

BOROUGH OF HIGHLAND PARK
MAYOR & COUNCIL CONFERENCE MEETING
TUESDAY, SEPTEMBER 4, 2018

MINUTES

1. Mayor Brill Mittler called the meeting to order at 6:05 PM and 8:27 PM
2. PRESENT: Mayor; Council (except Councilman Kim-Cohan); Borough Attorney; Borough Administrator; Deputy Borough Clerk.

NOTE: Upcoming Meeting schedule:

**September 11, 2018 Standing Committee Meetings; Special Meeting if needed.
October 2, 2018 Council Committee Reports 6:00 PM; Agenda Meeting 6:30
PM; Regular Meeting 7:00 PM; Conference Meeting to
follow.**

3. Agenda Discussion.
Councilman Hale asked that Resolution No. 9-18-242 be separated from the consent agenda.

4. Public Discussion (15 minutes) – none.

5. Memorial or Commendatory Resolutions or Presentations scheduled as indicated:

- a. Joseph Baumann, Esq., Development Incentives presentation

Joseph Baumann, Esq., presented to the Mayor and Council PILOT programs/Development Incentives. He said the Local Redevelopment and Housing Law and long-term tax exemption law work together to allow certain projects in certain limited situations to pay an annual service charge in lieu of their normal property taxes. It is limited to situations where the property and/or building have been declared an area in need of redevelopment. Once the area has been declared new zoning is adopted which is the redevelopment plan, then the zoning can either supersede or overlay the existing zoning. Once those two things are in place that is the foundation on whether or not the governing body wants consider an annual service charge. The developer has to present why they need the annual service charge, after analyzing the financials of the private developer it is agreed and conclude that the annual service charge is needed in order to afford the project. He indicated that the analysis is an open book analysis and is fairly complicated and is done with a financial advisor and a legal team to determine if an annual service charge is even appropriate for the project, how long for the annual service charge could be up to 30 years, what is the right annual service charge, statute provides for two formulas, 10% minimum of annual gross revenues or 2% of the total project costs. If it is found that an annual service charge is appropriate, it is recommended to the Mayor, the Mayor sends a letter to the Council recommending the PILOT or not. If Council agrees that an annual service charge is appropriate that would be done in a two step process by Ordinance. Under an annual service charge 95% of monies goes to the municipality and 5% goes to the County and zero to the Board of Education and that is by statute, municipalities can choose to share their 95% with the Board of Education but is limited to projects that create school children, for example the municipality could not share if it was a retail project. Mr. Baumann indicated that he has worked with municipalities who have done PILOTS and others that do not do PILOTS. With an annual service charge there are three levels that are measured every year, 1. 10% of annual gross revenue for example \$1 million would be \$100,000 would be their annual service charge, the second year service can never be less than the prior years taxes, so if the prior years taxes were \$90,000 then it is still \$100,000, if the prior years taxes were \$110,000 then it is \$110,000 not \$100,000 and the third is a graduated number that ties to the otherwise applicable taxes, starts at 20% and gets up to 80-90% so by the time the PILOT ends they are close to paying their current taxes. He said that there is no service charge on land taxes, so the

annual service charge of \$100,000 is on both the land and improvements, but they also have to pay the land taxes for example \$10,000 plus the annual service charge of \$100,000, they get a credit for each of the prior years land taxes, so the Board of Education always gets their share of the land taxes. Mr. Baumann said that he would put numbers together so it makes more sense. He indicated that math will show that in the end the municipality will collect more in annual service charges then what is collected on the current property today. He said that as apart of the analysis they also look at the fiscal impact on the municipality, a fiscal impact analysis, for example the municipality is getting \$95,000 what are the fiscal impact on the municipality to provide services. Mr. Baumann said that it is a two part process: does the developer need it and what is the fiscal impact on the municipality. He said that the developer would be designated conditional redeveloper they would set up an escrow account and the cost for the professionals to do all these studies etc., would come out of the developers escrow. Mayor and Council indicated that they would very much like to see the numbers.

Mark Krieger, HP School Board said that they had a demographic study conducted and did not like the outcome because they did not match the numbers they had seen in years 2 and 3 for the new developments. He said that he worked with Linda to get the addresses of children who come from the new developments and it was far more then the developers told them. He added if you get 40 units and 10 children one of has a disability we are losing hundreds of thousands of dollars and if two have a disability they are losing many hundreds of thousands of dollars. Mr. Baumann indicated that it could be done, what ever percentage the Board of Education gets they would get with the annual service charge. Councilwoman Welkovits agreed that would be a reasonable approach.

Darcie Cimarusti, Board President explained that in the last three years, budget is set in May everything is good, September comes they get children who enroll in district and immediately get a letter from an Attorney indicating that we are being sued for out of district placement. She said that the parents unilaterally placed the child in a private facility and after the budget the district now has \$300,000 to \$500,000 that needs to be found. She said that she plans on speaking to the legislatures about this on-going issue.

Mr. Baumann said with the proper due diligence and proper thought and the developer get just enough to succeed would this be something that could be considered. He said that he would send to everyone the criteria in designating an area, an area in need of redevelopment. He suggested a funding agreement with the developer be placed on the next agenda and the cost of the analysis would come from the developer.

Mayor Brill Mittler asked the Council if they wished to pursue this program or walk away. All of Council agreed to move forward.

Mr. Baumann said that he would have the fiscal study completed after the plan etc. and estimated three months.

6. Ordinances on 1st Reading – no ordinances scheduled for introduction for 10/02/18:
 - a.
7. Ordinances on 2nd Reading – no public hearings scheduled for 10/02/18:
 - a. Require Inspections and the Issuance of Certificates of Continued Occupancy for Multi-Dwelling and Apt. Buildings.
8. Resolutions for Next Meeting - scheduled for 10/02/18:
 - a. Bills List (10/02/2018).
9. Appointments – none.

10. Borough Attorney's Report – none.
11. Borough Administrator's Report – none.
12. Standing Committee Status Reports – none.
13. Discussion Items.
 - a. Williams-Tranco's Pipeline (GBM) - tabled
 - b. Plastic Bags.

Council President George said that an Ordinance was put together and sent to the Borough Attorney's office a project through Sustainable Highland Park for plastic bag Reduction, which was then referred to Public Works and they also recommend it, the volunteers on Sustainable Highland Park put together an ordinance prior to Governor Murphy vetoing plastic bag state bill. He said that the ordinance was circulated and he would like to introduce the Ordinance at the next meeting.

Councilman Fine asked what the fee was in the Ordinance and where the fee was going. Council President George said that the fee was .10 and is going to the merchant. He said that there is a 60 day education period, 6 month transition period and an effective date 8-9 months later. The \$.10 fee in the first phase goes for every plastic bag to demobilize plastic bags and assist the merchant with phase two which is recyclable bags. The common principal throughout is to encourage the use of your own recyclable bags or merchant will be required to have recyclable bags. The second phase with the overall theme "bring your own bags" the merchant is required to have recyclable bags and the \$.10 would then be applied to the increased cost of those recyclable bags. Research was done on the cost of the bags and determined that the \$.10 creates a profit for the merchant and the reason is without some buy in.

Ms. Jover said that there would be an information session for merchants, and Main Street Highland Park would send something out indicating here is what is being being discussed and have a the information session to have the merchants come out and ask their questions as well as two community meetings, one prior to introduction and one after introduction assuming it passes on introduction.

Councilwoman Welkovits suggested the idea of having plastic bag drop off's for people who are doing last minute shopping to take a "recycled bag" use it for their shopping trip and then recycle it. All agreed that was a good idea.

Mayor Brill Mittler said that she would like to also discussed plastic straws and stirofoam take out containers sometime in the near furture as well.

- c. Council Cell Phones.

Ms. Jover said that the Administrative Committee met and discussed a policy about Council Members having phones and it was decided to grandfather any Council Member who currently has a phone but from this point forward cell phones would not be provided. She reminded everyone to not do Borough business on their personal phones.

Councilwoman Foster-Dublin said a Council Liaison to Public Safety and the sensitivity of information, she would need a Borough phone to conduct business.

Mayor Brill Mittler indicated in lght of this information it would be taken back to the Committee and then address with the Council.

14. Council Goals

Councilman Fine said that he met with the library and made them aware it could be tight next year and to come up with ideas on how to raise money for the library.

Councilwoman Foster-Dublin said one of her long time goals, the teen center was coming along well, she announced the grand opening with food, entertainment and food and suggested there be no parking in front of the center and the Police Department give details on the no parking area.

15. Old Business - None.

On motion made by Councilwoman Foster-Dublin, seconded by Councilman Hale, and carried by affirmative voice vote of all Councilpersons present, Council went into Executive Session at 7:58 PM to discuss litigation: Buckwoods. On motion made by Councilman George, seconded by Councilman Hale, and carried by affirmative voice vote of all Councilpersons present, the Council returned to open session at 8:26 PM.

There being no further business, on motion made by Councilman George, seconded by Councilman Hersh, and carried by affirmative voice vote of all Councilpersons present, the meeting adjourned at 9:09 PM.

Respectfully submitted,

Jennifer Santiago
Deputy Clerk