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1 CHAIRMAN BELL: Now we have K. Hovnanian
2 Shore Acquisitions. Would you like to introduce
3 yourself again?

4 MR. MACANINCH: I would, thank you. Good
5 evening. Michael Macaninch here on behalf of K.
6 Hovnanian Shore Acquisitions, LLC. Obviously we were
7 here before you at the holidays and had testimony from
8 Tim Holmes from Najarian Associates. We also did an
9 overview of Dave Cranmer's review letter and the issues
10 where we could agree and not agree and we were going to
11 provide follow-up testimony on those areas where either
12 we didn't agree or we would have some further
13 explanation for the relief we're seeking. I had
14 submitted to the Borough a list of -- basically a
15 schedule of the witnesses we were planning on presenting
16 tonight and also on the 20th, the next hearing which is
17 scheduled.

18 By way of preview tonight, we're planning on
19 presenting testimony from Richard Reading of Richard
20 Reading Associates. He's an economist and he's going to
21 present testimony on the Fiscal Impact Analysis which
22 was submitted with our application. After him we have
23 Jeff Fiore from CMX who is going to present traffic
24 testimony and again, depending on time, our third
25 witness is Jay Pensantino who is the landscape architect

1 from Mazur Group and he will present that testimony
2 tonight, again, depending on timing and questions from
3 the Board. And after that then I submitted for next
4 week, the 20th, and we finally will have the testimony
5 from our environmental consultant, any follow-up
6 testimony obviously that would come out of tonight, our
7 environmental consultant, some architecture testimony,
8 just basically what we're proposing. The planner will
9 testify to the proofs for the relief we're seeking and
10 if necessary any testimony from Rob Hoffman, from K.
11 Hovnanian, who is the area vice president to the extent
12 any testimony is needed directly from the applicant.

13 CHAIRMAN BELL: As you go through the fiscal
14 presentation tonight and then as you go through
15 everything, how long? Like fiscal, how long do you
16 think his presentation is going to be as far as what
17 he's going to present?

18 MR. MACANINCH: If it was direct, no
19 questions, just explanation -- I know, probably 30
20 minutes, just his direct.

21 CHAIRMAN BELL: Is it broken down? Because
22 what I would like to do and I think it's difficult to go
23 through the entire presentation before we ask any
24 questions. What I'd like to do is if you can divide it
25 up into different categories and I'm not telling you how

1 to do it, but whether it's school, whether it's public
2 safety, whatever, do the whole presentation on that.
3 Then stop, take questions so that we have all our
4 questions focused on one thing rather than a little bit
5 which I think will get your testimony out smoother, will
6 enable the public to also ask their questions. Or would
7 you rather just go through the whole fiscal and then ask
8 the questions?

9 MR. MACANINCH: It would be easier for Rich
10 to do the whole testimony at once because he'll
11 basically go through methodology, conclusions and then
12 the different areas. Probably easier to do that on
13 direct and then have questions which will probably jump
14 all over, I would suspect, and then he can respond in
15 more detail to the specific questions. It's probably
16 easier for us.

17 CHAIRMAN BELL: Does anybody have a problem
18 with that? We hear everything. Any questions you have,
19 jot them down and there will be plenty of opportunity to
20 ask the questions and then we'll open the meeting to the
21 public so that they can ask any questions. So just for
22 the public, we're going to hear the complete testimony
23 on fiscal impact of this particular application. So any
24 questions that you may have, jot them down and there
25 will be an opportunity for you to ask the questions.

1 And then keep in mind, whatever questions you ask are
2 specific on the testimony that you hear tonight on this
3 particular witness.

4 MR. MACANINCH: Great, appreciate that.
5 With that then I'll call Richard Reading.

6 MS. DONATO: Mr. Reading, would you please
7 state your full name, spelling your last name.

8 MR. READING: Richard Reading,
9 R-e-a-d-i-n-g.

10 MS. DONATO: And your address, please.

11 MR. READING: 759 State Road, Princeton, New
12 Jersey.

13 MS. DONATO: Raise your right hand.

14 R I C H A R D R E A D I N G, was duly sworn and
15 testified as follows;

16 MAYOR COOPERHOUSE: One question, make sure
17 that you speak into the mic because I know I'm having a
18 hard time hearing and I know people behind you are, so
19 you really need to speak into the mic.

20 MR. MACANINCH: Absolutely.

21 DIRECT EXAMINATION BY MR. MACANINCH:

22 Q. Mr. Reading, just at the outset, go through your
23 qualifications so we can get you qualified as an expert.

24 A. Okay, thank you. My name is Richard Reading.

25 I'm an economic analyst and consultant and I have been

1 so engaged for the past 30 years. I'm a graduate of the
2 Pennsylvania State University with a degree in
3 economics. I'm also a principal at Richard B. Reading
4 Associates, a Princeton-based consulting firm that
5 provides economic, demographic and financial research to
6 approximately 570 clients in both the public and private
7 sectors.

8 As a principal of the firm I appear on a regular
9 basis in matters involving the economics of land use and
10 in that regard I have appeared approximately 500 times
11 in matters throughout New Jersey as well as from Maine,
12 to Colorado, to Florida in terms of the economics of new
13 or expanded developments. I have appeared at a number
14 of Boards throughout New Jersey and also testified in
15 Superior Court in New Jersey in matters regarding the
16 economics of land use.

17 Q. Rich, have you prepared a resume, curriculum
18 vitae?

19 A. Yes, I have.

20 Q. I believe we're up to Exhibit A-5.

21 (Exhibit A-5 was received and marked into
22 evidence.)

23 MS. DONATO: Do you have any other questions
24 on the witnesses' qualifications?

25 MR. MACANINCH: I do not.

1 MS. DONATO: You may want to ask if the
2 public has any questions or if the Board has any
3 questions on the qualifications.

4 CHAIRMAN BELL: Does the Board have any
5 questions on his qualifications, Mr. Reading's? I just
6 have one question. On your CV you have a list of -- I'm
7 assuming these are all clients of yours.

8 MR. READING: They're not individual jobs.
9 Our job list is much larger. That's just the individual
10 clients, that's correct.

11 CHAIRMAN BELL: And there are a number of
12 boroughs that I see in here, towns, then there's
13 companies and so forth. Have you been deemed an expert
14 in all of these towns or some of these towns?

15 MR. READING: Yes, we have. In Monmouth
16 County we're consultants to five municipalities as well
17 as the Board of Education in Monmouth County as well as
18 other public entities throughout New Jersey. We're also
19 statewide housing consultants for New Jersey, Delaware
20 and Florida.

21 CHAIRMAN BELL: Does anybody in the public
22 have any questions on Mr. Reading's expertise as an
23 economist? There being none, anybody have a problem
24 accepting him as an expert witness? Okay.

25 MR. READING: Thank you.

1 BY MR. MACANINCH:

2 Q. Rich, how many fiscal impact reports have you
3 prepared?

4 A. I have prepared over 500 reports, fiscal impact
5 analyses, community impact statements, matters involving
6 the economics of land use, loss of employment as a court
7 appointed master in fiscal matters.

8 Q. For what purposes are these reports used?

9 A. Generally they are -- it depends. As the
10 question I had from the chair, when we're obtained by a
11 municipality very often we're evaluating developing
12 alternatives, one use versus another. On the
13 development side and on the private sector side more
14 often than not it's a proposal for an expansion of an
15 existing development or creation of a new development.

16 Q. And as you stated you've prepared these reports
17 for both the private and public clients?

18 A. That's correct.

19 Q. Can you summarize the methodology used in the
20 preparation of such reports?

21 A. They vary. They're typically on new development
22 analyses we utilize the standard fiscal model to model
23 what was originally developed by the Urban Land
24 Institute subsequently refined by the Center for Urban
25 Policy Research. It's a standard method used by all

1 fiscal professionals in evaluating the impacts of added
2 development.

3 Q. And can you summarize your conclusions with
4 regard to the Fiscal Impact Analysis that was submitted
5 with our application?

6 A. Very briefly, we utilized as I said, the
7 input/output model developed by Center for Urban Policy
8 Research from Rutgers. The calculation of added
9 population and employment was prepared pursuant to the
10 most recent demographic report prepared by the Bloustein
11 School. From those and as you've heard before, the
12 development proposal is for approximately 8,600 square
13 feet of commercial space, 61 market housing units and 16
14 affordable housing units. As indicated in the February
15 28th fiscal impact analysis that completed development
16 would be anticipated to have a market value of about
17 33.8 million dollars and at the Borough's current
18 assessment ratio at an added assessment of 23.2 million.
19 The completed development will be expected to be
20 occupied with a total of 177 residents including 20
21 public school children, 15 of which we would expect them
22 to attend the local schools and 5 attending the regional
23 school along with 13 employees.

24 The project as you're aware is an inclusionary
25 project. It consists of two elements. It has the

1 market components as well as the affordable components
2 and as indicated in table 10, or excuse me, in table 11
3 in the fiscal study which I believe appears on page 40,
4 the market components would generate revenues that would
5 significantly exceed the cost. In other words, the
6 added revenues, added tax revenues would exceed the
7 allocated tax improvement cost by \$140,000. On the
8 other hand, the affordable housing units would create a
9 deficit. In other words, the revenues generated by the
10 reduced assessments on those units would create a
11 deficit of \$88,000. But nevertheless, overall the
12 project is better than revenue neutral to the extent
13 that it generates more revenues than it does have
14 allocated costs.

15 Q. And it's usual or normal that the affordable
16 housing units would create this deficit, isn't it?

17 A. It is. And specifically that's why the Council
18 on Affordable Housing prohibits the use of fiscal impact
19 analysis in inclusionary housing developments or
20 prohibits a consideration of the fiscal impacts in the
21 Board's consideration of affordable applications or
22 inclusionary applications.

23 Q. And what tax year is reflected in your report?

24 A. This project has been going on for a long time.
25 I think we did an original review in 2006. We did a

1 fiscal impact analysis I believe in November of 2007 and
2 an update in 2008. And finally the most recent one that
3 we've done is February 28th of 2009. That uses the data
4 that's available at that time when the study was
5 prepared.

6 Q. And have you looked at more recent data?

7 A. We have.

8 Q. And has that changed your conclusion in any way?

9 A. No. I mean, the numbers changed slightly. The
10 tax rate went up a little bit, but the assessment ratio
11 went down. The municipal budget from 2008 to 2009, the
12 difference was only \$12,000 in a 6 million dollar
13 budget. So essentially there's no change. If you took
14 the time and effort to go back and run it again, there
15 might be some deviations in the numbers, but the
16 conclusions would be the same.

17 Q. That it would be a revenue positive?

18 A. It's -- this is not a real fiscal rateable for
19 the town, but by the same token it does generate
20 revenues that offsets its own cost so it is what we call
21 revenue neutral.

22 Q. In your report you use multipliers for the total
23 population of the school children. Can you explain what
24 they are and how they're determined?

25 A. There are several ways to estimate population.

1 There was a formal set of multipliers published by the
2 Urban Land Institute. They are a little bit old. Their
3 database was 1987. In 2006 under a grant from the New
4 Jersey Department of Community Affairs Office of Smart
5 Growth, the Bloustein School prepared a new study which
6 is entitled Who Lives in New Jersey. And they studied
7 new developments in New Jersey, various types of
8 housing, prices of housing, bedroom size, three regions
9 of the state and statewide to determine how many
10 residents, school-aged children and public school
11 children are generated by these different types of
12 housing units. That is the information that is attached
13 in the Fiscal Impact Analysis in Appendices I IV, the
14 tables that apply to the types of housing units being
15 proposed in Shrewsbury.

16 Q. So the numbers are impacted by the price, size,
17 the type of the homes?

18 A. Yes.

19 Q. And are the multipliers impacted by the
20 desirability of the particular municipality or school
21 district?

22 A. There's no qualitative multiplier in these tables
23 to reflect a desirability factor of the municipalities.

24 Q. Okay. And you used a different set of
25 multipliers for the 16 affordable houses. What's that

1 source and how is it determined?

2 A. It's the same source. It's the same publication
3 as the Bloustein School. They have recognized that
4 there are special housing types which tend to be
5 occupied in a somewhat different fashion than normal
6 housing. One type of housing which is different are
7 senior housing units. The senior housing units have
8 occupancy characteristics which are certainly different
9 from non age-restricted units. By the same token, when
10 you get to affordable housing units, the choice of
11 housing product for lower income families is not
12 necessarily a matter of choice. It may be a matter of
13 economics. So they have occupancy characteristics that
14 are somewhat different. And again, if you look at the
15 database that we provided, the occupancy of the
16 affordable housing units as reflected on page 24
17 indicate that you generally attract significantly more
18 residents and school children to deed restricted
19 affordable housing units than you do to market housing
20 units. So rather than using the market numbers for what
21 we knew would be the 16 affordable housing units, we
22 used the specific tables which are reflected in Appendix
23 IV that is included within the Fiscal Impact Analysis.

24 Q. So with regard to the number of school children
25 generated, again, from both the affordables and from the

1 market rate housing, the community will be adding 20?

2 A. Total of 20 and again, the database also provides
3 age cohorts to break those down and in the distribution
4 that we have here we will anticipate 15 of those
5 students would be attending the Shrewsbury Borough
6 school and 5 would be attending the regional schools.

7 Q. So in conclusion then your fiscal impact report
8 concludes that what you just stated, the number of
9 students will be added but also the fiscal impact of
10 this community would be revenue neutral?

11 A. Neutral. In other words, the cost that would be
12 anticipated would be fully offset by the added tax
13 revenues. And again, we have structured this as what we
14 call an adverse assumption analysis. We've used a
15 demographic multiplier for Central Jersey which are
16 higher than the ones that we would use on a statewide
17 basis. We have assumed what is called average costing
18 rather than marginal costing that every new resident
19 comes in and brings the same cost as the existing
20 residents. Where in reality these types of projects
21 tend to generate costs that are about 60 percent,
22 marginal cost of about 60 percent of the average.

23 Q. Okay, I have no further questions.

24 A. Thank you.

25 CHAIRMAN BELL: Board questions?

1 MS. SICILIANO: Are we ready for questions?

2 CHAIRMAN BELL: Yeah, I'm sorry. Board
3 questions?

4 MS. SICILIANO: Yeah, naturally I have a
5 question. This analysis was done on the, 2008 figures?

6 MR. READING: That is correct, 2008, 2009,
7 correct.

8 MS. SICILIANO: No, you didn't do it on 2009
9 because the 2009 -- in other words, how do you
10 rationalize the average sales price of \$496,000 per home
11 for the market revenue townhomes and when the
12 redevelopment, when the financial report that was
13 submitted to Council which was on the web said that
14 residential development activities entitle residential
15 development activities -- information on -- I'm quoting
16 directly. "Information on homes delivered by segment
17 for the year ending October 31, 2009 in the northeast
18 average price \$434,684. Homes delivered 823, housing
19 revenue \$357, 745 minus 18 percent." Those were the
20 numbers that were in the financial report. So you're
21 basing your analysis for the tax rate on the borough,
22 tax income on the borough was on the 496, not on the 300
23 and whatever I have here, the 357 or 358.

24 MR. READING: I think the answer to that
25 question is that those units you're discussing are not

1 units in this particular project in the Borough of
2 Shrewsbury. They may include one or two bedroom condos
3 elsewhere in the state. I really don't know what the
4 source of that is. These are the numbers that are
5 utilized for purposes of this analysis. These are the
6 expectation for this product in Shrewsbury.

7 MS. SICILIANO: But the number utilized
8 should be taken into consideration in the current
9 economy.

10 MR. MACANINCH: I think the data is coming
11 from our fiscal, from our 10 K that we submitted.

12 MS. SICILIANO: That's what you tell your
13 stockholders.

14 MR. MACANINCH: But the northeast region
15 covers Pennsylvania, New York, New Jersey. It covers a
16 wide area. Obviously Central Pennsylvania, the average
17 home price there is \$200,000.

18 CHAIRMAN BELL: So it's your testimony that
19 you're expected -- this fiscal report that we have was
20 dated February 28, 2009. That it's your testimony that
21 you still expect the average sale price to be \$495,000?

22 MR. MACANINCH: Yeah, that's correct.
23 That's the basis for the numbers. But again, it may
24 be -- that's the life of the community. So the very
25 first 2011 it may be say, for example, 480,000. 2012 it

1 will be \$510,000. I mean, it's the average over the
2 life of the community, but that's what the expectation
3 is.

4 MS. SICILIANO: When do you plan to
5 construct these homes?

6 MR. MACANINCH: Obviously assuming
7 approvals, hopefully we would start in 2010 to get
8 started on this community.

9 CHAIRMAN BELL: Questions?

10 MR. MORAN: From where did this price come
11 because it doesn't meet the average that you just
12 discussed.

13 MR. MACANINCH: Where did the average in the
14 10 K come from? Is that the question?

15 MR. MORAN: No, this price in the fiscal
16 value, \$495,000?

17 MR. MACANINCH: Based on our internal market
18 analysis of basically where the market would be for a
19 home in this community.

20 CHAIRMAN BELL: Can everybody in the public
21 hear?

22 MR. MORAN: Is that based on comparables in
23 other areas similar? Just where did you get that
24 number?

25 MR. MACANINCH: Basically how we go about

1 determining anticipated sales price is largely driven by
2 comparables. Existing sales in communities, not just --
3 obviously it could be other communities within the area,
4 other things. I mean, that's what ultimately drives to
5 what we think the sales price will be. And I can tell
6 you in this current market we're conservative. We are
7 taking a conservative look at case and price of homes.

8 CHAIRMAN BELL: You have a project you're
9 almost completed and it's not -- I'm not comparing it to
10 this project, but the numbers, how you compare the
11 numbers are. How are your real numbers on Jockey Club
12 in Oceanport compared to what you projected them to be?

13 MR. MACANINCH: Why don't I have Mr. Hoffman
14 respond directly. He's the community manager as well as
15 area vice president of that community. So he would know
16 those numbers.

17 CHAIRMAN BELL: Okay.

18 MR. MACANINCH: Not to put you on the spot,
19 Rob, but.

20 MS. DONATO: Mr. Hoffman, I don't think you
21 were previously sworn in. Would you please state your
22 full name and address.

23 MR. HOFFMAN: Robert Hoffman, 2021 Baileys
24 Corner Road, Wall Township, New Jersey.

25 MS. DONATO: Raise your right hand.

1 R O B E R T H O F F M A N, was duly sworn and
2 testified as follows:

3 MR. HOFFMAN: Can you repeat the question?

4 CHAIRMAN BELL: The question, the concern up
5 on the Board expressed by a few people is the \$495,000
6 that you presented back in February of 2009 is not a
7 real number. That's the number that you presented a
8 year ago. My question was, you have a project that
9 you're almost complete with in Oceanport that you
10 expected the sale price to be a certain amount of money
11 and it's been during a rough time. How close are you
12 selling the places to what you propose so that the
13 number is a real number?

14 MR. HOFFMAN: Proposed when, when we opened
15 the community?

16 CHAIRMAN BELL: When you opened the
17 community.

18 MR. HOFFMAN: 2007, well, when we opened the
19 community, that community is a completely different
20 product type by the way, an active adult home versus the
21 home --

22 CHAIRMAN BELL: I'm not comparing dollars to
23 dollars, I'm comparing what you expected to sell it for
24 for what you actually sold it for.

25 MR. HOFFMAN: We opened the community over

1 there in the high five's to mid-six's and we ended up in
2 the high four's to mid-five's, to give you an idea. The
3 price going back to the price for here, let me explain
4 what is contained in that price. It starts with the
5 base house price. First of all, people are going to
6 come in and buy the homes that will probably be priced
7 in the low 400s is what we're looking at, low to mid
8 400s really for this product. What happens is we also
9 offer options, upgrades. We have a design gallery where
10 people come up and spend three different appointments
11 going through the possible enhancements to the house.
12 Hardwood, appliances, granite, upgrades that will
13 usually add up to anywhere from \$40 to \$70,000. The
14 pricing that we use is today's market. The comparisons
15 that we can use for this are not only resales within the
16 areas because there aren't a lot of new construction
17 that's going on in this part of Monmouth County.
18 Resales, and we also look at our community that's in
19 Manalapan where right now our base prices there are in
20 the high threes to low to mid fours. And people are
21 adding on options there. So in Manalapan we're
22 averaging probably anywhere from \$440,000 up to
23 \$470,000, \$480,000 and then we look at comparison, town
24 to town, location to location.

25 MR. MORAN: That's with amenities.

1 MR. HOFFMAN: That's with an amenity
2 package, yes, with a higher maintenance fee though also
3 that adds onto that.

4 MS. DONATO: With a higher what?

5 MR. HOFFMAN: Higher maintenance fee which
6 also impacts the purchase price of the home.

7 MS. SICILIANO: Mr. Hoffman, were those
8 sales made with the Federal Government \$8,000 credit?

9 MR. HOFFMAN: Not really, not really. The
10 income levels that -- we haven't seen many of those with
11 the new program yet. We hope to see some of those. But
12 with the old program the income levels were lower and
13 the people that would be buying the \$400,000 townhome
14 couldn't qualify for the \$8,000 first time home buyer
15 credit, if that's what you're referring so. We didn't
16 see more than a handful that we were able to sell those
17 to.

18 MS. SICILIANO: Because in September of 2009
19 Mr. Hovnanian said and I'm quoting, "While we're
20 encouraged by some of those developing positive trends,
21 stiff headwinds remain, most notably the expiration of
22 the \$8,000 federal tax credit and the likelihood of the
23 higher mortgage rates with higher levels of unemployment
24 and the potential threat of foreclosures that could
25 further increase the supply of the existing homes.

1 Accordingly, we continue to make all of our decisions
2 with a cash flow and guided principles." Well, my
3 concern is that we have a financial impact statement
4 here based on a \$495,000 house and we don't know where
5 this economy is going. They don't expect it to break
6 until 2010, 11 or 12.

7 CHAIRMAN BELL: Do you internally have a
8 worst case -- if you get approval for this and you start
9 construction and the market stays the same, do you have
10 a worst case of what you can sell these for?

11 MR. HOFFMAN: Do we have a worst case?

12 CHAIRMAN BELL: Worst case scenario. You're
13 looking to average \$495,000. Do you have a scenario
14 where you're going to have to build for \$395,000 or
15 \$350,000, whatever?

16 MR. HOFFMAN: Well, we do some risk analysis
17 studies to see what you call maybe what the cushion
18 would be between profitability and nonprofitability.
19 But one thing we do as a public builder is we do price
20 everything today's price. We do price everything
21 today's price, moving forward today's cost, moving
22 forward. There's no way we can predict at this point
23 what's going to happen in the future. What I can speak
24 towards is that the pricing at least what we've seen in
25 Monmouth County appears to have leveled off. What's

1 interesting about the timing of the pricing that we have
2 here is specifically for the communities that I've sold
3 in Monmouth County, Manalapan which is our market rate
4 single-family and townhome community. The most
5 aggressive we had to get on pricing incentives really
6 occurred during the first half of 2009 and we were able
7 to actually begin to effectively raise prices in the
8 second half of 2009 or less incentives to get motivated
9 people to buy. So whether or not it's going to stay
10 that trend, no one knows. But all we can do is look at
11 what we think the price is today.

12 When we initially started looking at this
13 community going back in 2006, there were several new
14 communities that had opened up, one in particular the
15 Centex community in Middletown which actually opened up
16 in the high 400s to low 500s. They were about 480 up to
17 525 with options on top of that. I'm sure they were
18 looking at their community and project at that point it
19 could be anywhere from low 400s to mid-500s. We were
20 looking initially at that type of pricing. So we have
21 backed down over the three years that we've been working
22 on this. But we do constantly review comps within this
23 market, Red Bank, Little Silver, Older Brook, Thornbrook
24 possibly for some move down buyers. So we do look at
25 that as far as comps go, but that's how we back into our

1 figures.

2 CHAIRMAN BELL: So it is your testimony that
3 the \$495,000 is a real figure that you expect to sell?

4 MR. HOFFMAN: Correct.

5 MAYOR COOPERHOUSE: Is that the same figure
6 when Mr. Reading started this analysis back in 2006,
7 2007, what was that number back then if you recall? Has
8 it been changed in your analysis?

9 MR. READING: Yes, I believe so.

10 MAYOR COOPERHOUSE: I'd be very interested
11 if you would advise us as to what that number was on
12 your first run of this analysis.

13 CHAIRMAN BELL: And for the rateables if I
14 read this properly, you're putting in for the tax rate
15 not the 100 percent would be 33 million, but the rate
16 that would actually hit the tax rolls would be 23
17 million taking the 70 percent?

18 MR. HOFFMAN: Correct.

19 CHAIRMAN BELL: 70.35 percent?

20 MR. READING: That's correct.

21 MS. WATERBURY: Do you know what the price
22 point would be where you would come to a point to break
23 even from a fiscal analysis standpoint?

24 MR. HOFFMAN: I don't know.

25 MS. WATERBURY: From a fiscal analysis

1 standpoint.

2 MR. READING: Fiscal analysis? I haven't
3 run that number. You could run it backwards. Again,
4 let's turn back to Table 11 if we would. Is there any
5 question about the pricing of the affordable units? Are
6 they too high or too low in your mind? If we just look
7 at the market units we got \$140,000 surplus on \$558,000.
8 The math is there. You could drop this price.

9 MAYOR COOPERHOUSE: What page are you on?

10 MR. READING: Page 40. Look at the market
11 units. The assumption is we can't do anything about the
12 COAH pricing anyway because it's set by the Council on
13 Affordable Housing. So if you want to try to make this
14 job go negative, what you would have to do is you look
15 at the surplus. You got \$140,000 surplus on \$558,000.
16 So you got about a 25 percent margin, \$560 versus \$140
17 would be a 25 percent. So you'd have to knock the
18 prices down -- want to make this go negative? Cut the
19 prices down 25 percent.

20 CHAIRMAN BELL: We don't want it to go
21 negative we're asking if it does go negative.

22 MS. WATERBURY: I was just curious if we're
23 feeling or if there's some thought of \$495 being high I
24 was curious where's the point that it starts to go the
25 opposite? I mean if it's like \$200,000, you know, but

1 that's about a quarter down.

2 MR. READING: It would be about 25 percent
3 off so your 500 would go down to 400 or something like
4 that. 380.

5 MS. MARTINELLY: Will you build the whole
6 project out even without contracts?

7 MR. HOFFMAN: Even without contracts? No,
8 no. We would probably go in and start one building
9 initially just for models and probably sales
10 environment. Then we wouldn't proceed until we sold the
11 homes.

12 MS. MARTINELLY: And when would the COAH
13 homes be built, very last or --

14 MR. READING: They're required to be phased
15 in. There's a specific form on percentages based on the
16 percentages they would have to be phased in. They don't
17 have to be in on day one, but after you get to a
18 threshold you have to start delivering them.

19 MAYOR COOPERHOUSE: Those COAH units are in
20 a separate building, correct?

21 MR. MACANINCH: Correct, two separate
22 buildings.

23 MS. SICILIANO: Yes.

24 MR. READING: I don't think it's one
25 building.

1 MR. MACANINCH: Two.

2 MR. READING: Yes, two buildings.

3 MAYOR COOPERHOUSE: You referenced that you
4 utilized a standard method by Rutgers, I believe. Can
5 you give me that method again, please?

6 MR. READING: The method, it's prepared by
7 Rutgers Center for Urban Policy Research. It's called
8 the Practitioners Guide. The fiscal impact handbook is
9 the method. Now the updated database or multipliers is
10 a more recent study by the Edward J. Bloustein School.
11 It's a demographic portion of the model which gives you
12 the multipliers to generate jobs and population,
13 school-aged children and public school children for a
14 whole variety of housing products throughout New Jersey.
15 CUPR has not just done this for New Jersey. They have a
16 book for Pennsylvania, they have a book for New York.
17 It's a nationwide study. So Rutgers for reasons that
18 I'm not really certain is really the leader in
19 demographic analysis throughout the nation.

20 MAYOR COOPERHOUSE: Is that what every
21 professional uses in the state of New Jersey?

22 MR. READING: Yes. Just to give you a
23 little indication, this is the study that was published
24 in November of 2006. It's titled Who Lives in New
25 Jersey Housing. It gives you the method, the way it was

1 compiled and a series of tables for a whole variety
2 of --

3 CHAIRMAN BELL: You need to talk into the
4 microphone.

5 MR. READING: For a whole variety of housing
6 types.

7 MR. GARDELLA: That's on a statewide level?

8 MR. READING: Actually it's done for
9 statewide and it's done for the three regions of the
10 state. You happen to be in the central part of New
11 Jersey which is the numbers that were used here.

12 MR. GARDELLA: I know you said the
13 desirability was never taken into account as far as the
14 studies are concerned. Was that factored in at all with
15 what you're preparing?

16 MR. READING: You really can't -- this is --
17 as an economist we try to be objective and do empirical
18 analysis. And if I like Shrewsbury more than I like
19 Union Beach, it doesn't make me change my method. I use
20 the same model with the same multipliers.

21 MR. GARDELLA: But a development like this
22 in Shrewsbury is going to be a lot more desirable than
23 this development in Union Beach.

24 MR. READING: Interestingly, this provides
25 the opportunity for housing that doesn't exist in

1 Shrewsbury. Shrewsbury is essentially single-family
2 detached homes and a lot of people who might like to
3 live, people who want to downsize their housing or
4 children of people who live in Shrewsbury would like to
5 have a more carefree lifestyle don't have that option
6 here. This product provides it. So subjectively, yes,
7 this would be more attractive, but because of the
8 absence of this type of product.

9 CHAIRMAN BELL: Just to follow-up with Mr.
10 Gardella's question, I have quite a few questions, but
11 just to follow-up on that, somehow there has to be a
12 system out there that looks at a community like
13 Shrewsbury. This project gets built, what are the
14 demographics of the people who are going to be likely to
15 buy in Shrewsbury versus, you know, Matawan or Hazlet or
16 Long Branch or Ship Bottom or wherever and it's not
17 necessarily economics, it's where the town is and the
18 school systems and so forth so that the impact that --
19 and I understand that as an economist you have to when
20 you look at it you have to look at it in a very color
21 blind view where it's not poor, rich, whatever the case
22 may be, but that is going to have an impact on this
23 community and I think that and for me, I have serious
24 questions about not that your numbers don't reflect that
25 study, but that the number of people in this development

1 that are proposed and the number of kids that are
2 proposed is significantly understated. And even, you
3 know, one specific question and I don't want to go
4 through all the papers, but on the affordable housing,
5 the three-bedroom affordable housing in this report says
6 2.4 people. Seems to me on a three-bedroom that we had
7 testimony by the affordable housing expert that for a
8 family to get a three-bedroom they had to have three
9 people in the family to get a three-bedroom, a minimum
10 of three people.

11 MS. DERASADORIAN: They do unless they get
12 specific permission from COAH and I think the gentleman
13 who testified said -- I believe, I don't want to
14 misquote him. I think he said that never really
15 happened. He said there was --

16 MS. SICILIANO: I can't hear you, I'm sorry.

17 MS. DERASADORIAN: It came up at the last
18 meeting that it says in the guidelines, the household
19 shall not be placed in a unit where there is one more
20 bedroom per household member. So to that point there is
21 supposed to be if you have a three-bedroom you have
22 three people.

23 CHAIRMAN BELL: So empirically if I look at
24 and again, it's eight units. If I look at eight,
25 three-bedroom units, I look at that logically,

1 affordable housing if it's a single parent. And the
2 reality is it's probably not because just even the
3 income levels to afford it you have to be able to pay
4 the mortgage and so forth and so on. But just assume
5 it's a single parent, it's logical to assume there's
6 going to be two kids. It doesn't mean they're
7 necessarily going to be school-aged kids, but it's going
8 to be two kids and that's not what this report says. I
9 have real concerns over the number of people that are
10 being presented on this case.

11 MR. MORAN: I think what we're saying about
12 that, we know you need to use modeling in your field,
13 but there's got to be some real life numbers out there
14 that you've got that we can look at in terms of
15 comparables where the school children are concerned
16 because I do think that's light that number.

17 MR. READING: I understand and particularly
18 if you had a lot of experience with this that you would
19 say well, three bedrooms and two people in every bedroom
20 we're going to have six people. The reality of the
21 matter and COAH qualifications, the three-bedroom units
22 are very often difficult to occupy at full occupancy
23 because the families don't qualify. Your example of the
24 single mother and two children of opposite sex is
25 probably a more realistic example. But this is the data

1 that's constructed by the actual COAH units that have
2 been occupied and gone back and surveyed. So these are
3 the numbers that exist. Until you have a basis for some
4 other explanation, this is unfortunately -- like
5 transportation and traffic engineering, these are the
6 numbers that you work with. I can't say that there
7 might not be another number, but surveying thousands of
8 units as opposed to just a feeling or an assumption
9 doesn't upset these numbers. This is the actual facts.

10 CHAIRMAN BELL: When you did --

11 MS. SICILIANO: I can answer maybe that
12 question, Mike. I was on the COAH committee for what,
13 from 2006 on and the maximum for a two-bedroom house is
14 \$125,000. The maximum for a three-bedroom is \$145,000
15 to \$152,000 and then you have qualifying financing
16 that's involved.

17 CHAIRMAN BELL: Which just for the public's
18 information, what did you say, \$145,000 was
19 three-bedroom was the maximum?

20 MS. SICILIANO: And property taxes not to
21 exceed 10 percent.

22 CHAIRMAN BELL: So \$145,000, you have to be
23 able to afford, you have to be able to afford the
24 mortgage on that house. So you have -- it's working --
25 and there's income levels, there are restrictions on

1 income levels as well.

2 MR. READING: If you would go back again and
3 look at Appendix IV, I think that might answer some of
4 your questions.

5 CHAIRMAN BELL: That's on page --

6 MR. READING: The very last page. Rental
7 housing units tend to have if you go down and look at
8 the bedroom for bedroom, look at the difference between
9 the owner and the renter. 3.8. If these were rented
10 units I think your assumption would perhaps be more in
11 line, but owning units which require a much higher
12 income level than renter units because of down payments
13 and financing requirements have a much lower total
14 number of residents and significantly have a much lower
15 number of school children. Again, this gets back to the
16 issue of whether it's a matter of choice or a matter of
17 economics. And the purest matter of economics is a
18 rental product. And if you look at that it's 3.8
19 children or 3.8 persons and 1.3 school children in a
20 two-bedroom unit. We don't have them in the proposal
21 for you.

22 MR. GARDELLA: Have you ever done a project
23 similar to this in a town similar to this?

24 MR. READING: I think so.

25 MR. GARDELLA: I mean a small town.

1 MR. READING: You know Far hills, New
2 Jersey? There was a job up there called the Polo Club
3 and when I did it Far Hills had 550 housing units and we
4 had 180 unit affordable housing project coming in and
5 when I did that, the residents of Far Hills told me this
6 was going to be the death of Far Hills. The town was
7 going to go absolutely bankrupt, couldn't handle it.
8 Far Hills now has the lowest tax rate in Somerset
9 County. When I did a larger project called The Hills in
10 Bedminster Township where we put 2,800 units in a town
11 that had 500 housing units, it was also the public had
12 the same concerns that it was going to overrun the town.
13 Bedminster Township has the second lowest tax rate in
14 Somerset County.

15 MR. GARDELLA: How many of those units were
16 affordable?

17 MR. READING: Well, it was 20 percent of 180
18 in the --

19 CHAIRMAN BELL: Excuse me, can the audience
20 -- could you -- we're picking up your voices up here,
21 thank you.

22 MS. SICILIANO: No, you're picking up mine.

23 MR. READING: It was 20 percent of the units
24 in the Polo Club. I think it was 180 so it would be
25 like 36. But in the hills it was Park Side and Village

1 Green. That's 447 affordable housing. As a matter of
2 fact, they were the first town to voluntarily comply
3 with the Round 1 COAH obligation and build the
4 affordable housing units.

5 MR. GARDELLA: What town was that?

6 MR. READING: Bedminster Township.

7 MS. DONATO: After about 10 years of
8 litigation they voluntarily complied.

9 MR. READING: I was initially working with
10 Henry Hill on the litigation end and subsequently hired
11 by the township and the housing --

12 CHAIRMAN BELL: In doing this overall study,
13 I mean and everything is empirical and as you know
14 there's standard deviations and so forth and so on. I'm
15 a real numbers person. And what I don't understand is
16 I've read through all of this, you know, and whether
17 it's the school or the town, you know, how you like for
18 instance on the comparison on page 40, table 11 where
19 for the municipality there's going to be generated
20 \$180,000 worth of revenue. And this shows that it's
21 going to cost the town \$37,500 more for this development
22 to be there because this is taking what the town
23 currently spends per average, per house, per whatever.
24 Personally these numbers don't tell me anything across
25 the board because real numbers would be going to the

1 town, okay, when we add 61 units and we add 61 market
2 and we add 16 affordable housing units and you go to the
3 town and you go to the CFO, you sit down and say what
4 impact is that going to have on DPW? What impact is
5 that going to have, true impact, what impact is it going
6 to have on the police department? Because it could be
7 we have to hire another police officer, we have to hire
8 two DPW people and it's far more than the \$179,000 or
9 conversely, we don't to have hire anybody. We can
10 absorb it. There is no added cost. So it could be that
11 it's \$180,000 positive. And you go all the way across
12 and I think a hot topic for everybody is going to be the
13 schools. When you look at the schools where it shows
14 the positive 23 local school and the positive 50, the
15 regional, that's taking what the average cost to educate
16 the child in this town is. Taking into account assuming
17 that there's 15 kids that go. Well, if the school
18 doesn't need to hire anybody it lowers the taxes. If
19 the school looks and says, you know what? Which is the
20 letter you received a copy of it, the e-mail today, if
21 the school has to say, you know what? These 20 kids are
22 going to put us over and we have to put a second floor
23 on, now we have to spend 3 million dollars and do blah,
24 blah, blah, blah. So I just don't understand these
25 numbers.

1 MR. READING: Well, let's take a look at
2 table 6 on page 14. As you're talking about the direct
3 or causal relationship between growth and cost, in
4 Shrewsbury Borough you almost dropped 60 students the
5 past five years. How much did your school cost go down?

6 CHAIRMAN BELL: That's exactly my point.
7 The school cost didn't go down.

8 MR. READING: Exactly. So you're assuming
9 that there is a direct relationship as I said with the
10 per capita or the per capita multipliers to generate
11 that cost. In reality, having done these things for way
12 too many years, these cost allocations that we use tend
13 to overstate rather than understate cost. In most
14 situations you can absorb a few people. For example,
15 this is a redevelopment. It's a site that already has
16 development. You're already serving it with police,
17 with fire and you're going to continue to serve it.

18 MR. MORAN: Not in the same manner.

19 MS. WATERBURY: And we're not serving the
20 school redevelopment.

21 MR. READING: It's going to change, but it's
22 there. You provide some services to that site.

23 MAYOR COOPERHOUSE: That's not an accurate
24 statement.

25 CHAIRMAN BELL: But you see, you're arguing

1 exactly my point because when you look at what impact is
2 this going to have, what true dollar impact is this
3 going to have on the Borough of Shrewsbury and the
4 Borough of Shrewsbury is the school taxes and the
5 municipality and so forth. And the way you find out,
6 typically when you lose 60 kids, if the enrollment goes
7 down, taxes never go down. Sometimes maybe you lose a
8 teacher, but the odds are it doesn't. It's when it goes
9 the other way and when you add more and when you did
10 this study did you talk to the school? Did you go
11 over --

12 MR. READING: I didn't go over, no. I got
13 the school budgets.

14 CHAIRMAN BELL: Did you go and sit down with
15 the school administrator, superintendent?

16 MR. READING: I did not.

17 CHAIRMAN BELL: To me that's part of an
18 economic fiscal study should be how is this going to
19 impact our town? Whether your numbers, your 21 number
20 is accurate or not, I mean, I can't argue that.

21 MS. SICILIANO: Well, it's interesting you
22 bring that up, Mike, because on page 22 under population
23 determination, based on a case study it says population
24 determinants are generated on a basis of actual
25 occupancy and the experiences of comparable housing

1 units and somewhat similar recently constructed housing
2 complexes. I'd like to know what that location is,
3 which location is close to Shrewsbury.

4 MR. READING: On page 22 we're discussing a
5 number of methods which may be utilized. And the case
6 you mentioned is a very good method if this project
7 existed in Shrewsbury that I could go in and say oh,
8 here your townhouses in Shrewsbury. Here are their
9 occupancy characteristics. We don't have that. And if
10 I went outside of Shrewsbury you'd say well, that's not
11 Shrewsbury. We can't use it. Therefore, that's why
12 most professionals will default to the published
13 multipliers that were founded by the Department of
14 Community Affairs, by the Office of Smart Growth and
15 used by everybody who prepared these.

16 MS. DERASADORIAN: I have a question. In
17 the towns that you spoke about before, were those K
18 through 8 school systems housed in one building or were
19 they school systems that had several locations?

20 MR. READING: The Bedminster township had
21 its own school district and Keypack Gladstone I didn't
22 say that, Far Hills I believe had an elementary school
23 and then sent to Bernardsville.

24 MS. DERASADORIAN: So I guess what I'm
25 asking is were they K through 8 districts or were they

1 primary middle school districts?

2 MR. READING: No, K-12 in one and the other
3 was K-6 with 7 to 12.

4 MS. WATERBURY: One of the things that we
5 have to kind of go with what Mr. Bell was saying is that
6 we do have that letter from the school that is going to
7 need to be addressed. I mean, I know you just got it
8 tonight, but it's really kind of speaking of a specific
9 to this particular community I believe and of a concern
10 that we're already at a peak. Sometimes it just takes
11 the other thing to kind of break the camel's back. And
12 I think that for myself I would feel more comfortable
13 whether we have an independent person provide their own
14 review of that aspect or as a Board and ask for that to
15 happen, but I think the applicant would also even in
16 that regard need to provide a response to that. And I
17 know it's a big issue so I'm not necessarily asking you
18 to do that right off-the-cuff right now.

19 MR. READING: I'd be glad to.

20 CHAIRMAN BELL: And I think that and again,
21 I don't know where the numbers come up, but I don't
22 think there's probably a study, but there has to be
23 other projects that have been built around the state of
24 New Jersey of similar size, 77 units versus 2,500 or
25 whatever where you're going into and there are, you

1 know, probably 100 other towns in New Jersey similar to
2 Shrewsbury where this particular project, 66 units,
3 there's a lot of three-bedroom units. People are going
4 to look at this at this town. They want to move into
5 it. It's a great town, good schools. So it's different
6 than just a generic development so there has to be some
7 real life examples where you can say, you know what?
8 It's not 16 kids. It might be 30 kids. It might be 40
9 kids. I look back to the development I live in is 77
10 homes and I can tell you right now that development even
11 going through the generation we have a lot more than 16
12 kids going to school out of my development.

13 MR. READING: Are they townhomes in your
14 development?

15 CHAIRMAN BELL: No.

16 MR. READING: Why would you want to select
17 one development as opposed to using a database of a
18 region? Because any time you pick one to say aha, this
19 is the one, it could be a red Harry.

20 MS. WATERBURY: But that's not what I'm
21 talking about. What I was speaking about and I use
22 general information all the time in my work and I do
23 planning testimony and I do engineering testimony. So I
24 understand the basis for that. I even understand the
25 basis for when you use them in traffic as you were

1 saying. My thing is is that what it's doing though is
2 taking the general information and applying it to a
3 specific goal that our community tries to reach for its
4 school. So one town may be taking just the kids and
5 putting it in, but it's not addressing whether we can
6 still achieve the goals that our schools tend to have.
7 We have low number of kids in the classrooms. We like
8 to keep low numbers of kids in the classrooms. Is that
9 going to be impacted? Is it not? Maybe if you had
10 where you had 30 kids in a classroom that it could be
11 merged in a lot easier and not impact the goals of what
12 the community gets. That's what we don't know is how
13 even if you took those general numbers that you have and
14 even if they may or may not be a little conservative,
15 does it impact the goal that the school system and
16 without knowing specifically what that is, how can you
17 answer it?

18 MR. READING: Well, the answer is the fiscal
19 report by its nature is advisory in purpose. It doesn't
20 have to balance. It doesn't have to provide the
21 revenues to support the school. The Board cannot
22 consider fiscal impacts in its deliberation decision.
23 It's purely advisory. This is a reasonable approach
24 that most other fiscal consultants would take. There's
25 no obligation for this thing to be positive. As a

1 matter of fact, very often we do studies that are
2 totally negative all the way across. It's advisory in
3 nature.

4 As far as the school, I saw that letter very
5 briefly tonight. The concern was whether it was more
6 than 5 students per class. We've got 15 students for 9
7 grades. I don't see that there's an issue there,
8 particularly with the decline in enrollment that I've
9 observed over the past five years, but even if there was
10 a concern, that's the school district's business to
11 manage those enrollments.

12 MAYOR COOPERHOUSE: I think the onis and
13 this is my own personal opinion, I think the onis and
14 this follows up with what Pete Myers is asking for. I
15 think the onis is on the municipality whether it's the
16 Board or the Council, I think we do need to have at
17 least conversations with a consultant. And that's why I
18 asked the question about specifically what method is
19 used here. And we need to look at that and we need to
20 bring in the Board of Education and let's compare.
21 Because I know that and I think we've all heard numbers
22 out there that the school is at capacity or we have room
23 for 50 students.

24 MR. READING: Five per class is what he said
25 in his letter.

1 MAYOR COOPERHOUSE: No, but what I'm saying
2 is that the Board of Ed or/superintendent has indicated
3 that we have the capacity possibly for another 50
4 students. Now that's not in stone, but I think that we
5 really need to because again, I don't think we can ask
6 Hovnanian to give us another study. I think that that
7 onis is on us to do that and that's what I would
8 suggest.

9 MS. WATERBURY: I think it would be
10 important to answer the concern that's been raised.

11 MAYOR COOPERHOUSE: Absolutely, absolutely.
12 And if it's the same method that's used and the
13 conclusions are the same then we all have decisions to
14 make.

15 MR. CRANMER: Mr. Bell, I had one thought
16 that I really want to make the Board aware of. We have
17 a rather unique situation in Shrewsbury. Shrewsbury in
18 and of itself is a very desirable community and it has
19 several very unique characteristics, not the least of
20 which is the fact that we have recently enacted zoning
21 to create age-restricted communities. And after
22 Thornbrook we now have another 66 unit age-restricted
23 community under construction which we've noticed a trend
24 of many folks leaving larger homes, larger single-family
25 detached dwelling units to go to the other

1 age-restricted communities in town and then those
2 single-family dwellings are then occupied by families
3 with children. So we're going to replace several of the
4 existing units in town that are now occupied by -- I'm
5 just going to use the term empty nesters, families
6 without school-aged children with families who likely
7 will have school-aged children. And I believe that at
8 least I'd like to hear what your opinion of that is on
9 how that may or may not impact your conclusions.

10 MR. READING: Sure, no, this comes up very
11 frequently. We're very active with a number of adult
12 communities around the state. And a lot of towns say
13 well, if we build the age-restricted housing in town, a
14 lot of our residents may occupy that house, then we have
15 regeneration of the vacated, regeneration means new
16 people move in very often with more children. And the
17 answer to that is they're going to move anyway. What
18 you're doing is retaining a Shrewsbury asset in
19 Shrewsbury by providing the senior housing. If it
20 wasn't Shrewsbury they would move to Little Silver or
21 Middletown or Holmdel or wherever else it is. They're
22 going to move anyway. If they made the decision to move
23 into adult housing they're going. The only benefit you
24 now have is that some of these Shrewsbury residents will
25 actually stay here and you'll have the benefit of

1 retaining that resource in the community.

2 MR. CRANMER: That necessarily wasn't my
3 question.

4 MR. READING: But unfortunately it's the
5 answer. They're going to move anyway.

6 MR. CRANMER: Aside from the fact that
7 they're going to move anyway, when those 66 homes in
8 this particular case since we have a development of 66
9 units and let's just say 50 percent of them are
10 residents who currently reside in town which would like
11 to stay in town and go to an age-restricted development,
12 if 50 percent of those homes are occupied by families,
13 how does that impact the school and would that skew your
14 numbers?

15 MR. READING: There's constant regeneration
16 and Shrewsbury is going through it like a lot of other
17 towns. I think if you go back to Table 2 in your report
18 and you'll see why we go through the effort of doing
19 some of this research. Shrewsbury is an aging town.
20 It's a maturing town. The median age has been
21 increasing over the years. People will age and they
22 will ultimately leave, but there's a constant turnover
23 of housing and whether you can relate it to one project
24 basically there is no fiscal test that you apply to
25 somebody in Shrewsbury when they set up a home. If Mr.

1 Bell sold his home he doesn't have to come before this
2 Board and say all right, Mr. Bell, who are you selling
3 your home to and how many kids do they have? So what
4 you're saying is a reality, but it happens all the time.

5 MR. CRANMER: And what would you estimate to
6 be the factor of your numbers? You estimated 20
7 children would result to the public school system
8 including the regional school, the high school. What do
9 you think that the factor could be, could it be 20 to 40
10 or could it be zero?

11 MR. READING: If you want my honest opinion.

12 MR. CRANMER: I guess that's what we're
13 asking.

14 MAYOR COOPERHOUSE: While you're under oath,
15 give us, give us your opinion.

16 MR. READING: I can give you a statement of
17 my honest opinion. Which one do you want? I think in
18 reality if you look at this project, these are fairly
19 large townhomes, 2,000 square feet or more. 400 to
20 \$500,000. I don't think you're going to get a bunch of
21 first time home buyers with kids in here. I really
22 think and if you read some of the reports that Jeff Otto
23 has been writing, there's a big trend in New Jersey away
24 from detached to attached housing. The preference now
25 in Jersey is to get out of single-family home, the

1 maintenance and the taxes and get into a smaller
2 attached property. So I think the reality is that
3 what's going to come in here will probably not generate
4 the numbers that these Rutgers multipliers would
5 indicate, but actually be somewhat less. I think the
6 numbers on the affordable are what they are. I think
7 that they fortunately for Shrewsbury these are for sale
8 units, not for rent units because if they were for rent
9 units they would have much higher numbers.

10 MR. MORAN: I think what we're asking and
11 again, you have the model and the empirical data and I
12 think as you did with the pricing you went to comps. Is
13 there any way you can go and look at towns similar and
14 see what the actual reality was in terms of the impact
15 on the school?

16 MR. READING: I can do that. I can show you
17 a couple in Princeton. There's a couple where we have
18 no kids. And I can show you ones in Fort Lee, in
19 Hoboken. You know what you're going to say? It's not
20 Shrewsbury.

21 MR. MORAN: No, we'll be objective enough to
22 say that there's something close and we would look for
23 something like that. We're asking, that's what we're
24 asking you to do.

25 MR. READING: I've used the multipliers that

1 are as specific as I can get for this product.

2 MR. MORAN: Again, I understand the modeling
3 that you need.

4 MR. HOFFMAN: The one thing that we are
5 seeing even in Manalapan, these are two and
6 three-bedroom homes. What we see most, the most typical
7 type of buyer we have is either a single professional or
8 a very young recently married couple. Some of them have
9 had babies since they've moved in, some came in with
10 babies. Most of them are growing families. Most of
11 them really have no intention of staying in the townhome
12 for a good amount of time because they are growing.
13 They're only in a three-bedroom home and there's a
14 two-bedroom home. Are they interested in Manalapan and
15 staying there? Yes. Is there a lot of opportunities
16 beyond the townhome community to move to a home that
17 maybe you're going to move out of or someone like
18 yourself may move out of in Manalapan? Yes. And that's
19 where they'll end up. They will end up in your
20 neighborhood, Mr. Bell, because they do look for a yard.

21 Now the other type of buyer that we're
22 seeing is the move down buyer. When we open we may be
23 competing with that other 66 home active adult
24 community. We have a lot of buyers that aren't
25 interested in that type of a community anymore. They

1 want to stay in Manalapan or they want to stay in
2 Shrewsbury, but they don't want to live in that type of
3 community. And this type of product, a townhome product
4 with two and three bedrooms which they need just a den
5 and maybe a guest room for when their grandkids come
6 over, we see a lot of that type of buyer. Then we have
7 a mix of some people that fit in between, possible.
8 That's possible. And that's where it goes back to the
9 data. I know it seems hard to believe when you hear the
10 numbers, but we built a community in Middletown, Shawl
11 Harbor and I think if you take a ride by there when the
12 school bus is going by on a weekday, there isn't a lot
13 of kids in there. There are a lot of move down buyers.
14 I know of a lot of people that live in the
15 Middletown/Holmdel area that live there. Granted that
16 was on the waterfront, a little bit of a different part
17 of Middletown but it could be viewed as part of a
18 resort-ish type of place to end up for the time being,
19 but that's what we're really seeing as far as the buyers
20 that are coming out. We do have a single-family
21 community in Manalapan that is a sister community to the
22 townhomes. There are certainly a lot of kids in that
23 community. And again, those are 4 and 5 bedroom homes
24 and that's where people eventually move onto. I myself
25 started in a townhome, but you move on. You move on.

1 It isn't necessarily a place that if you're a young
2 family you're going to be there for 20 years or 10 years
3 and see your kids go all the way through the school
4 system. They usually try to move on.

5 CHAIRMAN BELL: It's in the paper just how
6 many three-bedroom markets are there going to be?

7 MR. HOFFMAN: 42 about.

8 CHAIRMAN BELL: There's 42 and 19
9 two-bedroom, 42, okay. I think that the Board will talk
10 about it. It sounds as if we need to look at getting an
11 expert to come up with a report as well and that would
12 be one of the things that we'd look at as what the
13 impact would be. And I look at the three-bedrooms as
14 being ones that would certainly be more attractive to
15 people with kids. And so I mean, your report is your
16 report, but I would agree with the Mayor. I think that
17 the Board which we can discuss later on, I think we
18 should consider hiring somebody to give a study and
19 maybe come back and corroborate exactly what we heard
20 tonight.

21 MS. MARTINELLY: We haven't seen designs,
22 but do any of them have a first floor bedroom which is
23 what the empty nesters tend to look for?

24 MR. READING: No, no.

25 MS. MARTINELLY: So, I mean, the

1 three-bedroom is really geared to a family. It's not
2 geared to scaling down. I mean, it's not going to
3 compete with adult communities if you don't have a
4 bedroom, a master on the first floor.

5 MR. READING: Master on the first floor is
6 certainly attractive to an adult community, but the
7 empty nester not necessarily the aged adult. You'll
8 find that product may appeal. The three bedrooms, it
9 may be one is for the couple. One is a guest room for
10 when the kids come, the other one gets used as a den. I
11 mean, just because they are bedrooms doesn't mean
12 they're occupied that way. One thing to remember when
13 you look at housing products is that housing products
14 have appeal to a certain percentage of the market. In
15 New Jersey, 65.9 percent of all housing units in the
16 state have no children. In Monmouth County which you
17 may think is different from the state, 64.0 percent of
18 all housing units in Monmouth County have no children
19 under 18. So what it means is two-thirds of your
20 housing units have no children. One-third of your
21 housing units with children generate all the children.
22 So the product that appeals to families and if you have
23 children and if you can afford it, you would prefer to
24 have a yard, prefer to have something detached and that
25 certainly is a magnet for children. This product

1 throughout New Jersey has been one that attracts
2 non-family households. Couples, same sex couples,
3 individuals, single persons. So the product here is
4 somewhat different than your family product. Your
5 family product prefers the type of housing that you find
6 throughout most of Shrewsbury.

7 MAYOR COOPERHOUSE: I'm having a little
8 disconnect and I apologize. You have a young family
9 just starting out. No children, but they're purchasing
10 -- I guess this is more of a question for you from a
11 marketing standpoint. Affordable housing, two young
12 professionals starting out, they're teachers. They
13 purchase a three-bedroom. You have to have data, you
14 have studies, how long do they stay in a townhouse
15 versus saying okay, it's now time to move into a
16 single-family home with a yard? Is there a time frame
17 involved there?

18 MR. MACANINCH: Is your question unique to
19 affordables or our experience with townhouses?

20 MAYOR COOPERHOUSE: Townhouses.

21 MR. HOFFMAN: I don't know. I can't answer
22 that for that time frame.

23 MAYOR COOPERHOUSE: I'm wondering why would
24 young families or someone with one child, why would they
25 move into a three-bedroom home when you're saying that

1 folks that are going to move in there, most of the cases
2 are going to be without children?

3 MR. READING: I lot of people buy more house
4 than they need. A lot of people, single couples will
5 buy a four-bedroom house because it's easier to sell,
6 they think it's easier to sell. So if you think that
7 there is an absolute nexus between bedrooms and
8 occupancy, you can find all kinds of exceptions to that
9 rule. People buy -- if you take a condominium, for
10 example, which doesn't have a garage or a basement, you
11 need an extra room. You need an extra bedroom for stuff
12 because you have no other place to put it. So people
13 will if they can, they'll purchase the extra bedroom,
14 but not necessarily for use as a bedroom.

15 MR. GARDELLA: What's the average square
16 feet of these units?

17 MR. READING: A little over 2,000. About
18 2,000 is the average.

19 MR. GARDELLA: Which is bigger than a lot of
20 homes in this town. So it's an opportunity for someone
21 to buy a nice sized unit and get their kids into the
22 school system. So I think that's where a lot of the
23 Board members are concerned is that here's an
24 opportunity to move into the Borough, get a nice big
25 home. Yeah, you don't have any yard, but I think that--

1 MR. HOFFMAN: A yard is certainly important.
2 A yard is certainly important. And just back to the
3 younger couple buying a townhome, we have seen a trend
4 that the gen X, generation Y type of buyer, they aren't
5 interested in the fixer upper. They're not interested
6 in cutting the lawn. They are still interested, they
7 are having kids a little bit later in life. They are
8 interested in getting into a low maintenance home. The
9 type of buyer we're seeing in Manalapan, we see a lot of
10 people that work, a lot of people that are working in
11 New York City and commuting to New York City. They're
12 very good earners. And a lot of people are from the
13 Manalapan area. They grew up in Manalapan and Marlboro
14 and they've come back. And they've come back again.
15 They might have lived in Hoboken but they've moved back
16 and they can afford a three-bedroom home and they want
17 their den and they want that future room probably for
18 their future kid. But I can tell you, I mean, as that
19 child grows and the family grows, their next step is it
20 happens all the time. They move onto their next, their
21 first time move up.

22 The other type of buyer just to come back to
23 the empty nester, the question about the bedroom being
24 on the first floor, people are working a lot later in
25 life now because of what happened in the economy. In

1 Manalapan we're seeing something similar to that. We're
2 seeing empty nesters who are selling a very nice home in
3 Manalapan or Marlboro, high \$800,000 to over a million
4 who are saying I don't want to maintain it anymore. I
5 don't need to maintain it. My kids are off in college.
6 I want to stay in the area, though, because they either
7 have a business in the area or they work in the area or
8 it's their commuting location. So they're not old.
9 They can climb stairs. They can get to where they need
10 to go. It's probably looked upon as an in between to
11 where maybe they'll retire to a different location and I
12 can guarantee I bet we're going to have a lot of those
13 type of buyers in this community. There is going to be
14 I think a lot of buyers from this Rumson, Shrewsbury,
15 Fair Haven, Little Silver type of market that will be
16 looking to downsize and be an empty nester in the
17 community.

18 CHAIRMAN BELL: That kind of falls into what
19 Mr. Cranmer was saying earlier.

20 (Mr. Teller arrives.)

21 CHAIRMAN BELL: In my case I have a 17 -- my
22 youngest is 17. Two years I decide I want to move in
23 there because I want to stay in town. I sell my house.
24 I have a five-bedroom house. So even though I don't
25 generate anymore kids by moving into this, I sell my

1 house and who's going to buy my house? So indirectly
2 this development is creating more school-aged children
3 and I don't -- again, it's how you come up with that
4 number.

5 MR. MORAN: Mr. Teller arrived at 8:52.

6 MR. TELLER: I apologize to the Board.

7 MS. SICILIANO: On page 24, talking about
8 the market housing and we have -- in the plan there was
9 42, three-bedroom houses and they only expect to
10 generate 2.34 people per three-bedroom house. I mean,
11 that number is 180 and I don't think it's just 2.3. I
12 can't see just 2.3 in a three-bedroom apartment and we
13 have 42 of them.

14 CHAIRMAN BELL: The study that you used, you
15 said and I wrote it down and I apologize if I wrote it
16 down wrong. The Central Jersey, you said the numbers
17 that you used you used the Central Jersey numbers and
18 they're higher than what the rest of the state is?

19 MR. READING: Correct.

20 CHAIRMAN BELL: Okay. Out of curiosity, why
21 is Central Jersey when you look at the numbers which we
22 are Central Jersey by the way.

23 MR. READING: Yes, you are.

24 CHAIRMAN BELL: So it's the right one to
25 use. Why is Central Jersey higher than North Jersey or

1 South Jersey or Western Jersey or whatever?

2 MR. READING: Well it's really, you really
3 have to go through all the waiting in the book, but in a
4 very generalized fashion, you break New Jersey into

5 three regions. The northern region of the state has
6 more population in that group there. It tends to be an
7 older population and housing tends to be smaller on
8 smaller lots. So the housing products in North Jersey
9 is a little bit different. Central Jersey actually is
10 the part of the state that developed much later and you
11 have a lot of large lots. If you start going over to
12 Somerset County, Middlesex County even western Monmouth,
13 you start finding some very large lot zoning. So it's a
14 little bit different. And I don't want to say it's more
15 child friendly than northern New Jersey, but it seems to
16 have more children per unit than you find in the central
17 portion of the state. And again, it's the backyard lot
18 factor that you can get in the central portion. So many
19 people from Staten Island have moved not only from East
20 Brunswick down to Marlboro, Manalapan into western
21 Monmouth County for that very reason is you can get a
22 little elbow room. So Central New Jersey tends to have
23 somewhat larger families.

24 CHAIRMAN BELL: Other questions from the
25 Board?

1 MS. DONATO: I have a couple, Mr. Bell. Mr.
2 Hoffman first. Can I just have what your position is
3 with K. Hovnanian?

4 MR. HOFFMAN: Sure, area vice president.

5 MS. DONATO: And Mr. Reading, when you use
6 the CUPR protocol I guess we might call it, are there
7 any qualifications or limitations that the model has,
8 anything that indicates where there may be cautions
9 about using it in certain circumstances?

10 MR. READING: There are all sorts of
11 cautions in there. Nothing is absolute. And obviously
12 this is a guideline or benchmark or model, but it's not
13 an absolute. So there's cautions in there and it's in
14 there particularly on the affordable. There's a
15 two-page footnote on the affordable housing. One saying
16 it's based on a fairly limited sample and that it's
17 going to be updated. So yes, there are footnotes in
18 there.

19 MS. DONATO: Are there any limitations that
20 would be applicable to using this data for the Borough
21 of Shrewsbury?

22 MR. READING: No, the intent. It's for the
23 practitioner to apply it and use this data on municipal
24 applications.

25 MS. DONATO: Are you personally aware of any

1 circumstances where the CUPR data and as updated in the
2 Bloustein study has differed in various communities in
3 the state of New Jersey?

4 MR. READING: Yes.

5 MS. DONATO: And can you point to any of the
6 communities that you're aware of where there's a
7 difference?

8 MR. READING: I mentioned two of them before
9 in Bedminster and Far Hills where the actual occupants
10 were substantially less than what we had run. As a
11 matter of fact we were hired to go back 10 years after
12 the fact and do a follow-up study because one of the
13 questions somebody asked before is well, that's when you
14 occupy. What about later on? So we went back, myself
15 and Harvey Moskowitz who is a planner you may or may not
16 know. We went back and did an actual measurement test
17 on it. I've also been engaged by Galloway Township. I
18 actually worked on the project for the township doing an
19 annual Census for the past 10 years on various units and
20 what we found over the 10 year life of that project, the
21 values have been much higher than originally anticipated,
22 but the population has been much less. So if there's an
23 error in there in specific applications, the problem
24 tends to overstate rather than understate.

25 MS. DONATO: You're not aware of any

1 communities in which the projections were understated?

2 MR. READING: I'm not saying there aren't
3 any. I can't think of any offhand. Very often when
4 that happens, you need to go back and make sure that
5 your measurement is correct. In other words, a project
6 might have changed price-wise -- not price-wise, but
7 product-wise following approval. So you may have
8 somewhat of a different type of product than what was
9 originally approved.

10 MS. DONATO: I was aware of one situation I
11 know of in Ocean County in Barnegat Township where for
12 some reason the school aged-children were like three
13 times higher than the CUPR numbers and I don't know
14 if -- and it's largely a single-family community.

15 MR. READING: No, I'm working on Barnegat
16 Acres in Barnegat Township and Stafford Township and we
17 just did a survey for the Stafford Township Planning
18 Board and they're very close. As a matter of fact,
19 they're just slightly below the averages there and
20 that's a survey of 300 single-family homes.

21 MS. DONATO: In Barnegat?

22 MR. READING: In Barnegat Township.

23 MS. DONATO: And my last question is in
24 terms of the value, the projected sale prices of these
25 units, you relied entirely on K. Hovnanian information

1 for that?

2 MR. READING: Those were the prices provided
3 to me, correct.

4 MS. DONATO: You didn't have any independent
5 value of the property because that's not your expertise?

6 MR. READING: That wasn't my assignment
7 predominantly.

8 MS. DONATO: Okay, thank you.

9 CHAIRMAN BELL: Questions from the Board?

10 MR. MORAN: Yes, could you discuss a little
11 bit more on page 1, bullet point number 4, every time I
12 view a deficit that draws my attention. Can you talk a
13 little bit about that?

14 MR. READING: In the summary of findings?
15 Bullet which one?

16 MR. MORAN: Summary of findings, bullet
17 point 4 on page 1.

18 MR. READING: What that means and again,
19 that comes right off of table 11. That means that the
20 added tax revenues are less than the allocated tax
21 appointed cost. They call it a deficit. Conversely, if
22 they were higher we would call it a surplus which from
23 an accounting standpoint it's not really a surplus, it's
24 an access of revenues over the cost.

25 MR. MORAN: What do you anticipate is the

1 impact to the community on that deficit? How is that
2 made up?

3 MR. READING: How is that made up? Take the
4 surplus from the school, the money is fungible so we've
5 got to go back again. Let's start with table 11. What
6 are we going to do with the surplus that's generated
7 from the school?

8 MS. DERASADORIAN: That surplus is based on
9 just 20 students?

10 MR. MORAN: That again also goes back to
11 that assumption.

12 MR. READING: So if your municipal tax rate
13 went up half a penny and the school tax rate went down 2
14 cents would you be better off?

15 MR. MORAN: Yeah.

16 MR. READING: So it's fungible money. It's
17 not a complete deficit. Even when you put in the
18 affordable housing units that are being provided to help
19 the borough to meet its obligation, you're still in the
20 surplus. So again, go back to table 10. Look at the
21 total amount of the budget.

22 MR. MORAN: We can't transfer funds between
23 school boards.

24 MR. READING: We've got an 8-and-a-half
25 million dollar municipal budget. So what's the impact

1 of \$26,000?

2 MR. MORAN: But the end result is the
3 taxpayers are --

4 MAYOR COOPERHOUSE: If you look at the total
5 rather than the school, regional.

6 MR. MORAN: I understand the net, yeah.

7 MR. GARDELLA: When was the last time school
8 taxes went down?

9 CHAIRMAN BELL: I'm going back to one of my
10 original questions or one of my original comments about
11 you talking to an individual department and to me I
12 still don't understand why as a developer you'd want to
13 do the fiscal impact study because it could very well be
14 to your positive and that you sit down and you talk to
15 the CFO and the town and find out what the cost would
16 be. But one of the things that jumps out at me as far
17 as potential higher cost is that these buildings are all
18 going to be 35, 40 feet tall, correct?

19 MR. HOFFMAN: Yeah.

20 CHAIRMAN BELL: Which is taller than what
21 our normal houses are in the Borough of Shrewsbury and
22 the potential and I'm just saying potential cost to the
23 fire department, the fire budget could be significantly
24 more because the equipment that they may need and I'm
25 just -- I don't know the answer to this question. I'm

1 not a fireman, I'm a first-aider, the equipment that
2 they may need may be significantly different so that
3 what happens is a project like this gets approved and
4 then the fire department comes in and says, we need a
5 different type of aerial to be able to effectively
6 service this, protect the residents of town. And now
7 instead of a \$37,000 negative it could be a \$50,000
8 negative because the aerial they may need and I don't
9 know the answer, I would expect that you would be able
10 to find out the answer to that, that aerial may be 1.5
11 million dollars which then does get spread over 20 years
12 and bonded and so forth and so on, but that's a
13 tremendous cost that's added to the town that would not
14 have been added if this project wasn't built.

15 MR. READING: Shrewsbury Hose Company No. 1
16 has been contacted and they confirmed our building could
17 be serviced without additional equipment or personnel.

18 MR. MORAN: You contacted them personally?

19 MR. READING: I didn't.

20 MS. DONATO: You're going to have to present
21 that testimony directly.

22 MR. MACANINCH: I can do it now.

23 MR. MORAN: That will be part of what
24 testimony?

25 MR. MACANINCH: Let's do it now, Frank.

1 MS. DONATO: Full name and address.

2 MR. WOOD: Francis J. Wood, Fur Place,
3 Hazlet, New Jersey.

4 F R A N C I S J. W O O D, was duly sworn by the

5 Notary, and testified as follows:

6 EXAMINATION BY MR. MACANINCH:

7 Q. Frank, just at the outset could you state your
8 position with K. Hovnanian and also any experience you
9 have in the fire prevention field?

10 A. Yes, I've been with K. Hovnanian for 27 years
11 this February. I am presently the land development
12 manager for the Delaware Valley Division which
13 encompasses everything south of Route 78 to the southern
14 portion of the state and parts of Pennsylvania. I have
15 been a member of the Hazlet Volunteer Fire Company of
16 the Hazlet Volunteer Fire Department for the last 35
17 years. I've assumed the position of the chief of the
18 department 20 years ago and have been an active fire
19 commissioner and fire chief since 1973.

20 Q. And with regard to the specific conversation with
21 the Shrewsbury Hose Company No. 1 about their ability to
22 service this community without additional vehicles?

23 A. I've had phone conversations with the chief and
24 with also your fire official concerning the location of
25 the fire hydrants, accessibility to the rear and fronts

1 of buildings. There was some concern originally at the
2 original layout of the building that they wouldn't be
3 able to get the existing aerial apparatus around to the
4 rear of the building. We've reconfigured the site to
5 change that so that they have a better access to the
6 street. I do believe that you have an aerial device
7 located within the building that will reach the top of
8 this roof here with the 25 foot setback from the road.

9 Q. And while we're on the topic, did you speak with
10 the Shrewsbury First Aid Squad?

11 A. I didn't speak with the Shrewsbury First Aid
12 Squad. We had an article that was in the Gold Cross in
13 which there was quotations by members of the Shrewsbury
14 First Aid Squad that they would be able to adequately
15 cover this community with the manpower and equipment
16 that they presently have.

17 MR. MACANINCH: Thank you.

18 CHAIRMAN BELL: Okay. As president of the
19 Shrewsbury First Aid Squad I can tell you that you
20 misinterpreted because nobody ever talked to us and I
21 can guarantee you that comment would not have been made
22 and I was either captain when you were looking to do
23 that or I am currently president.

24 MR. WOOD: There was an article in the Gold
25 Cross Magazine from the First Aid Council specifically

1 addressing Shrewsbury First Aid Squad.

2 CHAIRMAN BELL: Absolutely, but it wasn't
3 addressing your particular project that we can take on
4 77 units. But anyhow, we can address that separately.
5 I have a letter here --

6 MAYOR COOPERHOUSE: Why would we address
7 that separately when we have the testimony right now?
8 Wouldn't you want to --

9 CHAIRMAN BELL: Because we haven't looked at
10 it as far as the first aid squad and I would have -- I'm
11 just speaking as one member.

12 MR. MORAN: Well, we should ask the
13 applicant to contact the first aid squad and the fire
14 department and come back with something in writing.

15 CHAIRMAN BELL: Well, I think you should
16 contact the first aid squad.

17 MS. SICILIANO: This will be the first time
18 that the first aid squad will have to carry down people
19 from the third floor.

20 CHAIRMAN BELL: Absolutely. It's never been
21 looked at. This project has never been looked at by the
22 first aid squad.

23 MAYOR COOPERHOUSE: What are you referring
24 to, sir, you referenced a magazine?

25 MR. WOOD: Yes, the Gold Cross Magazine is a

1 magazine that's issued to members of the New Jersey
2 State First Aid Council which comes to my house because
3 my wife is a 35 year member of the first aid squad and
4 there was an article concerning this project there in
5 the Borough of Shrewsbury and their ability to service
6 this project.

7 MAYOR COOPERHOUSE: And when was that
8 article, do you recall?

9 MR. WOOD: It had to be six months or a year
10 ago maybe.

11 MR. MORAN: Who wrote the article?

12 MR. READING: I don't have the article in
13 front of me.

14 MAYOR COOPERHOUSE: Would you be able to
15 provide that article to us?

16 MR. MACANINCH: Certainly.

17 MAYOR COOPERHOUSE: Thank you.

18 MR. MORAN: More importantly we'd like some
19 correspondence from the two departments based on your
20 request.

21 CHAIRMAN BELL: I have a letter that came
22 from the Shrewsbury Fire Department and this was dated
23 8-19-09 to all the Planning Board members. This is from
24 Chief Pete Gibson, Shrewsbury Hose Company No. 1.
25 "These are the concerns and questions that the

1 Shrewsbury Hose Company No. 1 has with the new
2 development being proposed by K. Hovnanian at 445
3 Shrewsbury Avenue. Number one, additional burden that
4 would be placed on the volunteer fire department with
5 having to train all the members with new concepts to
6 townhome and condominium fire fighting and having to
7 purchase new equipment to do so. Number two, traffic
8 that would create on Shrewsbury Avenue entrance, exit
9 with no traffic light. This is a high probability of
10 more MVA. Number three, are the homes going to have
11 sprinkler systems? Number 4, what watermain would they
12 be tapping to supply the development? The one off of
13 Shrewsbury Avenue or the one off of Patterson Avenue?
14 Number 5, the hydrant at the end of road A in the back
15 corner would have to be moved to the corner of road A
16 and road B. I think you addressed that. And number 6,
17 the hydrant at the commercial building on the north side
18 of the building would have to be moved to for easier
19 access and not to trap any equipment, if needed." So I
20 mean, their number one is exactly the question I just
21 asked. And this is from -- we'll get you a copy of it
22 if you haven't gotten it from the chief saying that they
23 need additional equipment. And again, I don't know what
24 equipment they need, but I know as far as the first aid
25 squad, we looked into it. We sit down, it is

1 three-story buildings. We don't have that. And I'm not
2 saying it's not insurmountable. What I'm saying is it
3 has to be addressed. And the article I believe in the
4 Gold Cross was basically an article that was written
5 going over the number of calls and what Shrewsbury First
6 Aid does and how we handle different types of buildings
7 and things like that and the effectiveness and so forth.
8 It wasn't on this particular project because nobody at
9 the Shrewsbury First Aid Squad other than me I don't
10 believe has ever seen the plans for this project. So
11 nobody could have commented on it.

12 MR. WOOD: I'll get the copy.

13 MR. MACANINCH: We'll follow-up.

14 MR. MORAN: Would you like a copy of this
15 letter?

16 MAYOR COOPERHOUSE: Have you seen that
17 letter?

18 MR. MACANINCH: I have actually seen that.
19 It was forwarded to me, I believe, by Mr. Cranmer.

20 MR. CRANMER: Mr. Bell, first of all I want
21 to disclose to the applicant that I too, as Mr. Bell,
22 belong to the First Aid Squad. The article that I
23 believe you're referring to Mr. Wood is the one that
24 appeared in the Gold Cross about six months to a year
25 ago. And what it was was a publication -- I'm going to

1 loosely call it a study. It was basically a
2 presentation of data that was compiled by Mr. Burn and
3 Mr. Connors and I believe the title of the article that
4 appeared was something to the effect of How Do You
5 Predict When Your Calls Are Going To Occur And What The
6 -- I'm just going to use the term study, what the study
7 did was took the historic data of calls that have
8 occurred in the Borough of Shrewsbury in the past time
9 period and analyzed how many calls occur on Mondays.
10 How many calls occur on Tuesdays and Wednesdays and so
11 forth. I do remember reading the article and I also
12 remember there being a sentence or two in it that
13 referenced the first aid squad is aware of pending or to
14 be pending development applications which would result
15 in 77 or 66 units. And based on this we can predict
16 that on Tuesday morning we may get another call
17 basically extrapolating data that we have 27 calls on
18 Mondays in town with however many homes we have. Adding
19 77 more using linear interpretation of the data will
20 result in this many more calls. It certainly didn't
21 predict based on a three-story unit or an affordable
22 unit or a townhome style unit that it's going to result
23 in some type of average, state or national average that
24 it results in this many EMS responses over a given time
25 period. What it did was it counted how many calls do we

1 have on Mondays between 2 and 4 p.m. or between 6 and 8
2 a.m. That really just struck a line of this is what our
3 call volume looks like. So I think since you've
4 testified on it we should enter it into evidence. I
5 don't have a copy with me obviously, but I believe we
6 can probably get it for the next meeting.

7 CHAIRMAN BELL: We can get it.

8 MR. CRANMER: But that is what the article
9 said and that's what I want to call it the character of
10 the article was.

11 MS. SICILIANO: Sounds like it's reflective
12 of the annual report that's filed with the council.

13 MR. CRANMER: It probably was included in
14 that if I had to guess.

15 MR. MORAN: So you'll take these comments
16 under advisement.

17 MR. MACANINCH: We will.

18 CHAIRMAN BELL: Okay, thank you. Other
19 questions from the Board?

20 MS. SICILIANO: I have one question for the
21 Mayor. In our budget and I don't remember, is the
22 budget for recreation based on the number of children
23 that participate?

24 MAYOR COOPERHOUSE: No. Keep in mind the
25 recreation line item is almost 98 percent self-funded

1 based on registration.

2 CHAIRMAN BELL: Any other questions?

3 MR. MACANINCH: I was going to say if I
4 could ask a couple of follow-ups of Mr. Reading.

5 CHAIRMAN BELL: Absolutely.

6 BY MR. MACANINCH:

7 Q. Mr. Reading, there's been a lot of questions
8 about the fiscal impact analysis and how specific it is
9 to this municipality versus others. Is this the same
10 methodology you've used throughout the entire state in
11 various areas?

12 A. Yes, I have.

13 Q. And have you used this or reviewed this both on
14 behalf of public and private clients?

15 A. That's correct.

16 Q. And has this methodology been used and accepted
17 not just by municipalities, but also by courts and
18 appellate courts?

19 A. Yes, they have.

20 Q. That's it.

21 CHAIRMAN BELL: Okay. Would the Board like
22 to take a five-minute break before we open the meeting
23 to the public for questions of the testimony heard?

24 MS. SICILIANO: I just think the last
25 paragraph or the next to last paragraph would be the

1 impact is the best one of all. It says that the fiscal
2 analysis is not intended and has not been used to
3 determine precise physical and personal needs. The
4 mythology will not indicate the number of new computers
5 that may be needed in administrative operation, nor the
6 number of snow plow operators that may be needed, nor
7 will it predict how many additional textbooks will be
8 required of the schools or whether or not the library
9 should remain open for longer hours. Well, that's
10 county so we're not involved in that. Rather the
11 analysis conducted herein is intended to reflect the
12 total cost for providing the residents and school
13 children in the planned development with the same
14 quality and amount of municipal and school services
15 currently provided to the existing residents of
16 Shrewsbury.

17 CHAIRMAN BELL: Okay.

18 MS. SICILIANO: I think that's the most
19 honest thing in whole statement.

20 CHAIRMAN BELL: I got the eye from two
21 people and I'm going to take the call on this because
22 I'd like to take a break for five minutes.

23 MS. SICILIANO: So moved.

24 CHAIRMAN BELL: May I get a motion made by
25 Emmi. Can I get a second?

1 MR. GARDELLA: Second.

2 CHAIRMAN BELL: All those in favor?

3 (Multiple Board members respond "Aye.")

4 (Brief recess was taken.)

5 CHAIRMAN BELL: Will the meeting come back
6 to order at 9:30. Take roll call, please.

7 MS. KELLEHER: Mr. Bell?

8 CHAIRMAN BELL: Here.

9 MS. KELLEHER: Mr. Moran?

10 MR. MORAN: Here.

11 MS. KELLEHER: Mayor Cooperhouse?

12 MAYOR COOPERHOUSE: Here.

13 MS. KELLEHER: Mr. Dodge?

14 MR. DODGE: Here.

15 MS. KELLEHER: Ms. Derasadorian?

16 MS. DERASADORIAN: Here.

17 MS. KELLEHER: Mr. Teller.

18 MR. TELLER: Here.

19 MS. KELLEHER: Mrs. Waterbury?

20 MS. WATERBURY: Here.

21 MS. KELLEHER: Mr. Gardella?

22 MR. GARDELLA: Here.

23 MS. KELLEHER: Mrs. Martinelly?

24 MS. MARTINELLY: Here.

25 MS. KELLEHER: Carroll?

1 MR. CARROLL: Here.

2 MS. KELLEHER: Mrs. Siciliano?

3 MS. SICILIANO: Here.

4 MS. KELLEHER: Mrs. Donato?

5 MS. DONATO: Here.

6 MS. KELLEHER: Mr. Cranmer?

7 MR. CRANMER: Here.

8 CHAIRMAN BELL: Okay, do you have anything
9 else you'd like to say before we open the meeting to the
10 public for questions?

11 MR. MACANINCH: Nothing more at this point,
12 just reserve obviously the right to come back to Mr.
13 Reading.

14 CHAIRMAN BELL: Can I get a motion to open
15 the meeting to the public regarding the questions of Mr.
16 Reading, Mr. Hoffman and Mr. Wood?

17 MR. MORAN: So moved.

18 CHAIRMAN BELL: I'm sorry, it was made by
19 Mr. Moran and seconded by Mr. Gardella? All those in
20 favor?

21 (Multiple Board members respond "Aye.")

22 CHAIRMAN BELL: Opposed? Meeting is open to
23 the public for questions on testimony you heard tonight
24 specific on specific testimony. No general comments,
25 specific questions that you'd like answers to. Any

1 questions, come up, speak clearly into the microphone
2 state your name and your address.

3 MR. AMORELLI: My name is Jeff Amorelli,
4 Block 2, Lot 2, right next to the proposed thoroughfare
5 for the road.

6 CHAIRMAN BELL: The street?

7 MR. AMORELLI: Patterson Avenue. I don't
8 know the legal process, but the last meeting, I've been
9 coming to most of the meetings. The last meeting it was
10 addressed that the soil is contaminated. What I don't
11 understand is why isn't it being cleaned up?

12 CHAIRMAN BELL: The questions that you have
13 to ask now because that may be a question that would be
14 asked of the environmentalist when we do our further
15 testimony down. The questions you can ask tonight are
16 specific of Mr. Reading on the fiscal impact.

17 MR. AMORELLI: I've mentioned this at the
18 last meeting. The study analysis they're doing, they
19 keep referring to Manalapan. Our town is one square
20 mile big. How many schools does Manalapan have? Does
21 anybody know?

22 MS. DERASADORIAN: Seven.

23 CHAIRMAN BELL: We didn't have any testimony
24 on that. Mr. Reading, do you know the answer to that
25 question?

1 MR. READING: I do not.

2 MR. AMORELLI: They keep referring to the
3 Manalapan project and crossing the Shrewsbury project
4 like it's going to be the same project.

5 CHAIRMAN BELL: What you need to do is you
6 need to and I don't want to kickback, you need to have a
7 specific question of Mr. Reading so that it's not -- you
8 need to ask him a specific question that he can answer.
9 Or he can say "I don't know the answer to that."

10 MR. AMORELLI: Well, I don't have any
11 questions then.

12 CHAIRMAN BELL: Okay.

13 MS. DONATO: I think the question would be
14 directed to Mr. Hoffman. I think what the gentleman was
15 trying to ask is you referred to Manalapan sales values
16 and he thought they might be comparable. You were
17 trying to respond to the Board about the sales prices
18 that you were projecting here.

19 MR. HOFFMAN: Yes, we were questioned on the
20 value of the property and how we came to our amounts for
21 the homes here. And one way we determine is by comps.
22 So we had comps on resales and I offered up comps from
23 Manalapan. And also there seemed to be questions about
24 the type of buyer we could see here so I went off of my
25 experience for Manalapan.

1 MR. AMORELLI: One more question. You said
2 you're looking to get about \$495,000 for the houses,
3 correct?

4 MR. HOFFMAN: About that, yes.

5 MR. AMORELLI: Okay, have you done a market
6 analysis in Shrewsbury?

7 MR. HOFFMAN: Yes.

8 MR. AMORELLI: Because I know of a
9 five-bedroom house that just sold for \$450,000 and you
10 mean to tell me somebody is going to buy a townhouse
11 next to a freight train and high tension wires that are
12 known to cause cancer as far as high tension wires? Did
13 you take that into account?

14 MR. HOFFMAN: What's the question? I'm not
15 following the question.

16 MR. AMORELLI: The price that you're asking,
17 a five-bedroom house in Shrewsbury is only selling for
18 \$450,000 and you expect to get \$500,000 for a townhouse
19 with three bedrooms.

20 MR. HOFFMAN: Approximately, in the \$490's.

21 MR. AMORELLI: So that's what your projected
22 number is.

23 MR. HOFFMAN: Yes.

24 MR. AMORELLI: Okay, thanks.

25 MS. DONATO: Mr. Hoffman, may I just for my

1 understanding, I know that you said that you're a vice
2 president of K. Hovnanian. Are you qualified as an
3 appraiser?

4 MR. HOFFMAN: No, I'm not a certified
5 appraiser.

6 MS. DONATO: So when you do these analyses
7 of comparable sales, you're not qualified as an
8 appraiser, somebody in K. Hovnanian that actually does
9 the comparable sales analyses?

10 MR. HOFFMAN: Correct. As an organization
11 we set our own pricing. We do our own evaluation of
12 comps also. We're the largest new home builder in New
13 Jersey so we have typically much better data as far as
14 new construction than appraisers would. But we do our
15 own analysis and then occasionally we will use an
16 outside appraiser, but as far as setting pricing, it's
17 set internally by our organization.

18 MS. DONATO: I think the Board has to
19 realize that ordinarily it's an appraiser who is
20 qualified to do analyses of sales data to come up to
21 what would be a projected sales price. Mr. Hoffman
22 certainly seems to have knowledge, but I don't think
23 he's really a qualified appraiser. So you have to
24 accept his testimony with that limitation that it's an
25 in-house opinion of a company, but it's not based on an

1 appraiser's testimony.

2 MR. MACANINCH: Can I respond to that? I
3 mean, obviously the basis for the data Mr. Reading
4 relied on was what we think we are going to sell these
5 for. We're the ones that are going to be setting the
6 pricing. It's based on our experience. As Mr. Hoffman
7 stated, we're the largest home builder in New Jersey.
8 It's based on thousands of homes and the methodology we
9 have to come up with these, Rob is probably more of an
10 expert than an appraiser in terms of determining the
11 value of the sales price and what we can sell homes for.
12 And Rob, if you just want to go through your experience
13 in terms of building homes, selling homes and going
14 through the proformer process.

15 CHAIRMAN BELL: When do you do that because my
16 question which might help the public in their questions
17 was going to actually piggyback on your question. As
18 vice president, vice president of what? What is your --
19 as you do your whole experience, but what's your role
20 with Hovnanian as far as vice president so that the
21 questions can be -- they know what to ask you for.

22 MR. HOFFMAN: Sure. My title is area vice
23 president for the Delaware Valley Division. Our
24 Delaware Valley Division as Frank Wood mentioned earlier
25 essentially covers Central New Jersey down through all

1 of Southern New Jersey, the northern tip of Delaware and
2 about halfway through into Pennsylvania. My specific
3 area covers Central New Jersey and the coastline along
4 New Jersey. My area in particular has built on average
5 300 to 500 homes a year throughout that area in the
6 range of 100 million to 300 million dollars a year in
7 revenue. So as far as expertise, you know, I'm not a
8 certified appraiser, but we have certain impulse on the
9 market from what we're selling today in today's market.

10 CHAIRMAN BELL: You didn't really answer my
11 question. What do you do? What are you responsible for
12 at K. Hovnanian?

13 MR. HOFFMAN: I'm responsible for the
14 overall P and L for my entire area. That would include
15 land acquisition, approvals, entitlements like this,
16 marketing and sales, the construction of the community,
17 the customer satisfaction and the customer service of
18 the community, bond reduction. The entire gamete as it
19 runs for a specific area is my responsibility.

20 MR. MORAN: And P and L's profit and loss?

21 MR. HOFFMAN: Profit and loss for the area
22 and for my particular communities.

23 MR. DODGE: Which means your pricing
24 assumptions should be you would hope accurate?

25 MR. HOFFMAN: Yes, yes.

1 MR. DODGE: You need to be.

2 MR. HOFFMAN: Yes.

3 MR. GARDELLA: As far as a townhouse
4 development, I know that it was referred to a
5 development in Far Hills. Has there been anything
6 within a 5 or 10 mile radius of Shrewsbury that you've
7 done in the last year or so?

8 MR. HOFFMAN: In the last year? No.

9 MR. GARDELLA: Not Jockey Club, I know those
10 are single-family homes.

11 MR. HOFFMAN: No, not in the last year, but
12 if I can expand on that, we have built other townhome
13 communities. If you expanded out to 5 to 10 years,
14 we've built Laurel Green which is in Middletown on
15 Laurel Avenue. I don't know the exact home count.
16 We've built The Dunes at Shawl Harbor which is a
17 townhome community we built about 5 or 6 years ago in
18 Middletown. We built the Orchards in Holmdel which is a
19 townhome community built about 15 years ago off Route
20 35. We built Hidden Meadows which is in Ocean Township,
21 another townhome community. So within the area there's
22 a tremendous amount of townhomes we've built.

23 MR. MORAN: You mentioned Centex which is a
24 competitor. When you do market evaluation do you look
25 at your competitor's pricing?

1 MR. HOFFMAN: We do. We see where they
2 ended up and where they sold their last homes and they
3 are sold out. By the way, there is a community that --
4 Lanar was recently building in Tinton Falls that was an
5 active adult townhome community that did get resold to
6 another builder and there have been resales in that
7 community or actually, excuse me, there's been new homes
8 that have been sold there and closed recently from the
9 low to high 500s there so they've actually gone over 600
10 so we used that as a comp there.

11 MS. MARTINELLI: They started in the 800s.

12 MR. HOFFMAN: I believe they might have been
13 higher than that too.

14 MR. MORAN: Is that in Greenbriar Falls?

15 MR. HOFFMAN: Correct.

16 MR. MORAN: They were high.

17 CHAIRMAN BELL: Can we put it back to the
18 public? Any questions from the public, please come up.

19 MR. DRUCKER: Steve Drucker, 61 Patterson
20 Avenue. I think my question is going to go roundabout
21 through a comment because I'm, mildly confused because
22 one gentleman said people are trying to move away from
23 cutting grass and maintaining yards and this type of
24 thing and the other one said that people will use it as
25 a stepping stone to buy homes in the community. But

1 anyway, are any of these analyses with the price of the
2 units, 20 children that are going to come into the
3 community and -- well, kind of roundabout from some
4 other examples that other people's taxes went down from
5 this stuff, but is any of this analysis from these
6 gentlemen, is that available to the public or I don't
7 know much about these things, but are any of these
8 things available? Because my guess is that it may turn
9 into something else and I just want something to kind of
10 revert to.

11 CHAIRMAN BELL: The fiscal analysis, it's
12 right here. You can get a copy of it up in Lorraine's
13 office.

14 MR. DRUCKER: Yes, I don't have any direct
15 questions. It's all kind of a quandary and I'm just
16 kind of curious, but sales pitching, what actually
17 happens, maybe something else.

18 CHAIRMAN BELL: You want a copy of this you
19 can get it from Lorraine.

20 MR. DRUCKER: I would love it, thank you.
21 Thank you.

22 CHAIRMAN BELL: Questions? Come on up.

23 MR. PATUANO: Michael Patuano, 60 Willow
24 Court in Shrewsbury. A couple questions. The first is
25 if these houses, you're planning on selling these for

1 490 and they sell for 300, is that where the houses are
2 then assessed and that's what the people are going to
3 pay taxes on so that we're going to actually not have a
4 tax benefit but a liability to the town? The second
5 question if I can remember it.

6 CHAIRMAN BELL: Let's answer the first
7 question first.

8 MR. READING: The new housing units will be
9 assessed with the same assessment ratio that applies to
10 all the other housing units in Shrewsbury. The analysis
11 is predicated upon the estimated sales price adjusted by
12 the assessment ratio. So it's not like they're going to
13 be assessed at a lower value or rate than other
14 properties in the township.

15 CHAIRMAN BELL: So I think the answer to
16 that question is if they sell for \$300,000 and our ratio
17 is 70 percent, it's 70 point something, but round it at
18 70, it means that the houses will be assessed for
19 roughly \$210,000.

20 MR. PATUANO: And right now they would be
21 assessed at \$490,000.

22 CHAIRMAN BELL: \$490,000 less 30 percent.
23 70 percent less than they'd be assessed at.

24 MR. PATUANO: So the amount of money would
25 be half of what they're proposing that would be coming

1 into the town.

2 CHAIRMAN BELL: You'd have to figure out the
3 numbers.

4 MAYOR COOPERHOUSE: In principle, yes.

5 MR. PATUANO: Then the other question I have
6 is actually this may be off topic. In our town aren't
7 new residential developments required to have garage
8 doors that don't face the street?

9 CHAIRMAN BELL: That's not for tonight. You
10 will have an opportunity to ask that question.

11 MR. PATUANO: The third thing, the
12 comparables as far as analysis for children and all that
13 stuff, we have Tinton Falls has three-story condos all
14 over the place and I can't imagine anybody is going to
15 go step down because I don't like going up the one
16 flight of stairs I have, stepping down into a
17 three-story building. I mean, how many seniors are
18 factored into the averages? Seniors are not going to
19 move into a three-story place, they move into the
20 one-story place.

21 CHAIRMAN BELL: That would be a question
22 directed to Mr. Hoffman on people moving in and out.

23 MR. PATUANO: Do you have numbers on how
24 many seniors move into a three-story place?

25 MR. HOFFMAN: No, I don't have exact

1 figures. I just know we have buyers that are empty
2 nesters that have bought this type of product before.

3 MR. PATUANO: All right, thank you.

4 MS. SELERY: Donna Selery, 48 Francis Street
5 here in Shrewsbury. You have stated that you only
6 expect 20 children to be added, 15 attending SBS and 5
7 the regional. The 15 that you say will be attending
8 SBS, what grades are you factoring in there?

9 CHAIRMAN BELL: I think in asking the
10 question to be fair to the witness, SBS is Shrewsbury
11 Borough Grammar School.

12 MS. SELERY: I'm sorry.

13 MR. READING: We did not do a grade by grade
14 analysis, but we assume a relatively uniform
15 distribution of those 15 students over the 9 grades. We
16 would expect -- to put it this way, conversely we would
17 expect that not all 15 students would be in one grade.

18 MS. SELERY: So you're expecting them to be
19 in K through 8.

20 MR. READING: K through 8 which is the 9
21 grades operated by that district, yes.

22 MS. SELERY: Now when I factor in, when I
23 look at this and I'm not figuring senior housing, okay?
24 Because I know K. Hovnanian does build senior housing.
25 My parents live there. They weren't looking for a multi

1 level dwelling. So being these are multi level
2 dwellings, I'm figuring that these are going to be
3 people with children. So if we had one child per unit
4 that would be 77 children. Am I correct at that
5 assumption?

6 MR. READING: One child per unit per 77
7 units? Your math is correct, yes.

8 MS. SELERY: Okay. Now you also stated that
9 a lot of these would be new people coming in, but they
10 would have young children. Am I correct that you stated
11 that?

12 MR. READING: I didn't state that, no.

13 MR. SELERY: Well, someone made that sort of
14 statement where it's young people coming in, not
15 necessarily going into the school system, some were
16 elderly and everything.

17 MR. HOFFMAN: I think what I said is one
18 type of buyer that we would probably see here are young
19 couples.

20 MS. SELERY: And they would have young
21 children. You did say something to that effect.

22 MR. HOFFMAN: I said that they'd be growing.
23 They would be young couples that may come into the
24 community, recently married I think I said, newlyweds
25 and then possibly growing from there.

1 MS. SELERY: Okay. I know you did state
2 they could have a child if you check back on the
3 transcripts. The thing is I want the Board to keep in
4 mind and --

5 CHAIRMAN BELL: But you need to make it a
6 question, not a comment.

7 MS. SELERY: I am, I am. And that is, you
8 considered only K through 8. Would you consider going
9 back and considering the preschool factor of young
10 children? If you look at what our governor has enacted
11 and that we have preschool available and we do have a
12 preschool in our school and it was open to the public
13 when it could not be filled with just handicapped
14 children. So are we going to look -- when you asked him
15 to go back to look at the statistics, are you going to
16 review them again considering the preschool factor?

17 MR. READING: I didn't know I was coming
18 back to look at anything, but the statistics that we
19 looked at were the enrollment figures for the Shrewsbury
20 Borough school district and included the enrollment
21 there. We did not do any specific allocations as I said
22 on a grade by grade basis or for pre-K.

23 CHAIRMAN BELL: To follow-up on that, Mrs.
24 Selery's question, the certain school districts get
25 state funding and are required to have third and fourth

1 grade preschool, certain Abbott districts and so forth
2 statewide they have to provide it. Is there anything on
3 the affordable housing because this will have 16
4 affordable housing units, do you know of anything where
5 the affordable housing component school, school-aged
6 children would be eligible, required, whatever that the
7 school provided third and fourth grade or three and four
8 year old preschool at no tuition?

9 MR. READING: Not in the COAH regulations
10 that I've ever seen, no. And Shrewsbury, last I looked
11 was not an Abbott district.

12 CHAIRMAN BELL: No, I understand that but
13 what happens is you're having low and moderate income
14 people and not necessarily from COAH, but from the state
15 preschool mandate, is there something that would mandate
16 Shrewsbury Borough grammar school to provide it at no
17 cost to the kids that would fall into that low income?

18 MR. READING: Not to my knowledge.

19 CHAIRMAN BELL: Okay.

20 MS. SELERY: Thank you.

21 MR. MORAN: Would the addition as Mrs.
22 Selery said, the addition of consideration for the
23 preschool change your numbers at all?

24 MR. READING: I'd have to look at the
25 funding and financing at preschools and see if it's a

1 fully self amortizing program, if there are any charges
2 to the parents and what state aid you may or may not
3 have received for that program. It's something that is
4 getting some increased attention across the state, but
5 in certain school districts it's a paid tuition for the
6 preschool, so it may or may not be a budget item.

7 CHAIRMAN BELL: Yes, sir.

8 MR. SVIKHART: Miles Svikhart, 38 Winding
9 Brook Way. I guess my question is more for the town,
10 you had mentioned that you were thinking about bringing
11 on a consultant to take a look at numbers again and a
12 back up. My question is would the town be willing to
13 bring in somebody to come up with what the market value
14 of these homes are?

15 CHAIRMAN BELL: I don't believe that that's
16 our position to do that. That's the applicant's
17 position to determine what they're going to sell it for.
18 From our standpoint it's up to us whether we decide we
19 want to hire a consultant to do a fiscal impact.

20 MR. SVIKHART: Okay, well because there is a
21 lot of concern that these are way over priced, it's in
22 the room.

23 CHAIRMAN BELL: We don't know specifically
24 what they're building yet. We haven't had testimony
25 onto that.

1 MR. SVIKHART: Well, we basically know
2 they're two or three bedroom townhouses. You have them
3 in Little Silver. They are in several locations. It's
4 not a difficult thing to hire somebody to go out to give
5 an appraisal of a three-bedroom or two bedroom connected
6 townhouses in the Shrewsbury school district. I only
7 ask that if the town would do that, it would then set
8 what you would expect the taxes to be. If it comes in
9 -- let's say they're correct at \$490, then you can
10 pretty much know what your tax implications are. If
11 somebody comes back and says it's \$390, then you know
12 what the tax implications are because if it's all based
13 on \$490, then I think in the town, we live here. We
14 know that's pretty high to many people out there. So
15 the fear is we go ahead with the project, maybe not sell
16 for 300, but maybe sell for 400, that's 20 percent less
17 taxes. That's not going to cover the 20 kids.

18 CHAIRMAN BELL: Michele, that's not
19 something we've ever done before. Is that something
20 within our -- if we're concerned that we could do?

21 MS. DONATO: Well, I do know that in some
22 contexts for example when there's a battling about
23 undersized lots or you're talking about the value that
24 the courts have allowed Boards to get their own real
25 estate appraiser. Now the problem that we have here is

1 that you're really starting out with a projected sales
2 price that's kind of a corporate decision. It's not
3 like not an appraisal. Mr. Hoffman is not an appraiser
4 and they don't really have the kind of study that would
5 really look at this in greater depth. This is a
6 projection, a marketing projection I guess would be the
7 best way to say it. So given that I think -- well, I
8 think it's going to be difficult. I think you have the
9 authority to do it because it's kind of like the base of
10 the economic analysis. I mean, you hit the nail on the
11 head right from the beginning when you started to ask
12 that question. Because if once that value starts going
13 down significantly it changes the impact. I think the
14 more problematic aspect, quite honestly, is that the
15 case law is not very favorably inclined when there is a
16 negative fiscal impact. Basically the case law says
17 that the only thing a municipality can do is have an off
18 tract improvement ordinance and take off tract
19 improvements for sewer and water and roadway
20 improvements, but you can't do anything about schools.
21 Municipalities have tried for years to have some kind of
22 a link between development and schools and the
23 legislator has refused to allow them to do that. So in
24 as much as it's something that actually hits at the very
25 heart of this development and its impacts on the

1 community, if you found out that they weren't going to
2 sell for anywhere near what they say they're going to be
3 and there's a negative impact, there wouldn't be
4 anything that you could do about it legally. So you
5 have to balance that against what you're going to try to
6 find.

7 MR. SVIKHART: So then why would the town
8 bring in any consultant for the impact?

9 MS. DONATO: Because I think it would help
10 from a planning perspective if they were able to have a
11 better handle on what would the real number be. But the
12 number of students, whatever that number of students is
13 is a separate issue from what the sales price is. You
14 can understand that, right? There may well be that
15 there would be more students that would be coming in in
16 which event the school board would be able to respond in
17 a way that would be perhaps helpful to them in dealing
18 with it.

19 MR. SVIKHART: I understand that. Let's say
20 there's 30 students. I'm not talking about the Board of
21 Education, I'm talking about our tax bills overall. So
22 if you do a study and it's based on 490, everything
23 rolling off that from a tax basis reimbursement,
24 everything that goes into the economic question, whether
25 the firehouse, first aid, everything we're talking about

1 here tonight is based on 490 and where our taxes would
2 land. If we're going to take a look at economic impact,
3 have our own person look at that, it would make sense to
4 me for our own people and a consultant you may hire to
5 have somebody, a third-party take an analysis of what
6 that value would be. Okay, so then you're starting off
7 at a more third-party appraiser view than necessarily a
8 sales market -- I'm in sales and marketing. No one gets
9 list price. Everything gets discounted in this economy,
10 but you have somebody come in. You have a lot of comps
11 in Little Silver, Red Bank, a lot of towns have these
12 same condos. So you may pay a premium for a new one,
13 but it would give the town a number to roll their
14 economics analysis off of as opposed to just 490. So
15 that's my question or request of the town to think about
16 if you're going to do an economic impact statement or
17 consultant, let's start with a realistic sales price in
18 a generic sense that's based on fact and not sales and
19 marketing because it all rolls down to taxes. It could be
20 a lot more kids.

21 MR. MACANINCH: I think this follows up on
22 what Mrs. Donato was saying is we're building in
23 accordance with the zoning here. We're not asking for a
24 use variance. We're not asking for a density variance.
25 The borough has zoned this property to allow this

1 density, the 61 market rates, the 16 affordable homes.
2 That's what the zoning is. I know there's concerns in
3 terms of what the borough ambulance or the hose company,
4 can it reach the third story. We're not asking for a
5 height variance. We're not asking for any of those
6 things. We presented the fiscal impact analysis as a
7 tool as Mr. Reading said at the outset to say generally
8 this is the analysis. This is the anticipated number of
9 children to be generated. It is a planning tool. He
10 gave all the back up in his methodology which has been
11 used in municipalities and courts in 30 years of
12 experience, but we're not deviating from the ordinance
13 in the number of homes, in these things. Basically the
14 borough in its legislative determination anticipated
15 these effects by zoning property as it did. So I just
16 want to make sure before the borough spends money hiring
17 additional appraisals, just to keep that in mind.

18 MR. SVIKHART: Just my suggestion.

19 CHAIRMAN BELL: Thank you. Anybody else
20 questions?

21 MS. SOUTHWARD: Margaret Southward, 54
22 Francis Street, Shrewsbury, New Jersey. I have a
23 question about the calculation for the 20 kids. The 15
24 that are going to Shrewsbury borough school. You
25 mentioned there is a different calculation for the

1 affordable housing for the children versus the fair
2 market value. What's the difference in the calculation?

3 MR. READING: It's a different set of
4 multipliers. It's a different table in the Rutgers
5 study. So the generation of population of school
6 children come from a different table within the report.

7 MS. SOUTHWARD: Okay, let me make it perhaps
8 a little easier. Can you tell me out of the 15 or out
9 of the 20 how many were allocated for the low income
10 housing and how many were allocated for the fair market
11 value houses?

12 MR. READING: No, they were grouped
13 together. It was not done on a unit by unit basis.

14 MS. SOUTHWARD: So if I go back to the
15 tables, if I feel like doing those calculations I could
16 figure it out?

17 MR. READING: Unfortunately no, because if
18 you go to Appendix IV, if you go to the one table that
19 Rutgers provides for affordable housing, it does not
20 give a cohort breakdown on the multipliers. COAH being
21 the age breakdown. So on the other ones yes, but you
22 can't get an age breakdown on the population or on the
23 school children from that table.

24 MS. SOUTHWARD: So I can't tell how many are
25 coming from the 8 units, 16 units?

1 MR. READING: We know how many are, but if
2 you're asking what grade, we're going to get a total --
3 we anticipate a total of five children from the
4 affordable housing units.

5 MS. SOUTHWARD: So five from the affordable
6 and then 15 from the 61 units?

7 MR. READING: It also just happens
8 coincidentally to be the break between the local and
9 regional, but we're not saying that.

10 MS. SOUTHWARD: That's fine.

11 MAYOR COOPERHOUSE: That's spelled out.

12 MS. SOUTHWARD: So you've got 5 from the 16
13 units and 15 from the 61.

14 MR. READING: Correct.

15 MS. SOUTHWARD: I just want to make sure I
16 understand these numbers. Thank you.

17 CHAIRMAN BELL: Questions?

18 MR. HINES: I have one. Tim Hines, 81
19 Beachwood. I just had a quick question. You're basing
20 this whole project on the 490 price for the
21 three-bedroom. Do you guys have like a minimum
22 threshold, like if the bottom fell out of the market now
23 if you found out for some -- you did an internal study
24 and they were like wow, we can only get 350, would you
25 just put this project on hold? I don't know if you can

1 tell me what your minimum, what are you looking at? I
2 mean, because nobody here thinks you can sell them for
3 490.

4 MR. HOFFMAN: There's other factors that we
5 can evaluate as pricing changes whether it's the
6 features that go into the house or whether it's the spec
7 level within the house and that can sometimes help
8 offset the difference in pricing. Also overheads can
9 also be reevaluated.

10 MR. HINES: Yeah, that 490 that was with the
11 upgrades, right?

12 MR. HOFFMAN: That's correct. That's with
13 the upgrades.

14 MR. HINES: But you don't have a number like
15 in your head or that you can throw at us so I can sit at
16 home wow, this market is tanking. They're not going to
17 do this.

18 MR. HOFFMAN: No.

19 MR. HINES: All right, just checking.

20 CHAIRMAN BELL: Just as a follow-up to that
21 on the price, 490 is with upgrades. What do you expect
22 to be your -- the price that's going to be out there,
23 this is what you sell when you walk in?

24 MR. HOFFMAN: We're probably looking at low
25 to mid 4s right now and I don't want to go to the comps,

1 but that's what we're looking at and again when you add
2 in upgrades and what we're seeing what people are still
3 putting into their homes, that can add up to 40 to
4 \$50,000, plus there will be some premiums. Premiums are
5 tough to come by these days with buyers, but there will
6 be some premiums on certain lots that are more desirable
7 than the base lot, or least desirable lot.

8 CHAIRMAN BELL: So from your expert position
9 as area vice president the sign outside might be
10 starting at \$429,900 or \$409,900 and your history is
11 that you'll get enough upgrades where your average sale
12 price will be up in the high 4s?

13 MR. HOFFMAN: Yes, some will spend less,
14 some will spend more. Some will come in and maybe spend
15 \$80,000, \$90,000 in options. Some may spend a little
16 bit less. Now there's different sizes of the homes also
17 so there's a price range between the three, but on
18 average that's typically -- well, in this market right
19 now that's what we're seeing based on the comps we look
20 at and then comparing town to town, I mean, we do deep
21 doc comparison of our own too.

22 MR. MORAN: So you anticipate with amenities
23 that they're going to be over 500 then?

24 MR. HOFFMAN: I think that would be pushing
25 it, but I think some of them could be close to in the

1 high 4s, pushing the high 4s, maybe a couple over the 5s
2 but average-wise I think we're looking at the 4s.

3 MR. MORAN: When you get to the average
4 that's a high end on the average it seems.

5 MR. HOFFMAN: Correct.

6 MS. MARTINELLY: But we're basing the tax
7 structure on you selling amenities to everybody.
8 Nowhere did I see anything about a 420 price, correct?
9 You're just assuming, I mean, we have these projections
10 based on 485, 495.

11 MR. HOFFMAN: Um-hum.

12 MS. MARTINELLY: So you're assuming
13 everybody is going to go for all the upgrades.

14 MR. HOFFMAN: That's what we're assuming.
15 Not all the upgrades, but an average value of upgrades
16 based on the base price of the home.

17 MS. MARTINELLY: When you do that very often
18 people pay cash for the upgrades to avoid the tax
19 ramifications.

20 MR. HOFFMAN: We don't allow that. It's
21 required that it's recorded on the deed. We're one of
22 the builders that certainly run into some issues with
23 buyers that would like to do that, but we know the
24 ramifications that that could cause.

25 MAYOR COOPERHOUSE: As the executive

1 responsible for the P and L for this area and this isn't
2 a trick question, you and Hovnanian as a company have to
3 be comfortable that these units are going to sell or
4 else you would not do the project. And I know I'm sure
5 you don't want to give us what that bottom line is, but
6 there is a bottom line, correct?

7 MR. HOFFMAN: Sure, sure.

8 MAYOR COOPERHOUSE: You had mentioned
9 earlier, someone did, that this is going to be a phased
10 in project, that you're going to start with one
11 building, possibly another because you have to put it in
12 affordable housing. When do you expect the entire
13 project to be completed on paper because I'm sure when
14 you had to sell this to your executives there's a number
15 there. When do you expect?

16 MR. HOFFMAN: It's about a two-year build
17 out from when we open to when we close our last home.

18 MAYOR COOPERHOUSE: Two years?

19 MR. HOFFMAN: Yeah.

20 CHAIRMAN BELL: Yes, ma'am. You had a
21 question?

22 MS. MINERVINI: I gave up.

23 CHAIRMAN BELL: Come on up, you can ask.

24 MS. MINERVINI: My name is Roberta
25 Minervini. I live on Patterson Avenue. Back to this

1 children bit, they predicted 20 children, I believe.
2 But if you have 17, 16 affordable units and you're going
3 to assume that there's at least one child per affordable
4 unit, am I correct so far? That leaves 4 children for
5 all the rest of the homes.

6 CHAIRMAN BELL: I don't think that was the
7 testimony that Mr. Reading had.

8 MR. DODGE: It certainly wasn't his response
9 to a recent question.

10 MAYOR COOPERHOUSE: It was five children to
11 the affordable housing, 15 to the market value.

12 MS. MINERVINI: Well, that just came out
13 just in the last ten minutes here.

14 MAYOR COOPERHOUSE: Correct.

15 CHAIRMAN BELL: And these are also
16 school-aged children, not total children. There will be
17 more children than that.

18 MS. MINERVINI: And there's no
19 predictability in the next five years how many are going
20 to impact the preschool system. That's all, I just
21 wanted to reaffirm that.

22 CHAIRMAN BELL: Any other questions? There
23 being none can I get a motion to close the meeting to
24 the public?

25 MR. TELLER: Motion to close the meeting to

1 the public.

2 CHAIRMAN BELL: Mr. Teller.

3 MR. CARROLL: Second.

4 CHAIRMAN BELL: Mr. Carroll. All those in
5 favor?

6 (Multiple Board members respond in the
7 affirmative.)

8 CHAIRMAN BELL: Opposed? Meeting is closed
9 to the public on cross-examination. Any Board members
10 have any questions?

11 MR. MORAN: Just so the public knows, on
12 examination of what was already presented they can again
13 ask questions on the next portion that's presented.

14 CHAIRMAN BELL: Correct.

15 MR. MORAN: I just want to make sure the
16 public is aware that there will be more testimony and
17 you can ask questions about that testimony as it's
18 presented.

19 MS. DONATO: Mr. Bell, I had written down
20 some notes of what I thought were questions or issues
21 that were going to be addressed in the future follow-up
22 on this evening's testimony and I know that Mr. Reading
23 commented that he didn't think he had anything else to
24 do, but I did have one note for him and it was that he
25 was going to review his report to see whether the

1 projected sales price changed since his original
2 analysis. He didn't have an answer to that and he said
3 he would look back into it. And then there were a few
4 things that you were going to get. The article from the
5 Gold Cross magazine and the applicant was going to
6 contact the hose department and the first aid squad for
7 their assessment of impacts. And then the other thing I
8 had a question on was whether you wanted to look at
9 preschool impacts.

10 CHAIRMAN BELL: That was one of the things
11 that I would like Mr. Reading to look at.

12 MR. MORAN: We did ask that question,
13 though.

14 CHAIRMAN BELL: Would be to look and see
15 what impact preschool, if there is an impact, preschool
16 would have on this project, on the number of kids in the
17 school. And potentially if there is some requirement
18 under the new state mandate for preschool education that
19 would basically require subsidized even though we're not
20 an Abbot school district, subsidized preschool.

21 MR. CARROLL: I think they charge right now
22 for preschool unless it's a handicapped child, I think
23 you pay.

24 MS. MARTINELLY: Can we just go back one
25 more time to the 20 students because on page 33 you talk

1 about a total of 20, 15 in the grammar school and 5 in
2 the high school. Now all of a sudden this 5 has become
3 -- it's changed. It's now affordable, the 5 people. So
4 do we have 25?

5 MR. READING: No, it just happens to be
6 coincidental that the split between the local and
7 regional school is 15 and 5 and the generation of the
8 school children by the housing units is 15 from the
9 market units and 5 from the affordable housing units.
10 As I mentioned to the woman who came up before, that
11 does not imply that the market units have elementary
12 kids and the affordables are high school kids. It just
13 happens to be the same number.

14 MS. MARTINELLY: Thank you.

15 MR. DODGE: Just to be clear, and it's not
16 arbitrary it's because of the way the uniform standards
17 are applied that lead to this coincidental result?

18 MR. READING: That's correct.

19 MS. DONATO: But Mr. Reading, if you don't
20 know what the H cohorts are for the affordable because
21 you said that Bloustein didn't study that, how did you
22 allocate those five?

23 MR. READING: On the same basis of
24 distribution as the market units.

25 MS. DONATO: You assumed the same

1 distribution.

2 MR. READING: Yes.

3 CHAIRMAN BELL: I'd like to ask the Board
4 because we have discussed about getting our own expert
5 to give an analysis. Is it the will of the Board that
6 we would like to get somebody to do an analysis, fiscal
7 analysis or take the fiscal analysis that we have in
8 front of us?

9 MR. DODGE: Well, I'd like to get
10 clarification onto what extent we can use a fiscal
11 product or financial data to make a decision. I'm a
12 little confused. Based on discussions you and I have
13 had before, Michael, and Michele's comment that there's
14 a serious question about what we do with it once we get
15 it.

16 MAYOR COOPERHOUSE: And how the court rules.

17 MR. DODGE: And basically what the law
18 allows us to do with it once we get it.

19 MS. DONATO: Basically the law does not
20 allow you to let us say deny an application or impose
21 costs on an application if you were to find that there
22 was going to be a major impact on your school system.
23 And there are published cases to that effect. The
24 courts have been -- it puts --municipalities are in a
25 horrendous situation when it comes to this because

1 believe there's anybody here from the Board of Ed
2 tonight. You know, Michael, perhaps we can have a
3 conversation with the Board of Ed because just an hour
4 or so ago I was tending towards going with some type of
5 additional analysis, but hearing Michele now I'm not
6 sure what that's going to do for us.

7 MR. DODGE: Right, I think it would be fair
8 to say that what we need to do is leave this question
9 open and then --

10 CHAIRMAN BELL: Right, I would agree, but I
11 do think it's -- I do think it's our responsibility to
12 make sure that the fiscal analysis document that we have
13 is in our own mind an accurate document because it is
14 our responsibility to send it to which is what the
15 letter from the school board, you know, if it's 16 kids
16 it's 16 kids. If the reality, you know, if we do a
17 fiscal -- if another fiscal impact study says that
18 there's going to be 40 kids coming out of this which is
19 what Michele said, we can't deny it on that. But the
20 school's decision on what they're going to have to do
21 and what they're going to be prepared for is very
22 different.

23 MAYOR COOPERHOUSE: And that's a discussion
24 we need to have with them.

25 CHAIRMAN BELL: That's exactly right.

1 it's in that footnote on Appendix IV and a three-bedroom
2 unit shall be affordable to a four-and-a-half person
3 household, but, I mean, how do they get around that by
4 saying, you know, if you have someone applying for those
5 three-bedroom units that have 4 children they're going
6 to qualify if obviously the agent has to try to put them
7 in there, correct? Am I misreading this? It's in your
8 study.

9 CHAIRMAN BELL: That's the testimony that
10 Mrs. Derasadorian, she read it before which is the
11 testimony we had that it is the responsibility to have
12 the number of people filled.

13 MS. DONATO: I think that's another thing
14 the applicant should address.

15 CHAIRMAN BELL: The other thing is and
16 again, it falls into what the physical impact would be
17 on the school is, you know, the affordable housing and
18 again for the public, the affordable housing is not
19 Section 8. It's not the housing towers, whatever. This
20 is low and middle income working people. It's school
21 teachers. It's police officers. It's our kids, your
22 kids who are going to be able to buy these homes and
23 it's mandated and Emmi, I think you probably have it
24 because you have a little bit of everything, top of my
25 head I think for the moderate priced home is income of

1 \$70 to \$80,000, family income of \$70 to \$80,000. So
2 you're not talking about poor, poor people.

3 MS. SICILIANO: It goes as low as \$33,000.

4 CHAIRMAN BELL: That's the lowest, right,
5 but my question would be on those units and I know
6 people who bought in Long Branch, in West Long Branch,
7 people who bought affordable housing out in Colts Neck
8 where they move in. They're working. They're two
9 working parents. They move in and they make more money.
10 Well, you can't make a lot of money off the affordable
11 housing so they sell it once they get to a certain
12 point, you sell it and move someplace else just like Mr.
13 Hoffman said. I would be curious to see if there's some
14 sort of a report or study that shows that the affordable
15 housing actually has more of a constant impact of
16 school-aged children than the market value because the
17 market value people probably live there a little bit
18 longer. It's not like you're rolling it over. You
19 know, versus the people, the people who are going to be
20 moving in are your working class people. Do you
21 understand my question?

22 MR. READING: I'm not following.

23 CHAIRMAN BELL: Okay, you take a young
24 couple, you take two school teachers who are making
25 \$35,000 a year starting, \$40,000. They qualify for the

1 moderate income housing. They move in, two bedroom.
2 They don't have any kids. They have a couple of kids.
3 Well, now in a few years they're making \$50, \$60,000 a
4 year and, you know what? They're ready to move out so
5 they sell the place. It has to go to somebody who
6 qualifies for an affordable house. They move out with
7 their one or two kids. Now another family, the same
8 thing, move in. And now it's constant kids versus
9 people who buy a single-family house and you get in
10 there and your kids are born and they go to high school
11 and you don't move out until your kids are out of high
12 school. Maybe I'm not explaining it right.

13 MS. DONATO: I understand.

14 MR. READING: I think there might be a
15 little fault in your logic there because you're
16 comparing the tenure in a single-family home which has a
17 life cycle. You move in, young couple and you have
18 children. You raise the children. It turns over.
19 Whereas you're talking about a price controlled housing
20 unit where if the people become able to move out they're
21 going to be replaced by a like kind because that's the
22 regulations of COAH.

23 CHAIRMAN BELL: Right.

24 MR. READING: So you can't -- they're really
25 different types of housing turnover between the

1 single-family unrestricted and --

2 CHAIRMAN BELL: And what you're looking at,
3 can you look at when you come back, can you look to see
4 if there's some sort of report? If there's not, there's
5 not.

6 MR. READING: I didn't know I was coming
7 back. I'm coming back I take it.

8 MS. DONATO: Would you also just so that we
9 can feel comfortable in knowing what are the
10 qualifications to using the CUPR data? I don't think --
11 it's not in your report I don't think, is it?

12 MR. READING: No, there's footnotes. I'll
13 give you a website if you want to read it. It's about
14 300 pages with all sorts of information on it. Or I
15 could spend three nights reading it to you.

16 MS. DONATO: If you're going to use this
17 model, you know, you can't use it in certain places or
18 something like that, what are the limitations to using
19 the CUPR data and, you know, it really is interesting
20 because as far as I know there really is no other place
21 that does this. When Rutgers spearheaded it over 25
22 years ago they started doing it.

23 MR. READING: Professor Stern originally.

24 MS. DONATO: Stern, Rochelle and they
25 started it and really nobody else does it.

1 MADAM SECRETARY: Do you have it on-line?

2 MR. READING: I don't believe it's on-line
3 anymore. I spoke to Bill Dolphin last week to get an
4 update. It was on-line when it first came out, but it's
5 not there anymore. But the specific question she's
6 asking, are there specific examples where it can't be
7 applied? The answer is no. There are general
8 parameters that tell you how to apply it, but there
9 aren't any specific prohibitions.

10 MS. WATERBURY: Can I just ask you one quick
11 question? We were talking about the 20 kids and on page
12 24 with the estimated population, smart growth
13 demographic multipliers there's a total at the bottom
14 that says 25. What's the difference?

15 MR. READING: That's between school-aged
16 children and public children.

17 MS. WATERBURY: Well, it says school-aged
18 and it says public. It says the public is 20 and the
19 school-aged is 25.

20 MR. READING: That's correct. Some children
21 actually go to parochial school, some go to special
22 schools, private schools.

23 MS. WATERBURY: So the number of kids that
24 would actually to go a school would be 25, but 20 would
25 be anticipated in public school?

1 MR. READING: From a financing standpoint,
2 that's why they give you two sets of tables. And if you
3 go back you'll see a distinction between Appendix II and
4 Appendix III. One is school-aged and one is public
5 school.

6 MS. WATERBURY: Thank you.

7 CHAIRMAN BELL: Any other questions for this
8 evening?

9 MS. DERASADORIAN: I have one quick
10 question. The data for Appendix IV, is that from 2000?

11 MR. READING: Yeah, it's the last survey.
12 It was the housing and there's a two-page footnote as
13 well, but yes, it's through 2000.

14 MS. DERASADORIAN: Okay.

15 MR. READING: So basically it's a COAH Round
16 II housing. There are no Round III because Round III as
17 you know has been delayed indefinitely.

18 CHAIRMAN BELL: Okay.

19 MR. GARDELLA: I just have a quick question.
20 Have you ever thought about just going over 55 on this?

21 MR. READING: I'm sorry?

22 MR. GARDELLA: Have you ever thought of just
23 going over 55?

24 MR. MACANINCH: No, we haven't.

25 CHAIRMAN BELL: Well, it is 10:30 which is

1 the hour of when the bell tolls so we'll carry this
2 until next Wednesday at 7:30. Anybody in the public,
3 this is carried until next week at which time you may
4 have some answers of what we went over tonight, if not
5 Mr. Reading will come back probably another meeting, but
6 you'll have the traffic study will be the first to come
7 on next week?

8 MR. MACANINCH: Barring Mr. Reading coming
9 back on the 1st it will be the traffic.

10 MR. DODGE: Environmental consultant also?

11 MS. SICILIANO: COAH requires us to put
12 apartments over the commercial, the B3 zone.

13 CHAIRMAN BELL: COAH doesn't require us to
14 do that, that's allowed on it. And this application --

15 MS. SICILIANO: No, that's part of our
16 program.

17 MR. CRANMER: It's permitted. It's not
18 necessarily required.

19 MS. SICILIANO: Part of our numbers.

20 MR. CRANMER: That is permitted in the B3
21 zone. It's not an affirmative requirement however.

22 CHAIRMAN BELL: So we will see you next
23 week. For all the audience, everybody here in the
24 public, this is carried until next Wednesday. No
25 further notice will be extended at which time 7:30,

1 quarter of 8 we'll hear traffic impact.

2 MR. MORAN: And again before we leave that,
3 how long do you think -- whom else might be on? I know
4 it's difficult because this went longer than you would
5 have expected.

6 MR. MACANINCH: I had three witnesses for
7 tonight, but --

8 MR. MORAN: I understand that, but the
9 public would like to know what to anticipate.

10 MR. MACANINCH: Absolutely. As I said,
11 we'll start with traffic. Potentially Mr. Reading
12 wrapping up. He may not have time to get the analysis
13 completed by then for the follow-ups. He may come back
14 to a later meeting, but traffic, the next one will be
15 landscape architecture, Mr. Constantino as I stated. So
16 there's two primary. We originally had planned on our
17 environmental expert to testify, but given the pace I
18 don't know that I'll bring him out unnecessarily.

19 CHAIRMAN BELL: Okay, okay.

20 MR. MORAN: Traffic and landscaping next
21 week.

22 MR. MACANINCH: Correct.

23 CHAIRMAN BELL: Any other questions,
24 anything coming before the Board? Can I get a motion to
25 adjourn?

1 MAYOR COOPERHOUSE: Motion to adjourn.

2 CHAIRMAN BELL: Mayor?

3 MR. TELLER: Second.

4 CHAIRMAN BELL: Second Mr. Teller. All
5 those in favor?

6 (Multiple Board members respond in the
7 affirmative.)

8 (Proceeding concluded at 10:30 p.m.)

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CERTIFICATE

I, NADINE M. GAZIC, a Notary Public and Certified Court Reporter of the State of New Jersey, License No. XI01883, do hereby certify that the foregoing is a true and accurate transcript of the testimony as taken stenographically by and before me at the time, place and on the date hereinbefore set forth.

I DO FURTHER CERTIFY that I am neither a relative nor employee nor attorney nor counsel of any of the parties to this action, and that I am neither a relative nor employee of such attorney or counsel, and that I am not financially interested in the action.

Notary Public of the State of New Jersey
Dated: January 27, 2010