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- Centex Homes of MS  
v.

5-13-83

Trp. of East Windsor

• Transcript of argument & judge's decision

- double S. Ind

Pgs. 14

Pi. #3386

MM0000295

SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION-MERCER COUNTY  
DOCKET NO. L-5117-80 & L-06433-83

-----:  
CENTEX HOMES OF NEW JERSEY, INC., a  
corporation of the State of Nevada, :

Plaintiff, :

v. :

THE MAYOR AND COUNCIL OF THE TOWNSHIP  
OF EAST WINDSOR, a Municipal corporation, :  
THE PLANNING BOARD OF THE TOWNSHIP OF  
EAST WINDSOR, et al., and THE EAST :  
WINDSOR MUNICIPAL UTILITIES AUTHORITY, :

Defendants. :

and :

CENTEX HOMES OF NEW JERSEY, INC., a  
corporation of the State of Nevada, :

Plaintiff, :

v. :

THE MAYOR AND COUNCIL OF THE TOWNSHIP  
OF EAST WINDSOR, a Municipal corporation, :  
and THE PLANNING BOARD OF THE TOWNSHIP  
OF EAST WINDSOR, :

Defendants. :

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STENOGRAPHIC TRANSCRIPT OF  
COUNSELS' ARGUMENT AND JUDGE'S DECISION

Date: May 13, 1983  
Place: Mercer County Courthouse  
Trenton, New Jersey

B E F O R E:

HONORABLE PAUL G. LEVY

TRANSCRIPT ORDERED BY: JOHN F. MCCARTHY, III

A P P E A R A N C E S:

MESSRS. STERNS, HERBERT & WEINROTH,  
By: Frank J. Petrino, Esq., and Joel Sterns, Esq.,  
Attorneys for Plaintiff.

MICHAEL A. PANE, ESQ.,  
Attorney for Defendant, The Mayor  
and Council of the Township of East Windsor.

MESSRS. SCHWARTZ, TOBIA & STANZIALE,  
By: Gary S. Rosensweig, Esq.,  
Attorneys for Defendant, The Planning Board of  
the Township of East Windsor.

MESSRS. GOLDSHORE & WOLF,  
By: Lewis Goldshore, Esq.,  
Attorneys for Defendant, East Windsor Municipal  
Utilities Authority.

ANNE C. NEMETH, C.S.R.  
OFFICIAL COURT REPORTER  
MERCER COUNTY COURTHOUSE

THE COURT: All right, I have prepared notes from which I will enter an oral opinion. I have copies of those notes for each of you and a set of orders for each of you. I will cover all the motions including from the beginning, since I've just received a copy of the brief submitted by the New Jersey Association of Professional Planners and have considered that.

First, the New Jersey Builders Association moves to intervene as Amicus Curiae. This motion is denied. Although the requirements of Rule 1:13-9 has been fulfilled, the Builders Association filed a brief on the merits, which, I believe added nothing to assist the resolution of the matter, not that it contained nothing, but its arguments were the same on the issue with which it was concerned as that of the plaintiff's. Therefore, I believe everything has been amply covered by the plaintiff.

The New Jersey Association of Professional Planners, also, moved to intervene as Amicus Curiae. Apparently the brief was filed here in the courthouse and was misplaced and was, apparently, filed on April 22. I have reviewed that brief, and I will discuss its contents during the course of my ruling on the motions for summary judgment with regard to the 1983 cause of action. The point of view expressed there is, basically, that a TDR concept is nothing more than a simple extension

1 of cluster zoning, and its purpose is to preserve open  
2 space, including agricultural areas. That, basically,  
3 was argued this morning by Mr. Pane. Their arguments  
4 as Amicus Curiae are limited to whether TDR is permissi-  
5 ble under the Municipal Land Use Law and without spe-  
6 cific reference to the East Windsor ordinance. That  
7 particular issue has, I believe, been adequately briefed  
8 and argued by the parties to this matter. There are  
9 some interesting arguments raised in this brief with  
10 regard to what property owners may do in terms of open  
11 space area in a cluster zoning ordinance, and that there  
12 are different ways that is handled by different muni-  
13 cipalities. My problem with that is that, although that  
14 may be, I don't get enough out of that to change my  
15 mind as to what I see in terms of TDR as a basis. So,  
16 I'm going to deny that motion for two reasons. First,  
17 because I've, also, denied the motion for Amicus Curiae  
18 from the Builders Association, which was covered by the  
19 plaintiff, and I think this is, also, covered by the  
20 defendants as far as the Planners are concerned. There-  
21 fore, although I stated earlier this morning before Mr.  
22 Norman appeared here -- and he should enter his appear-  
23 ance on the record.

24 MR. NORMAN: Thomas Norman for the New Jersey  
25 Chapter of the American Planning Association on a  
motion for leave to appear as Amicus Curiae.

1 THE COURT: Although I said before that it was  
2 denied, because I received nothing, except a letter  
3 indicating that moving papers would be filed, I'll con-  
4 sider that they were filed, but that the motion is,  
5 also, denied.

6 Next is the group of motions dealing with the  
7 validity of TDR as a concept. Plaintiff's move for  
8 summary judgment on Count 1 of the 1983 complaint,  
9 which is Docket L-6433-83. Defendant's cross-move  
10 for summary judgment. Then defendant's move for sum-  
11 mary judgment on Counts 2 and 9 of that action, and  
12 plaintiff's cross-move for summary judgment on Count  
13 2.

14 Ordinance 1982-16 is invalid because it creates  
15 zones in East Windsor Township dependent upon transfer  
16 of development rights, a zoning concept not authorized  
17 by the legislature. Having reached that conclusion,  
18 I think I need only deal with the motions for summary  
19 judgment and cross-motion for summary judgment on Count  
20 1, and the motions with regard to Counts 2 and 9 need  
21 not be considered at this time. Summary judgment is  
22 granted to plaintiff on Count 1 of the complaint, and  
23 defendant's cross-motion for summary judgment on that  
24 count is denied. Similarly, defendant's motion to  
25 consolidate this action with the earlier action,

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1 Docket No. L.51177-80, is denied as is plaintiff's  
2 motion to dismiss the counterclaims filed in the instant  
3 action.

4 Summary judgment, of course, may only be granted  
5 when there are no material questions of fact to be  
6 decided. All parties agree that this matter is proper  
7 for such disposition and a motion and cross-motion to  
8 that end have been filed. Undoubtedly, this is the  
9 proper procedure, as the parties argue that the  
10 ordinance is either valid or invalid on its face.  
11 See Brunetti v. New Milford, 68 N.J. 576 (1975);  
12 Morristown v. Hanover, 168 N.J. Super. 295 (App. Div.  
13 1979); Bridge Park Co. v. Highland Park, 113 N.J. Super.  
14 219 (App. Div. 1971). Can everybody hear? I don't  
15 want anybody to have come this far and not be able to  
16 hear <sup>what's</sup> with's going on.

17 The constitution provides that the legislature  
18 may delegate certain zoning powers to municipalities  
19 permitting them to adopt ordinances, which either  
20 regulate the construction, nature and extent of use of  
21 buildings in specified districts, or regulate the  
22 nature and extent of the uses of land in specified dis-  
23 tricts. See, N.J. Constitution (1947), Article IV,  
24 Section VI, paragraph 2. The legislature delegated  
25 such zoning authority in the Municipal Land Use Law.

1 See, N.J.S.A. 40.55D-62, which repeates the terms of the  
2 constitution: "The governing body may adopt or amend  
3 a zoning ordinance relating to the nature and extent of  
4 the uses of land and of buildings and structures there-  
5 on." Any zoning ordinance must conform to those limits  
6 or it is void, because a municipality has no inherent  
7 power to adopt a zoning ordinance. See, Dresner v.  
8 Correra, 69 N.J. 237 at 241 (1976) and Rockhill v.  
9 Chesterfield Township, 23 N.J. 117 at 125 (1957).

10 To begin with, the language of the enabling act  
11 has no express reference to or authorization of  
12 "development rights" or the TDR concept. One must  
13 look to N.J.S.A. 40:55D-62 and 65 as the source of  
14 the municipality's power, rather than N.J.S.A. 40:55D-2,  
15 which sets forth the "intent and purpose" of the Muni-  
16 cipal Land Use Law. Defendants argue that the latter  
17 section is the basis for the implied authority of  
18 East Windsor Township to enact the ordinance in question.  
19 Subsections (a), (e), (g), (i) and (j) demonstrate the  
20 legislative concern with preservation of agricultural  
21 land and stand for the proposition that such a concern  
22 or purpose may be the basis for an ordinance creating  
23 a zone for agricultural uses. But the power to create  
24 such a zone and to restrict land, herein, to such uses  
25 comes from sections 62 and 65, rather than from section

6/2/76



1 2. An examination of the effect of this ordinance will  
2 demonstrate that East Windsor Township has, herein,  
3 exceeded its power to zone.

4 In order to preserve agricultural land, the or-  
5 dinance creates an AP (agricultural preservation) zone  
6 which includes approximately 3000 acres in the south-  
7 easter and southern parts of the township. Permitted  
8 uses are limited to agricultural, roadside produce  
9 stands and farm dwellings. Conditional use provisions  
10 permit single-family dwellings on farms at a ratio of  
11 one per 20 acres and on smaller farms if the land is  
12 not suitable for agricultural preservation. Plaintiff  
13 owns some 600 acres in this zone, all of which is desig-  
14 nated as "growth area" in the State Development Guide  
15 Area. An owner of land in that zone may be granted  
16 some "development rights" for which he gives the town-  
17 ship a recordable covenant against future nonagricul-  
18 tural use of the farmland. The ordinance defines a  
19 development rights as "an interest in land which repre-  
20 sents a certain right to use the land for residential  
21 or nonresidential purposes."

22 Such development rights may then be transferred  
23 by such landowners to developers of land in another  
24 portion of the township. That other land, consisting  
25 of, approximately, 700 acres, is in the REAP (residential

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1 expansion for agricultural preservation) zone. Per-  
2 mitted uses in that zone are agricultural, single-  
3 family dwellings on two-acre lots and planned develop-  
4 ment. Higher density development for single-family  
5 residences, townhouses, or garden apartments is permitted  
6 if development rights are transferred according to  
7 schedule. Thus, landowners desiring to develop resi-  
8 dential units in the REAP zone of any significant  
9 density must purchase development rights from land-  
10 owners in the AP zone and surrender them to the munici-  
11 pality in order to obtain approval of the desired higher  
12 density development.

13 This court is to decide whether the Municipal Land  
14 Use Law authorizes municipalities to adopt zoning laws  
15 creating a preservation zone, providing for separation  
16 of development rights from land ownership in that zone,  
17 and permitting development of land in a receiving zone  
18 conditioned on purchase and transfer of such rights.  
19 I think it does not when the ordinance involves a  
20 departure from traditional concepts of zoning and plan-  
21 ning permitted by the Municipal Land Use Law. The leg-  
22 islative development of N.J.S.A. 40:55D-65 demonstrates  
23 that changes in the traditional concepts are made by the  
24 legislature, rather than by the municipalities. If spe-  
25 cific authority was provided for such mundane matters

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1 as creation of flood plain area, requiring taxes to be  
2 paid prior to subdivision approval, permitting planned  
3 developments and zoning for senior citizen community  
4 housing, it is clearly necessary for this proposed  
5 zoning, which impacts on title interests and taxation  
6 problems so seriously that statewide uniform regulation  
7 is required. Ordinance 1982-16 of East Windsor Town-  
8 ship is an ordinance, which departs from the accepted  
9 concepts of zoning and planning, no matter how liberally  
10 construed.

11 Plaintiffs argue that the two bills were introduced  
12 by legislators to regulate the concept of transfer of  
13 development rights, and they claim that this indicates  
14 the legislature's intent to exclude such authority from  
15 the Municipal Land Use Law. That is not persuasive  
16 authority for such an argument, but these proposed bills  
17 do indicate the complexity of the issue and the need for  
18 uniform regulation. See, A-3192 (1975) and A-1509(1978).  
19 Certainly, after the decision by the Supreme Court in  
20 South Burlington County NAACP v. Mt. Laurel Township,  
21 92 N.J. 158 (1983), the State Development Guide Plan  
22 (May 1980) has become a very important document for  
23 Mount Laurel type disputes, and the other cause of  
24 action related to the instant case has such disputes  
25 at issue. The extant fact question of whether the AP

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1 and REAP zones were located in a manner inconsistent  
2 with that plan indicates the need for uniform regulation  
3 of the criteria for delineating the preservation and  
4 transfer zones in a TDR plan. Such regulation was  
5 proposed by A-1509 (1978), as was a scheme for deter-  
6 mining how development rights were to be assessed,  
7 taxed and sold or exchanged.

8 Under this ordinance, the conditional uses of  
9 higher density residential development are not condi-  
10 tioned on traditional land uses. Instead, they are  
11 conditioned on relinquishment of part of the fee owner-  
12 ship of property -- the development right -- and this  
13 requires uniform regulation. One need only look to the  
14 development of condominium ownership and remember the  
15 multitude of planning and zoning applications for  
16 condominium developments. The result was a regulatory  
17 statute: N.J.S.A. 46:8B-1 et seq. Probably more directly  
18 on point is Bridge Park Company v. Highland Park, 113  
19 N.J. Super. 212 (Appellate Division 1971), where the  
20 zoning ordinance defined a garden apartment as "a build-  
21 ing or series of buildings under single ownership."  
22 The municipality did this in order to exclude horizontal  
23 property regimes and condominiums, but the court held  
24 that the enabling act then in force (N.J.S.A. 40:55-30)  
25 did not permit a municipality to use a zoning ordinance

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1 "to regulate the ownership of buildings or the types  
2 of tenancies permitted." In the matter at bar, East  
3 Windsor Township has enacted an ordinance which regu-  
4 lates the ownership of property rather than the physical  
5 use of land and structures. See, also, Metzdorf v.  
6 Rumson, 67 N.J. Super. 121 (Appellate Division-1961)  
7 where the zoning ordinance was invalidated because  
8 it prohibited transfer of title to land by specific  
9 devise.

10 Defendants argue that this ordinance is sustainable  
11 as an exercise of the ordinary police power of the  
12 municipality pursuant to N.J.S.A. 40:48-2. However,  
13 as noted at the start, the constitution only permits  
14 the legislature to empower a municipality to regulate  
15 land use within its borders, and the vehicle by which  
16 the legislature granted such power is the Municipal  
17 Land Use Law and only that. There is no doubt that  
18 Ordinance 1982-16 fulfills many of the worthy purposes  
19 of zoning legislation, but that it does so without any  
20 statutory power to achieve such purposes. The Planning  
21 Association argued the same thing, I think, in their  
22 brief, I think, when they stated that there are valid  
23 purposes of zoning to be achieved by this particular  
24 technique. And as I've just said, I agree that the  
25 concept is worthy and should be certainly considered

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1 as a possible pool in land use development and growth  
2 in this state, but, I believe, that because of the  
3 other implications of taxation and title questions,  
4 that this has to be addressed on the uniform basis  
5 by the legislature.

6 Finally, there is the issue of remedy -- that is,  
7 what happens when summary judgment is granted to  
8 plaintiff? The ordinance contains a severability  
9 clause, and defendants rely on that to protect all parts  
10 of the ordinance not specifically related to TDR.

11 The entire background of the enactment of Ordinance  
12 1982-16 shows that it was a unitary plan to adopt the  
13 TDR concept, and that the zones created were only cre-  
14 ated to fit into the overall TDR scheme. This is the  
15 dominant purpose of the ordinance, no one part is func-  
16 tionally independent of another, and TDR was the signi-  
17 ficant inducement to adoption. Thus, by the rule of  
18 Incanamort v. Fort Lee, 72 N.J. 412 (1977), the entire  
19 ordinance is invalid notwithstanding the existence of  
20 a severability clause.

21 Plaintiff says the next step is for the court to  
22 order the township to rezone the area within 90 days and  
23 submit the new ordinance to judicial review. There is  
24 nothing to demonstrate any substantial legal problems  
25 with the prior ordinance, except as it is challenged

1 in the related matter of Docket No. L-51177-80. The  
2 land in question is not unzoned. Cf., Petlin Associates  
3 Inc. v. Dover, 64 N.J. 327 (1974); Morris County Land  
4 v. Parsippany-Troy Hills, 40 N.J. 539 (1963). I'll  
5 talk more about this when I get into the question of  
6 the defenses and the counterclaims.

7 Defendants then move to consolidate the two  
8 actions. This motion is denied, because the 1983  
9 action has been terminated by the grant of summary  
10 judgment to plaintiff declaring the entire ordinance  
11 invalid.

12 That leads us directly to defendants' motion to  
13 file amended answer and counterclaim in the 1981 case,  
14 which has the 1980 docket number. This motion is  
15 granted in part and denied in part. That is, the defen-  
16 dants may amend their answer and assert the affirmative  
17 defenses set forth in the proposed "Amendment to  
18 Answers", but they may not file the proposed counter-  
19 claim.

20 Defendants state that the essence of their counter-  
21 claim is that plaintiff and/or its officers, agents and  
22 employees desired to turn a loss into a substantial  
23 profit by tortiously threatening and seeking to coerce  
24 the township into rezoning plaintiff's property. They  
25 claim the plaintiff committed fraud, violated the

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1 civil rights of the township and its inhabitants and,  
2 filed a baseless lawsuit (meaning the instant 1983  
3 case). The basis of these claims is a series of in-  
4 ternal memoranda from plaintiff's files indicating  
5 litigation strategy which this court finds to be or-  
6 dinary and usual in prerogative writ cases involving  
7 rezoning requests by land developers. That is, pre-  
8 sentation of a worst case plan or one legally noxious  
9 is often done by developers to convince the municipal  
10 authorities that the proffered plan should be approved.

11 In general, the counterclaim sounds as if it was  
12 a complaint for malicious use of process. All parties  
13 acknowledge that such a claim may not be brought by  
14 counterclaim, but must await termination of the under-  
15 lying action. See, Penwag Property Co. v. Landau,  
16 76 N.J. 595 (1978). Defendants argue that such is not  
17 the true nature of their counterclaims, but they seek  
18 redress for conspiracy, harassment and other tortious  
19 conduct. It seems to me, however, that the defendants  
20 are merely trying to rename a rose, and the familiar  
21 cliché is pertinent. Such claims will be permitted  
22 as affirmative defenses, and if they are established,  
23 they may support an action for malicious prosecution  
24 in the future. Since nothing on the fact of the Centex  
25 memoranda, when read in context, indicates unusual or



1 bad faith action by the plaintiff, the claims are  
2 facially insufficient. However, because I will grant  
3 additional time to complete pretrial discovery until  
4 September 9, 1983, defendants may seek further support  
5 for the presentation of these claims as affirmative  
6 defenses at trial or for the renewal of this motion.

7 There's another motion that relates to this,  
8 in which plaintiff moves to dismiss counterclaims  
9 filed in the 1983 action. I'll grant this motion be-  
10 cause the counterclaims have been considered and  
11 dismissed in connection with the earlier filed action.

12 Now, as to trial and whether or not these affirma-  
13 tive defenses may be struck or the counterclaims suc-  
14 cessfully added, I think that we should consider trying  
15 what plaintiffs call a Mount Laurel issue on the two-  
16 acre zoning claim and the use or non-use of the PD zone.  
17 Your discovery will be over right after Labor Day. What  
18 I'd like you to do is contact me as soon as the --  
19 well, we're in session the day after Labor Day. I was  
20 going to say the new term, but the new term begins  
21 July 1 this year, and we should set up a status con-  
22 ference in the way of a pretrial conference. I'd like  
23 you to be prepared at that time to tell me how long  
24 it's going to take to try the case, how many witnesses  
25 your're going to have and have suggestions for breaking

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1 the litigation up, so that we don't try it all at once.  
2 But that if this is an issue that would be the pre-  
3 dominant issue, that would then require, if the plain-  
4 tiffs prevail, a new ordinance, or if the defendants  
5 prevail, the plaintiffs will have to do whatever steps  
6 they deem necessary. That will be, basically, dispositive  
7 of -- I don't know, tactics or where you stand and  
8 let you each move off to another step outside of the  
9 court. I think we should consider trying to break  
10 that issue out of litigation, and that would, also,  
11 impact on the MUA.

12 Now, the next set of motions deal with the MUA's  
13 motion for summary judgment in the 1981 action, and  
14 in this instance, East Windsor MUA moves for summary  
15 judgment claiming: (1) there is no legally cognizable  
16 dispute because Centex never made a complete application  
17 and it requested a stay of the preliminary application  
18 it had been processing; (2) the claim for a violation  
19 of the federal civil rights act (42 U.S.C.A. section  
20 1983) is barred by a two-year statute of limitations;  
21 (3) no notice of claim was filed as required by the  
22 Tort Claims Act (N.J.S.A. 59:6-6) and EWMUA is immune  
23 from liability thereunder for its licensing and per-  
24 mitting activities; (4) the prerogative writs claims  
25 were not brought within the time limit permitted by

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1 Rule 4:69-6; and (5) Centex failed to exhaust adminis-  
2 trative remedies and required by Rule 4:69-5.

3 Centex replies by arguing: (1) the Tort Claims Act  
4 does not apply to a damage claim under the federal  
5 civil rights act or to an action seeking injunctive or  
6 declaratory relief; (2) the proper statute of limitations  
7 is six years or two years from discovery of the cause  
8 of action; (3) the complaint was amended timely under  
9 Rule 4:69; and (4) it is not required to exhaust  
10 administrative remedies because there are important  
11 consitutional issues raised in this matter and  
12 because such exhaustion would be futile.

13 As we all know, summary judgment will be denied  
14 if there is a genuine issue as to a material fact as long  
15 as the statute of limitations has not been violated.  
16 It will, also, be denied if discovery is incomplete,  
17 if discovery would lead to revelation of such issues  
18 of fact. The gist of the amendments to the complaint,  
19 which added East Windsor MUA as a defendant is the  
20 claim that it, the governing body and the planning  
21 board "acted in concert to formulate an exclusionary  
22 land use plan for the Township that utilized the lack  
23 of sewer plant and line capacity as a key element to  
24 prevent or limit development in East Windsor Township."  
25 Count 14 seeks damages under the federal civil rights

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1 act for the alleged conspiracy. As such, the notice of  
2 claim and immunity provisions of the Tort Claims Act  
3 do not apply. See, Gipson v. Bass River, 82 Federal  
4 Rules Decision 122 (District of New Jersey 1979);  
5 T & M Homes, Inc. v. Township of Mansfield, 162 N.J.  
6 Super. 497 (Law Division 1978); Lloyd v. Stone-Harbor,  
7 179 N.J. Super. 496 (Chancery Division 1981), Counts  
8 15 and 16 ask the court to require East Windsor MUA  
9 to approve the extention of its water and sewer lines  
10 to plaintiff's property, so plaintiff may develop its  
11 land. Since no relief by way of damages is sought  
12 in these two counts, the Tort Claims procedures would  
13 not apply. N.J.S.A. 59:1-4. I conclude that neither  
14 the notice provisions, nor the immunity provisions of  
15 the Tort Claims Act impact on claims under the federal  
16 civil rights act.

17 As to the applicable statute of limitations, the  
18 rule requires reference to the most appropriate state  
19 law. See, Johnson v. Railway Express Agency, 421 U.S.  
20 454 at 462 (1978). The nature of the conduct plaintiff  
21 complains of is a conspiracy to prevent it from devel-  
22 oping its land -- a tortious injury to real property.  
23 As such, N.J.S.A. 2A:14-1 is directly applicable and  
24 ist six-year period of limitations governs. Compare,  
25 Gipson v. Bass River, supra.

The 45-day limitation of Rule 4:69-6 cannot fairly apply to this situation. As plaintiff points out, nothing is being done by EWMUA regarding plaintiff's property, so the doctrine of continuing wrong is pertinent. But more than that, the interaction of a utilities authority with other local administrative bodies is obvious and necessary in any large scale land development today. If plaintiff can prove the existence of a conspiracy, all conspirators would be liable if the conspiracy involved a deprivation of due process of law or equal protection of law under the U.S. Constitution. Along those lines, there's a case called Lawrence Wood Sales Corp. v. Lawrence Township Planning Board and the Township of Lawrence. I believe it's an unreported opinion of the Appellate Division, decided February 10, 1983, in which Lawrence Township land development ordinance allowed subdivisions where public sewage and water facilities were available, and if there was individual sewage, facilities had to have, at least, 60,000 square feet. Plaintiff applied for some approval and was rejected because he was unable to give assurance that the public sewage facilities would be available, and the plaintiff said that, although this can be required on an application for final subdivision approval, it can require it on a

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1 preliminary application. The court referred to part  
2 of the Municipal Land Use Law, 40:55D-38(b)(3), which  
3 provided that an ordinance requiring approval by the  
4 planning board of either subdivisions or site plans  
5 or both, shall include provisions insuring sewage  
6 facilities and other utilities necessary for essential  
7 services to residents and occupants. So, they have  
8 this in their ordinance, and they required a subdivi-  
9 sion applicant to give them written assurance, which,  
10 obviously, they couldn't do. The trial judge, which  
11 was me, found that sewage facilities were neither  
12 available, nor planned because there was a letter from  
13 the local sewage authority which clearly stated that  
14 such a project was not contemplated, and the Appellate  
15 Division upheld that.

16 Now, that's different than this case, because  
17 that's an application for a subdivision approval. But  
18 it stands for the possibility of the validity of the  
19 plaintiff's action that Utilities Authority is an  
20 important agency in any land use or land development  
21 on a large scale today. So, there may be a valid cause  
22 of action here. There may not be. I don't want the  
23 Utilities Authority to spend any more time in the  
24 litigation than necessary.

25 Centex will undoubtedly have to comply with

1 applicable administrative regulations if it prevails  
2 against the municipality, and the usual relief would  
3 be a remand for further proceedings in accordance  
4 with the court's rulings on the substantive issues.  
5 Then both the state DEP and EWMUA would be involved  
6 with plaintiff's plans. But because of the nature of  
7 the overall complaint, alleging a conspiracy by three  
8 municipal bodies, it would be uneconomic to dismiss  
9 the claim against the East Windsor MUA now and require  
10 another action if plaintiff prevails against the town-  
11 ship and the planning board, but has problems with the  
12 utilities authority. Therefore, although the appli-  
13 cation by Centex to East Windsor MUA was voluntarily  
14 placed "on hold", East Windsor MUA might be liable for  
15 participating in an illegal conspiracy against plain-  
16 tiff, and its administrative or regulatory actions in-  
17 volving plaintiff's property might be evidential as to  
18 plaintiff's main claims for declaratory or injunctive  
19 relief. So, for those reasons it would stay in this  
20 action so all matters can be resolved expeditiously.  
21 I would encourage that the MUA to fully participate  
22 with everybody else during the next three months of  
23 the discovery with an eye towards moving again to  
24 dismiss the complaint in September or to be placed at  
25 our pretrial conferences in a status of just a "by-

1 stander." It may be that this particular claim should  
2 stand aside and another issue be tried first, and that  
3 other issue might lead to no further need for litigation.  
4 The expenses that the MUA is undergoing are  
5 strictly legal, and I think that for the time being,  
6 the MUA should stay in the case.

7 In conclusion, the motion for summary judgment  
8 here by the East Windsor MUA must be denied because  
9 there are material issues of fact to be resolved. It,  
10 also, appears that further discovery is needed concerning  
11 the basis for the conspiracy claim, and that,  
12 too, requires a denial of the motion.

13 The sixth area of dispute is not a dispute, and  
14 that is plaintiff's motion to extend discovery until  
15 September 9, 1983. This motion is granted as no  
16 opposition is offered.

17 Now, I have for you sets of orders that cover  
18 each of these motions and sets of my notes on which  
19 this oral opinion was based. I assume, too, if you  
20 are going to seek any type of interlocutory relief,  
21 you might need this transcript, but 97 percent of what  
22 I said is in these notes, and I think that could get  
23 you off to a start there. Otherwise, I don't want  
24 you to delay the discovery, even though you are moving  
25 on to the Appellate Division for an interlocutory

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1 relief because there isn't going to be any action from  
2 the Appellate Division this summer, other than to  
3 grant or deny the motion for relief of interlocutory  
4 appeal. That should not stop the discovery. This  
5 matter has been going on for quite some time. Several  
6 times, both sides advised me that you were close to  
7 resolving your differences and that didn't work out.  
8 But I think we're right close to getting to a decision  
9 on whether something should be done about the original  
10 lawsuit. It may be that that won't be tried in this  
11 court. The Supreme Court has been surveying, as you  
12 all know, people involved in various types of litigation  
13 after soliciting the bar to advise it of possible  
14 Mount Laurel disputes, as well as the bench. This case  
15 was one of those in which, I believe, you were all --  
16 at least, the lead counsel were contacted by the Chief  
17 Justice's law clerk, as I was, and I assume they are  
18 doing this around the State, and there will be a new  
19 assignment order coming out of the Supreme Court to  
20 start the new term, the July assignment order, and that  
21 may, although it may not, designate three judges as  
22 Mount Laurel judges. If it does, when we meet in September,  
23 if we decide there are Mount Laurel issues and that  
24 they are preliminary and should be tried first, it  
25 will be assigned to whichever judge has Mercer County  
in its region. Nobody knows who they are, what the

1 regions will be, or anything about that at the present  
2 time. Okay.

3 MR. ROSENSWEIG: In your opinion, you indicated  
4 that the property was not unzoned. In the order you  
5 made no mention of it. Is it your Honor's ruling that  
6 the prior ordinance is still in effect?

7 THE COURT: Yes.

8 MR. ROSENSWEIG: Should that say so in the order?

9 THE COURT: Probably. Let's just change the order.

10 MR. ROSENSWEIG: Okay.

11 THE COURT: Do you have any idea what the number  
12 of the other ordinance is?

13 MR. ROSENSWEIG: I have the ordinance booklet.

14 MR. PETRINO: 1918-13, but --

15 MR. ROSENSWEIG: Let me look.

16 THE COURT: Is there a name for it?

17 MR. PANE: I assume it could be referred to as the  
18 existing township zoning ordinance section. I mean,  
19 their codifies, Gary, will have the sections in parti-  
20 cular.

21 THE COURT: Would you call it a zoning ordinance?

22 MR. PANE: Chapter 20 of the Revised General  
23 Ordinance of Zoning.

24 THE COURT: Does it have a name?

25 MR. ROSENSWEIG: Agricultural district?

1 THE COURT: No, no. The old ordinance.

2 MR. PANE: The old ordinance, the township zoning  
3 ordinance.

4 THE COURT: East Windsor.

5 MR. ROSENSWEIG: Right, Chapter 20.

6 MR. PANE: Chapter 20 of the General Revised --

7 THE COURT: The zoning ordinance.

8 MR. PANE: Simply say Chapter 20 of the General  
9 Revised Ordinance of Zoning as they existed.

10 THE COURT: How about, the previously existing  
11 zoning ordinance will control development in the town-  
12 ship?

13 MR. ROSENSWEIG: Known as Chapter 20-17.

14 THE COURT: Is that all right? The previously  
15 existing zoning ordinance will control development in  
16 the township.

17 MR. PANE: Yes.

18 THE COURT: Well, if you will take the copy of  
19 the order that you have and turn to page 2, add to  
20 paragraph 2, of this order at the very end, after the  
21 word "effect," put a comma , and it says, "The previ-  
22 ously existing zoning ordinance --"

23 MR. PANE: "Shall"?

24 THE COURT: "Will control development in the  
25 township," and that should cover it. You want to

1 write me a 12-page brief as to what two words I should  
2 add?

3 MR. PANE: Perhaps control is best.

4 MR. ROSENSWEIG: Shall be applicable?

5 MR. PANE: Shall be enforced and effect?

6 THE COURT: Leave it as control. You know what  
7 it means.

8 MR. PANE: All right.

9 THE COURT: You're the township lawyer. You tell  
10 them what to do.

11 (At which time the matter was concluded.)

12 \* \* \*

13 C E R T I F I C A T E

14 I, ANNE C. NEMETH, being a Certified Shorthand R  
15 Reporter and Notary Public of the State of New Jersey,  
16 do hereby certify that the foregoing is a true and  
17 accurate transcript of the proceedings as taken  
18 stenographically by me at the time, place and on the  
19 date hereinbefore set forth.

20  
21 ANNE C. NEMETH, C.S.R.

22  
23 DATE