

Minutes of a Council Meeting of the Borough of Hillsdale at 6:00 PM on Tuesday, June 19, 2018, in the Council Chamber, Borough of Hillsdale, New Jersey.

The meeting was called to order by Mayor Ruocco who also led the Salute to the Flag.

OPEN PUBLIC MEETING STATEMENT:

This is a special meeting of the Hillsdale Borough Council on this 19th day of June, 2018. Notice of the time and place of this meeting has been provided to The Ridgewood News and The Record; a copy was posted on the bulletin board outside of this meeting room and provided to any interested parties.

Please notify the Municipal Clerk for any disability requirements necessary for attendance at Mayor and Council meetings. The fire exits are located through the double doors to your left. Please silence all cell phones.

ROLL CALL:

Council Members DeRosa, Horvath, Lundy, Council President Pizzella (Attorney Madaio, CMFO DeJoseph, Borough Clerk Kohan). Absent: Council Members Karcich and Segalas.

DISCUSSION –

The purpose of this Meeting is to hold a combined discussion with the Borough of Hillsdale Mayor and Council and Planning Board Members to discuss the role of DMR Architects in relation to Redevelopment in the Borough.

Borough Attorney Madaio said this was originally scheduled as a joint meeting with Planning Board; there was an issue with the Planning Board this year, so that rather than not having a meeting at all, a determination was made to continue with the governing body. We do not have a Planning Board meeting this evening; it is simply a meeting of the governing body to discuss the role of DMR Architects who is our Planner in relation to the redevelopment process. This is intended to be a general discussion of process, not about any specifics and is intended to last to about 7PM. A representative of DMR and several members of the Council will also be available for questions.

Council President Pizzella said on the 27th of June between 3PM and 7PM, DMR and members of the Economic Development Committee will hold an open house here to answer any questions; business owners in the industrial zone is the first section DMR is looking into. We provided letters informing that we will be conducting this open house and it is really for the business owners in that area to come and ask any questions.

Attorney Madaio said no one will be precluded from questions, further questions, when and if a development plan will be presented. Today is just an over view of the process.

DMR representative said he is a professional Planner in the State of New Jersey and a partner with DMR. He was born and raised in Bergen County and is very familiar with Hillsdale and the area. He has been involved with dozens of areas for redevelopment, probably over 1000 in areas for rehabilitation, redevelopment based on New Jersey laws. This is very familiar for us and we are involved right now with multiple municipalities. Today he wanted to take about 10 or 12 minutes to walk through the process of what we are going to do and talk about the time line and schedule so that you can understand what we are going to be doing and coming back to you over the next several months. Redevelopment is the process to rebuild areas that are in a state of decline or abandoned. Although it says redevelopment may be publicly or privately initiated, redevelopment is always initiated by the municipality. It is a public process; the municipality hires a special Planner; the Planner conducts a study to determine whether or not those properties need statutory criteria by the State of New Jersey as an area of redevelopment. The idea is if used correctly, the redevelopment allows for properties to be reinvested and be transformed from what they are today into something the municipality would want for the future. Tonight, we are only here to talk about the first step. There are four steps and he did want to lay them out and those steps are independent. You can conduct an investigation study and stop right there and never go to the second step. There is no requirement law that you do a redevelopment plan or go through the process with the designated developer or actually get to the point where the developer does the site plan. The first step is to conduct the investigation study as we are in the process of doing right now. Once that study is presented to the Planning Board the municipality can move forward with the redevelopment plan; the redevelopment plan can be for one property, multiple properties or all of the properties. It doesn't have to be the entire area designated, doesn't mean you have to do a redevelopment plan for a whole area, you can do it for one or two or you can a redevelopment plan for an entire designated area. It also means with the investigation study you don't have to find that each property meets the criteria. If you have 20 properties and only 16 meet the criteria, they would be designated as the area to be redeveloped, the others would not.

The third step in the process would typically be is you designate the developer and sometimes that represents the property owner. Sometimes that represents the RD or RQ for development. The last step talks about the process and how many times you and the municipality get to see these things. The last step would be if there is a developer or property owner that wants to redevelop their property according to the redevelopment plan, and then there would be a site plan application in front of the Planning Board to make sure the site plan being presented meets all the criteria of the development. We are going to focus on the first step.

The first step is that the Borough authorizes the Planning Board, Resolution R18092 to conduct an investigation study and DMR was hired in order to do that. We are looking at each individual property to determine if each individual property meets the criteria. We have reached out to the building department, fire department, police department and asked for records of all of the violations and/or any documents that identify any issues that occurred with those properties within the last five years. We also reached out to the Tax Assessor in order to determine the assessed value of the properties. We are doing visual inspections with photo inventory of all the properties. The criteria are that each property meets the requirements. If one property doesn't meet the requirements, it will not be designated as an area to be redeveloped.

Once we have completed our study, we come back and present the study to the Planning Board and the Planning Board would provide recommendations to Mayor & Council to adopt or not adopt the area for redevelopment and then the governing body would designate by resolutions those properties that meet the criteria. These are the statutory criteria of the redevelopment law that you have to meet. You only have to meet one of them; each property would need one of these criteria. He is going to go through them on a slide; the last one basically says that if you are in an area that has 20 properties and 18 meet the criteria and one right in the middle does not meet the criteria and if you inform the planner that it is critical to the redevelopment plan, you could designate it through that criteria. He wanted to show photographs of some of the pictures and walk through some of the issues we look at. Criteria states that areas of improvement which by means of overcrowding, lack of ventilation, light, sanitary facilities, excessive land coverage; they are detrimental to the community. It has to actually tie into a public safety and welfare scenario.

He showed photos of some of the things they consider problematic; one photo showed rain water coming onto the asphalt which is graded towards the street. In a rain event and you have water running across the asphalt onto a public street it becomes a dangerous situation. You have vehicles that have to back out onto a public street or back into the public street creating a dangerous situation. You can see there is no lighting associated with this property and at night you have a raised curb here creating a dangerous situation. Here you have a large wall and there is a sight line issue where the stop sign is on both sides. The stop sign is behind the wall so when you stop legally and you go through the light to the left you actually see the wall, you don't see oncoming traffic and your sight line is impaired. Head on parking on Patterson Street where cars either have to back in or back out. When raining it pours across the asphalt and lines up into the street and freezing temperatures become an issue. What has occurred over time is this is not worn down but water runs into that spot and wears it out. These are pieces of criteria that we look for and we believe that property meets the criteria. He showed additional slides with the same situation where you have rain coming down on the asphalt on public streets. You have material coming off because of the pitch and collects in the street causing a dangerous situation. You can see the amount of deterioration that has occurred because of that and these are things we look for when we put together the report. You can see the threshold of this doorway which was built in 1988. There is no light at this doorway and yet and at night there is a problem walking in or out of that door. There is a safety issue as there is a difference in the threshold. These are a few of the photos we have taken and want to show you some of the things we look at; not all properties will have all of these things but typically how we look at to determine whether or not that property meets this criteria.

There is a lot to these criteria and you have to be sure you are picking out the right things. The report we put together is very thorough and each property will have its own sheet of paper and all the criteria is identified. At the end of the report we will have a summary as to which properties have met the criteria and which properties did not meet the criteria.

Mayor Ruocco said the fact that you showed us these slides is not conclusive of any of those properties yet and you are still in the middle of your conclusions.

DMR representative said we are only at the first step. The only thing we have been asked to do is to determine whether or not in our analysis we consider that this property meets the criteria and we will present a report to you. He walked through what would typically be the next step. If any of the properties meet the redevelopment criteria if for the Borough to adopt a redevelopment plan. It could be for one property, a block or for all. The Mayor and Council do not need to do a redevelopment plan; if the redevelopment plan is not done the underlying zoning remains the same. You don't have to move forward. If, however, you want to move forward, you are basically creating a new zone for this area. It could be permitted uses, overlay; you could do a

redevelopment plan that we want this plan to be x, y, and z. It could maintain underlying zoning as an industrial zone; or it could be one that supersedes the zone and says only x, y, and z is permitted, the underlying zone is no longer permitted. None of those things have been discussed; those are the kinds of options that you have. You have much greater control over what is getting developed; you can replace design standards and you can dictate what the actual development looks like. The other benefit is you can use financial incentives for the redevelopment of this area. He has done over 1000 properties and redevelopment of 25 to 30 plans and in every case we worked on a redevelopment plan it increases the value of the property. That is an important understanding as you get into this process.

The redevelopment plan is ultimately presented to the Planning Board and the redevelopment plan is adopted through an ordinance. If you were to do a redevelopment plan on a portion of these and in the future, you could do a redevelopment plan on the other areas. It is very flexible. Property owners can be designated and is done by resolution. The site plan application is after the developer is designated and has a site plan he wants to present for the redevelopment properties and then he can come in for a site plan application. On April 2, Resolution 18192 was adopted which initiated us to start the study; on June 27 we will be here; there will be no formal presentation but will be here for four hours and there will be an opportunity if anyone wants to come in and ask questions about the process and be able to go into greater depth. Sometime in early July we will be presenting a draft and submit it to the Borough to make sure everyone is comfortable with it and probably in August present the findings to the Planning Board. The public will have an opportunity at that time as well to review. The notice requirements are two weeks, 10 days prior to the Planning Board meeting; the document has to be placed on public record and anyone can come in and look at that document and we will present it to the Planning Board and the Planning Board can choose to move forward in every respect that they want. That is the process and that is where we are.

Mayor Ruocco asked if on June 27 a resident wants to talk about a particular property would you be prepared to do that.

DMR representative said we would but we will not have our findings but we will look at the property, we will have photos and talk about the property itself. We do investigation studies on our properties where property owners have permitted us to gain access to the property and have gone from basement to ceiling and attic and photograph everything. We have done studies where property owners do not want us to get into the property and we take photos and do an analysis based on taking photos from the street and getting building, fire records and police records. There is no statutory requirement that we enter the premises, it helps but if we are not permitted, it not necessary.

Councilmember Karcich asked if a developer comes with a plan or can we urge them.

DMR representative said the Borough would put together a redevelopment plan. Essentially you are providing new zoning for the entire area or a block of it or individual property. You would be dictating what you want to see in totality on those particular properties; then the site plan application that the developer would come forward with they have to meet that criteria. The redevelopment plan can be as simple as these are the permitted uses, these are the standards, how much square footage, how many parking spaces; there are certain statutory criteria you have to meet and action plan to be put into the document. It could be as simple as very long range here is what we are thinking or it can be in detail saying you have to have x number of doorways on this particular street. The gamut people get on a redevelopment plan is very wide and it can be good because it helps you to determine from a quality standpoint what you want built. You can be sure that the product to be built is made out of brick or natural stone where in your current zoning, if someone wants to come in and build vinyl siding housing or vinyl siding product you have to allow it. The redevelopment statute allows you to dictate exactly what you want to get. Having done this with many properties you want a happy medium, you want to be able to work with a potential property owner, developer to make sure they are getting what is in their best interest but also your best interest.

Council President Pizzella asked that he explain that in your experience properties increase in value after they have been put into a designated development area.

DMR representative said you are in an industrial zone right now and the vision of what the municipality would do to increase the value of what could be built, you are streamlining the process for potential redevelopment of that property. Someone comes in and wants to build a certain product in the industrial zone right now, it is not permitted, they has to go through the Zoning Board and that is a lengthy process and are never assured they are going to get through. If you are in a designated redevelopment area with mixed uses, you would come to the Planning Board. There is increasing value on the zone that is permitted in that particular area and then they could offer a financial incentive by the property owner or the developer which would essentially create additional value. If a current property had taxes of \$100,000 and the redevelopment plan allowed for the redeveloped property to have taxes at \$200,000, the municipality could off a plan for 5, 10, 15 years and it

would allow the developer to pay \$150,000; the question is why would you do that. The plan sets forth a financial incentive to the developer. Nobody would redevelop these properties unless you provide financial incentive and we have gone through that analysis with many municipalities where a developer would come in and provide us with financial information. We have independent third-party financial advisor to deal with to make sure that only for the incentive, the developer would not develop.

Council President Pizzella said the redevelopment plan increases the value of the property because it makes it more financially feasible for the developer to develop the property but otherwise not interested in. When you say streamline it makes it less expensive for the developer to develop the property that ordinarily would not be developed because of all the problems with the property. The value of the property goes to whom, us?

DMR representative said the existing property owner, the value goes up. You are not going to change the zoning to allow less use than you currently allow, that is a generalization he would make. You are creating value by going to the redevelopment process by allowing for different uses to make it more attractive. It is very important to know that this process allows the property owner to sell as a designated redeveloper and redevelop their own property as they choose. You do a redevelopment plan, you designate the properties; developers come and start to look at these properties not as individual properties but as opportunities for more properties put together and based on the condition of the municipality. The developer is going to pay a higher price in order to assimilate all those properties. There isn't a single incidence where the property hasn't seen an increase in value. Then the Borough receives more taxes because of the increase in value.

Council President Pizzella asked if a developer comes to him and wants to buy property and I say I would like to be a part of that deal, does it preclude a property owner from negotiating.

DMR representative said no, in fact the property isn't designated and it doesn't preclude any property and there are no rights taken away from the property owner's name. They can retain condo rights.

Councilmember Segalas asked if he gets involved in random applications or any grant application processes that might play into this.

DMR representative said we have become involved in many different types of grants; there are typically no grants available for designated areas of redevelopment but for public improvements there are grants that we were involved in such as completed streets. Properties have to be rezoned and redevelopment plans completed; they are not looking for a designation based on what could happen in the future; their designation is based on the fact that steps taken to promote transit.

Mayor Ruocco asked if the uncertainty of Waste Management present any problems for you in step one.

DMR representative said no, ours is a very analytical process; typically, in this process I don't want to know more than I need to know, I just want to be able to analyze the information I have obtained through the Building, Police Departments, Tax Assessor's office and the properties available, walk through those properties. This is very cut and dry from our stand point, you either meet the criteria and that is where we stop. The next step is a completely independent process.

Mayor Ruocco opened the meeting to the public.

DMR representative said he has cards here and will be happy to call anyone and come up and view the property.

Inaudible - He asked the reason for the redevelopment process, how did this come about.

Mayor Ruocco said the concern is that the taxpayers in Hillsdale realize that we have a situation in this community that with very little development, no commercial developments we are tied to sources of revenue, taxation of residential properties and with things going up we want to get the most value for our property. We also want to encourage the town to grow and appear attractive to new residents. A combination of increasing its attractiveness as well as trying to pay the bills is the reason.

Council President Pizzella said he ran on this platform five years ago and has been a promoter of it. Taxes are going up, services cost more and more money; you hear from residents that you want nicer fields, we need new police desks and all these things we need as a community cost money but we unlike other towns in our area don't have very large commercial space or commercial tax base that pays the higher taxes that help our town. The best way to increase property values and increase tax revenue is through smart redevelopment. The industrial zone which is underutilized, non-conforming area is a good place to start. We have a parking lot in the middle of town and that could possibly generate some revenue. It is an attempt to revitalize the town, to

create more walkable space, bring in businesses, and increase tax revenue and increase property value in this specific area.

Inaudible resident. The most important reason I moved here because of the school system. Any great town starts with a school system and the great school system in Hillsdale should be getting more people who want to come to town. The redevelopment zone is great but there are other ways of incentives. He has been in the construction business for 25 years and driving in the area he sees many new homes going up and he doesn't see that in Hillsdale. Is there a reason for that is it difficult to build in this town? He is working on 20 houses in Demarest right now. Why not give homeowners incentives to renew their houses?

Council President Pizzella said we have taken steps to do that. We have a dozen land use ordinances that were on the agenda the other day and they are going to be voted on with the recommendations of the Planning Board which will make it easier for people to improve their homes and to go higher and are taking a well-rounded approach to have people stay here, to incentivize them to want to be here and to increase the tax base we already have. People also want to walk around their town and feel like they live in a nice place. That area does not necessarily have to be housing; we don't know what it will be yet.

Attorney Madaio said just because people are studying this doesn't mean people aren't thinking about ways to save money, encourage construction, fund education, it isn't just one thing. The purpose of tonight is to explain the basic process of the initial stage of the redevelopment plan and Hillsdale like many other towns want to use redevelopment and see the same benefits in that as those other towns do. We want to understand things; this is not a dialogue of general shopping, brick and mortar shopping stores. Does anyone have a question about the first phase, the study and investigation phase of the redevelopment?

Mayor Ruocco said if we as a Council did not explore this opportunity we would be derelict as Borough Officials; Officials have the responsibility to look at their properties within their towns and to look at the possibilities of making them more attractive in different ways; visual and quality of life improvements, as well as a new source of revenue.

Resident of Hillsdale. I am a taxpayer in this town and am wondering why you are looking at the industrial area where people have built their livelihoods and are looking to have their children take over their businesses. Why would you choose the industrial area over an empty parking lot and jeopardize all these people's lives?

Council President Pizzella said we haven't just chosen this area and as said before, we also passed a resolution that the west lot be looked into as well.

Councilmember Segalas said we are looking at that simultaneously and looking at the property and we are trying to be use neutral and having DMR Representative come to the Council with his thoughts that is all we are doing at this point, exploring. No commitments have been made as to any specific course of action.

Resident of Hillsdale. Why would you give this opportunity first to the other incentives to see how they would work rather than other incentives? Why would you give them an opportunity to work on this first before putting into motion this potential catastrophic process to all these people? Why wouldn't you wait to see and look for other ways?

Council President Pizzella said we are looking at other different ways to increase revenue in town and I think this is part of one of those ways. The Mayor said it best; we would be derelict as elected officials not to look and try to do everything we can. While I see that you have concerns for the business you have here, I don't think it is going to be catastrophic, I think you are going to be pleasantly surprised that the value of your business and your property will more than likely increase substantially. We are well aware up here that things don't happen overnight and we are well aware that our neighbors and parents of children's friends and relatives and lots of different people that we really care about and are friends with and are part of the community have businesses down there. I think that you are going to find that this Council and DMR and everyone else involved are going to be very willing to be patient and work with everybody as a community should in this type of opportunity. I think that you should all look at it as a opportunity not only for yourselves but an opportunity for Hillsdale. Hillsdale deserves a lot more than what Hillsdale is currently getting now and this is a very good way of doing it. I would ask that you would stay involved and ask as many questions as you want; if you can't make one meeting there will be other meetings. All of us want to be open and transparent and get ideas from the community, get ideas from our neighbors and we want it to work. You are concerned and justifiably so, give it a chance and work with us and I think you will be pleased.

Hillsdale resident. You haven't answered my question, you want me to give you a chance to wait to see how this all unfolds where we were asking you for the chance to see how your incentive unfolds first before you take

this next step. You are asking for our patience; can't we ask for your patience to wait and see if these incentives work, wait and see if other incentives will work.

Council President Pizzella said I think I did answer it because in my mind, it is like the Mayor said; I as Council President would be derelict if I looked only at one thing. I am only up here for a short period of time, I've been up here for five years and I ran on this; it is five years later and I finally have been able to hire a Planner to start the first step. I think I have been patient but I don't think you just pick one thing and wait a couple of years for that to work. You have to be creative when you are up here especially when you are doing a budget and it becomes more and more difficult and you have to tell people you can't have half the stuff that they want. I really do think we are taking a smart well-rounded approach.

Hillsdale resident. What else have you done in the past five years trying to raise revenue?

Mayor Ruocco said this is getting well beyond allowing public comment.

Councilmember Karcich said my business was there for 15 years and was tired of being flooded and my landlord derelict. If I am looking at a new market, sometimes you hire a consultant to see if this makes sense, are you going to spend more money than you are going to take in? Is the market viable? I think that is what we are doing now by doing a study to see if it makes any sense on the impact to the business people who support it. I don't think anybody up here wants to destroy your business.

Hillsdale resident. We can't have a landscape business; we spent so much money to purchase the business for us and our children; we have a child who wants to take this business over.

Attorney Madaio said this wasn't intended to dialogue with individual questions and individual property owners. The Council has retained a Planner to undertake the first phase of this study process; then we will have to present the report and we will have to defend that entire report which will include several Planning Board meetings. At that time, members of the public and Council are free to ask him, grill him, about the actual report. This meeting tonight was simply an explanation of the process.

Hillsdale resident. What were the other alternatives; you said you looked into some others such as homeowners to build.

Attorney Madaio said there is a series of rezoning ordinances, redevelopment is a commonly used tool to attempt redevelopment in underutilized areas. I think Council President Pizzella answered the questions to the best of his ability at this time, I don't think his answer is going to change but again you will have an actual report and the right to question the actual plan at any length you want at the Planning Board.

Mayor Ruocco said we didn't choose to think about it to avoid the process; the process is one that any elected official would be willing to engage in.

Attorney Madaio said this is one of the things we chose, other things have been considered.

Council President Pizzella said he did not understand why we would avoid this process, there are towns around us and I am trying to answer your questions and I am being very open about it. We have done lots of things to better the town of Hillsdale; investigating an indoor pool at the pool club. We are looking to build a community center, we've gotten a grant for the train station, and we are looking to fix Beechwood Park and the auditorium. We have had to deal with Fair Share Housing and negotiated a pretty decent deal; we are trying to bring more businesses here, we've been dealing with the Tandy Allen property and Demarest Farm, working on a Woodcliff Lake walking trail. All this creates value and incentive; we live here, we are trying to keep Woodcliff Lake in our district, there are a lot of things hitting this town left and right and we are the best we can do right by the people who live here.

Mayor Ruocco said we are approaching the end of the time allotted for the meeting and he closed the public portion of the meeting.

ADJOURNMENT:

Motion to adjourn by Council President Pizzella, Second by Council Member DeRosa, and unanimously carried.

THE NEXT MEETING OF THE MAYOR AND COUNCIL WILL BE

July 10, 2018 7:30 pm

Denise Kohan, Municipal Clerk

APPROVED AS PRESENTED

Denise Kohan, Municipal Clerk