWED AS A COAH TRANSFER CASE AND EVALUATED ACCORDINGLY.

The case itself represents a transfer case pursuant to Section 16a of the Fair Housing Act, which was specifically adjudicated as part of the New Jersey Supreme Court's seminal decision interpreting the Fair Housing Act, <u>Hills</u> <u>Dev. Co. et al. v. Bernards Tp in Somerset County et al.</u> 103 N.J. 1 (1986). In that decision, the Supreme Court made a number of determinations that bear directly on the issue of whether the settlement between O&Y and Old Bridge may be reinstated by the Civic League's motion, and that are completely contrary to the Civic League's position. The <u>Hills</u> case upheld the Mr. Emille Cox Page 9 May 1, 1989

constitutionality of COAH, indicated that once a case was transferred to COAH it was out of the courts, and indicated that builders were not compelled to continue to pursue Mount Laurel relief through the courts once COAH jurisdiction was established.

The Court recognized, moreover, that the Legislature contemplated the transfer and resolution of all pending cases to COAH, and the Court intended to cease further judicial intervention pending resolution of the cases by COAH. Thus, the Court welcomed the legislative entry into the area and yielded to the administrative schemes that it established in the Act. To this end, the Court held that where no final judgment has been entered, upon transfer, COAH is not bound by any orders entered in the matter, all of them being provisional and subject to change, nor is it bound by any stipulations. 103 <u>N.J.</u> 1, 59. In addition, the Court recognized that the COAH remedies and approaches, including those affecting fair share numbers, builder's remedies and site suitability issues, may be significantly different from those of the court. 103 <u>N.J.</u> 1, 59.

By re-opening the case and setting aside the 1986 judgment, Judge Serpentelli placed the parties into a circumstance where COAH jurisdiction pertained--and the Civic League is seeking is to re-impose the pre-COAH regime through what amounts to a mandatory injunction. The Civic League's position is clearly contrary to the holdings of the <u>Hills</u> decision.

In light of the absence of any requirement to continue to pursue the builder's remedy, the Civic League's position that O&Y should be required now to re-enter into the original settlement even though the circumstances have now been drastically altered, as outlined in Point IV, below, is without basis under Mr. Emille Cox Page 10 May 1, 1989

either the <u>Hills</u> decision or the Fair Housing Act. Furthermore, the relief requested by the Civic League would constitute direct interference with the legislative intent to create COAH, as established by the Supreme Court.

IV. THE FACTUAL SETTING IN THE CASE NO LONGER SUPPORTS HIGHER DENSITY DEVELOPMENT, AND THERE THERE IS NO LEGAL BASIS FOR THE IMPOSITION OF MANDATORY SET-ASIDES AS CONTEMPLATED IN THE JANUARY, 1986 ORDER.

A. THE FACTUAL SETTING IS COMPLETELY DIFFERENT.

The Civic League's position is that the plan recently submitted to the Township by O&Y and adopted by the Township's Planning Board in February, 1989, is "substantially similar" to the 1986 plan, and that therefore there was no reason for Judge Serpentelli to dissolve the 1986 settlement. This statement is preposterous on its face: even a cursory examination of the available facts shouts--not suggests--that if the 1989 plan had been before the trial court, Judge Serpentelli's October, 1987 decision would be the same--and, if anything, it would have been easier for Judge Serpentelli to reach the decision he did.

To support its motion for a remand, the Civic League relies on a certification by Alan Mallach, which states that:

on its face, the 1989 approved development plan appears similar in overall concept and direction to earlier plans prepared by O&Y, and to the plan which was the basis for the earlier settlement, except that the overall intensity of development on the site has been substantially reduced. (Certification of Alan Mallach, p.2).

Mr. Mallach adds that the "degree of similarity between the two plans is not clearly set forth, however, and further fact finding would be required to establish this matter with specificity." (Certification of Alan Mallach, p. 2). Mr. Emille Cox Page 11 May 1, 1989

The statement that the plans are "similar" is astonishing. The similarities start and end with the fact that they both show maps of development schemes on approximately 2,640 acres of land. The 1986 plan, with 10,560 units, was at approximately four (4) dwelling units per acre; the current plan, with less than 2,000 units, is at approximately .75 dwelling unit per acre, or, expressed another way, more than 1 1/3 acre per dwelling. Notwithstanding that Mr. Mallach readily admits that from his review of the plans he could not establish for himself the degree of similarity between the two plans, the fact that the overall intensity of the development has been so drastically reduced makes the statement simply fallacious. On the theory that a picture is worth several thousand words, the maps attached hereto as Exhibit A show the dissimilarities between the various stages of the O&Y proposals. These exhibits show four different views of the development:

Map 1, which was attached to the original settlement agreement, shows the development of 10,560 units plus large areas of commercial development.

Map 2 demonstrates the pervasive nature of the wetlands on the O&Y site, which can be compared with the much smaller non-developable area shown in Map 1; and

Map 3, which was exhibited in court at the October, 1987 hearing, indicated that something in the neighborhood of 5,000 units could be built on the O&Y tract;

Map 4 is based on the General Development Plan adopted by the Township in February, 1989. It should be noted that even this GDP may need some revisions, none of which shall result in an increased number of units on a gross basis. Mr. Emille Cox Page 12 May 1, 1989

Whatever else these exhibits show, they clearly demonstrate that the development, as presently contemplated by O&Y and the Township, is not "substantially similar" to that which formed the basis of the Settlement Agreement among the parties in 1986. In particular, Map 4 showing the 1989 GDP indicates substantially lower intensity of development, a drastically reduced amount of developable acreage, a completely revised circulation system, and significantly smaller commercial component, relative to that shown on Map 1, the 1986 plan. Although somewhat less drastic, Map 4 also shows that the 1989 GDP is different from Map 2 of the 1987 plan in terms of a reduction in the amount of developable land and the development intensity of those areas.

IV. THE CIVIC LEAGUE FAILED TO ACT IN A TIMELY MANNER

The Motion should also be denied because the Civic League delayed an unreasonably excessive amount of time for no apparent reason before requesting a stay. Specifically, even though the Old Bridge Township Planning Board conducted four public hearings on the O&Y General Development Plan and approved the plan on January 9, 1989, the Civic League waited over three months before it made its motion to stay the applications. the Civic League freely admits that it knew of the approval through newspaper reports since at least January 11, 1989 (see certification of C. Roy Epps, p.3) and yet it still delayed three months from that point in requesting a stay.

The unreasonableness of this delay is clear when compared with the time limit of 45 days for the commencement of an action in lieu of prerogative writs for court review of a planning board decision. The purpose of such time Mr. Emille Cox Page 13 May 1, 1989

limits is to allow for some sort of repose to the parties. In this case, however, the Civic League seeks to deprive O&Y of such repose after a period of time well in excess of 45 days, and after O&Y has spent considerable time and resources in planning and engineering costs, not only in preparation of the General Development Plan but also in the preparation of the associated followup applications currently pending or in preparation. The Old Bridge Township Planning Board and its experts have also spent considerable time in structuring the process in reliance on the October, 1987 order. O&Y should not be penalized by the Civic League's sleeping on its rights.

CONCLUSION:

As indicated above, the motion brought by the Civic League would inappropriately seek to have the parties live under a now-discarded Settlement Agreement, in defiance of the actual facts and circumstances and under the law which has emerged since the matter was originally opened by the plaintiffs in 1984. The public interest is not in jeopardy, since there is an on-going application hearing process which the Civic League is free to monitor; and Old Bridge Township is proceeding under the rules established by the Fair Housing Act. The relief sought by the Civic League is wholly outside the scope of the rules and the established standards of procedure, and they have demonstrated no factual or Mr. Emille Cox Page 14 May 1, 1989

legal justification for such unprecedented action. Therefore, the Civic League's motion for a stay and a remand for a plenary hearing should be denied.

Respectfully Yours, BRENER WALLACK & HILL Thomas Jay Hall

MAP 1. ORIGINAL SETTLEMENT AGREEMENTS

This map shows the original settlement agreement between 0 & Y and Old Bridge Township. The map indicates the original circulation system, the developable areas (all areas except those in green which were designated as open space), and the relatively high density of residential development, and the extent of the commercial area. It shows the development of 10,560 units plus large areas of commercial development.



MAP 2. MAP OF WETLANDS ON O & Y SITE

This map identifies the considerable amount of property designated as wetlands (shown in black), which can be compared with the much smaller non-developable area shown on Map 1.



MAP 3. DEVELOPMENT PLAN EXHIBITED AT OCTOBER, 1987 COURT HEARING

This map shows the development plan, that was exhibited at the October, 1987 court hearing that was the basis for the court setting aside the settlement agreement between 0 & Y and Old Bridge. As indicated, compared with Map 1, this plan eliminated a substantial amount of land for development due to the extent of the wetlands, contains reduced residential densities, indicating approximately 5,000 units, and a reduced commercial area.



MAP 4. GENERAL DEVELOPMENT PLAN ADOPTED BY TOWNSHIP ON FEBRUARY, 1989

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This map shows the General Development Plan adopted by the Township in February, 1989. The map indicates still further reductions in the developable areas and densities shown on Maps 1 and 3.



CERTIFICATION OF SERVICE

I hereby certify that a copy of the within notice of motion and letter brief in support of the 0 & Y Old Bridge Development Company motion to re-enter the case, and within letter brief opposing the Civic League's motion, have been served upon on all counsel on the attached service list on this lst day of May, 1989.

h.c.f.

Melanie A. Hudak

Dated: May 1, 1989

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