

**MINUTES FOR COUNCIL MEETING NOVEMBER 3, 2021**

The Meeting held at South Amboy City Hall, 140 North Broadway, South Amboy, New Jersey, was called to order by Council President Gross at 6:00 P.M. The City Clerk read the Opening Prayer and all recited the Pledge of Allegiance.

PRESENT: Councilwoman Dato, Councilman McLaughlin, Councilwoman Noble, Councilman Reilly and Councilman Gross

ALSO PRESENT: Mayor Fred Henry, Glenn Skarzynski, Business Administrator, Deborah Brooks, City Clerk, and Francis Womack, City Attorney.

Clerk Brooks read the Notice of Publication Certification.

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**CONSENT AGENDA:**

The following items are considered to be routine by the City Council and will be acted upon in one motion. There will be no separate discussion of these items unless a Council member so requests. In this event, the item will be removed from the Consent Agenda and considered in the normal sequence of the Agenda.

**MOVED by:** Ms. Noble of the Council of the City of South Amboy, that Resolution #21-217 through #21-223 are hereby approved. **SECONDED by:** Mr. McLaughlin. **ROLL CALL VOTE:** All in favor.

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| NO. 21-217 | RESOLUTION AUTHORIZING BUDGET TRANSFERS IN ACCORDANCE WITH N.J.S.A. 40A::4-5B               |
| NO. 21-218 | GOVERNOR'S COUNCIL ON ALCOHOLISM AND DRUG ABUSE FISCAL GRANT CYCLE OCTOBER 2020 - JUNE 2025 |
| NO. 21-219 | TAX REFUND - ORELOGIC - O'CONNOR VET EXEMPTION  |
| NO. 21-220 | TAX REFUND - CORELOGIC - CATHERINE & JOHN STREETS   |
| NO. 21-221 | SEWER USE FEE REFUND - MODZELEWSKI  |
| NO. 21-222 | TAX REFUND - VETERAN - GORMAN   |
| NO. 21-223 | VETERAN TAX REFUND - KELLY  |

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**RESOLUTIONS:**

**RESOLUTION NO. 21-224**

**APPROVAL AND RELEASE OF MINUTES**

**BE IT RESOLVED,** that the City Council of the City of South Amboy does hereby approve and release the Council Minutes of the October 20, 2021 Council Meeting.

**MOVED by:** Ms. Dato of the Council of the City of South Amboy, that Resolution No. 21-224 is hereby approved. **SECONDED by:** Mr. McLaughlin **ROLL CALL VOTE:** Ayes: Dato, McLaughlin, Noble, Reilly Abstain: Gross.

**RESOLUTION NO. 21-225**

**APPROVAL OF BILL LIST**

**BE IT RESOLVED**, that the City Council of the City of South Amboy does hereby receive and approve the payment of the bill list dated October 28, 2021, as presented by the Chief Financial Officer.

**BE IT FURTHER RESOLVED**, that the bill list be appended to the official minutes.

**MOVED by:** Mr. McLaughlin of the Council of the City of South Amboy, that Resolution No. 21-225 is hereby approved. **SECONDED by:** Ms. Noble. **ROLL CALL VOTE:** All in favor.

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**ORDINANCES:**

**SECOND READING / ADOPTION**

Council President Gross noted that there was some question as to whether or not the Council was ready to vote to adopt Ordinance 21-19 and 21-20, the residential and warehouse projects at Manhattan Beach. He confirmed with Attorney Womack that this Business meeting, noticed and regularly occurring with action taken was a legal meeting to vote the matter. He offered the Council members the opportunity to speak and then the Council would decide whether or not to vote the issue tonight or carry the public hearing and vote to the November 22<sup>nd</sup> meeting. Mr. Reilly stated he thought the matter should be carried to a regular Council meeting, not voted at a business meeting. He wanted to ensure an open public forum was available before the vote. Ms. Dato thought the Council should move forward with the vote tonight as this matter has been in front of the Council and public for many months. She noted there had been several meetings held by the developers within the community, at Council meetings and at the SARA meetings. Mr. McLaughlin agreed with Mr. Reilly in wanting to vote the matter at a regular Council meeting. Ms. Noble thought voting this evening was appropriate and was concerned that the public might not come out for the November 22<sup>nd</sup> meeting as it was on a Monday. Mr. Gross stated that he believed the matter had been in front of the public and the developers had been very open in their presentation and communications to the public and the vote should be tonight.

It was agreed that the Council would be given the opportunity to question the developers and then the public hearing would take place. After the public hearing the Council would decide whether or not to close the public hearing and vote or to carry the vote until the November 22<sup>nd</sup> meeting.

Mr. Reilly read a prepared statement (see attached) that he said he was considering publishing in the press discussing his feelings against having more PILOT programs in South Amboy. There was a lengthy question and answer period between Mr. Reilly and Anthony Marchigiano, Richard Sciarretta, Andrew Janiw and Kevin McManimon covering tax rates, remediation costs, environmental issues, PILOT parameters, etc.

Mr. McLaughlin questioned the professionals regarding the City could prevent the transfer of the PILOT with the sale of the property in the future. He confirmed with Mr. Marchigiano that the builders would be using the E-verify system in its hiring. Mr. McLaughlin noted that while the City may not be getting everything it wants in the agreement, neither is the developer, and the agreement would be eliminating two contaminated properties.

Ms. Dato stated she thought this would be the most important PILOT the City has ever considered especially facing the amount of contamination that is on the site. The sites have been contaminated for decades and there have been no other developers showing interest.

Mayor Henry noted that the Developers had been extremely open and cooperative in working with the City and the public to educate them on the scope of the project and answer any questions the public or Council members might have. He reiterated that New Jersey had set up PILOT programs in order to assist in the development of areas that were too contaminated for general site build out. He reminded everyone that if the Council chooses to vote down this project, the City will be looking at footing the bill for the contamination clean up.

Council President Gross now opened the public hearing for Ordinance 2021-19. Attorney Womack noted that most of the comments will apply to both Ordinance 2021-19 and 2021-20.

Brandon Russell, 327 Fourth St., received confirmation that it was improbable the PILOT agreement would be banned from being transferable upon the possible sale of the property in the future. He asked about the status of the remediation plan and BA Skarzynski said he would follow up by sending him the LSRP report. Mr. Russell believes this site will prove to be easily marketed and requested the vote be carried to the November 22<sup>nd</sup> meeting.

Mary Szaro, 370 Fifth St., received answers concerning the possible locations for the affordable housing units being provided in the agreement. She hoped the Conrail property would not be included as a possible site as the City is hoping to add it to its Historical Property list and that it can be added as green space. BA Skarzynski said discussions for making it green space had already begun.

Greg Babilak, 125 Henry St., noted that no good comes when the people lie to the public. He was going to rebut Dave Kales statement that the City would make more tax dollar income from the PILOT project than if the City built townhouses on the property. He was also concerned about increase in traffic and parking and received confirmation from Andrew Janiw that these issues had been studied and are part of the Planning Board resolution of completion.

Chris Smiga, 144 Second St., noted he had attended the March 30<sup>th</sup> Community presentation and had follow up conversations with Mr. Marchigiano regarding various environmental issues on the site. He found everyone he spoke with open and communicative. He wondered what was Plan B for the contaminated site if this project was voted down?

Larry Parsons, 46 Pupek Rd., understands the "not in my back yard" attitude of some residents. He had been 100% against PILOTS until he heard Dave Kales speak about this PILOT project at the last meeting. He also questioned who would pay the environmental clean up bill if this project was voted down.

Anthony Conrad, 83 Southshore Dr., SARA member, talked about why he voted for this project for SARA approval. He emphasized his two most important points were the remediation cost factor, which transferred the risk of the contaminated sites to the developer and the fact that taxes would have to be raised significantly if the City had to foot the remediation bill. Second, he asked the Council to consider the financial implications of this project. The developers would be investing approximately 200 million into this project and the project would bring in around 50 million dollars over the 30 year life of the PILOT verses around 4 million as the site stands now with no other developers banging down the

doors to develop this site. As a 17year resident and SARA member he asked the Council to consider the project on its merits.

Brandon Russell – spoke again requesting to carry the vote to the next meeting in an abundance of transparency and questioned the Council on what it would do with the income from the project to improve community and youth services for the City residents.

Michael Kelly, 533 Henry St., discussed with the professionals whether or not the warehouse project would get built if the residential PILOT was voted down. It could be built but it would probably be built with non union labor and whoever was building it would look to the City to remediate the site first.

Council President Gross called for a motion to keep the public hearing open for Ordinance 2021-19 and 2021-20 and carry the hearing to the November 22<sup>nd</sup> meeting at 7pm. Motioned by Mr. McLaughlin, seconded by Ms. Noble and carried unanimously.

**ORDINANCE NO. 2021-19**

**ORDINANCE OF THE CITY OF SOUTH AMBOY, COUNTY OF MIDDLESEX, NEW JERSEY APPROVING APPLICATION FOR A LONG TERM TAX EXEMPTION AND AUTHORIZING THE EXECUTION OF A FINANCIAL AGREEMENT WITH MANHATTAN BEACH PHASE 1 URBAN RENEWAL, LLC**

**OPEN PUBLIC  
CLOSE PUBLIC**

**MOVED by:** \_\_\_\_\_, of the Council of the City of South Amboy, that Ordinance #2021-19 is hereby adopted.

**SECONDED by:** \_\_\_\_\_, **ROLL CALL VOTE:**

**ORDINANCE NO. 2021-20**

**ORDINANCE OF THE CITY OF SOUTH AMBOY, COUNTY OF MIDDLESEX, NEW JERSEY APPROVING APPLICATION FOR A LONG TERM TAX EXEMPTION AND AUTHORIZING THE EXECUTION OF A FINANCIAL AGREEMENT WITH SA 101 MAIN STREET URBAN RENEWAL LLC**

**OPEN PUBLIC  
CLOSE PUBLIC**

**MOVED by:** \_\_\_\_\_, of the Council of the City of South Amboy, that Ordinance #2021-20 is hereby adopted.

**SECONDED by:** \_\_\_\_\_, **ROLL CALL VOTE:**

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**COMMENTS:**

Mr. Reilly:

- Thanked the Council for carrying the vote until the November 22<sup>nd</sup> meeting.
- Thanked the First responders and Food Pantry volunteers for their continued good work.
- Reminded everyone next Thursday was Veteran’s day and the Library is having a recognition day – details are on the website.
- Confirmed with BA Skarzynski the signage for the Historic Society Window is in progress
- Congratulated the Board of Education election winners.
- Reminded everyone the FOSA will be holding its basketball fundraiser on December 18<sup>th</sup>.

- Received updates on the First St. garage, illegal pallet production operation and the pigeon palace site.

Mr. McLaughlin:

- Asked everyone to keep Tom Murphy in their prayers.
- Thanked the Food Pantry for their continued good work.
- Thanked the Council for carrying the vote to the November 22<sup>nd</sup> meeting.

Ms. Noble:

- Happy Veterans day – thank you for your service.
- Thanked the public for coming out and will see you on the 22<sup>nd</sup>.

Ms. Dato:

- Congratulated the newly elected Board of Education members – we appreciate your commitment!
- The County is replacing all of the macadam and sidewalks at the park and painting the buildings.

Mr. Gross:

- Thanked the public for coming out.
- Thanked the development professionals for continuing to be so transparent and communicative and for coming out once again to the meeting on the 22<sup>nd</sup>.

Mayor Henry:

- Thanked the groups that held Halloween events for the kids.
- Noted the success of the Cemetery Tour and Touch a Truck events.
- Thanked the volunteers at the food pantry noting that they would sometimes go to other towns to pick up food to bring back to the pantry.
- Thanked the professional developers and looked forward to seeing them at the November 22<sup>nd</sup> meeting.

Mr. Skarzyski:

- Congratulated the Arts Society for a successful Scarecrow Contest.
- Noted the Rotary is having a "Watch Party" for a ceremony they had that honored some local volunteers. It will be broadcast November 19<sup>th</sup> at 7pm on SATV.

Mr. Womack:

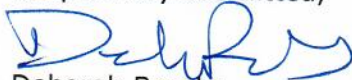
- Requested an Executive session be placed on the next agenda for Contract Negotiations and Litigation updates.
- Noted the Ms. Szaro, Mr. Stahl and he are working on the Ordinance for the Historic Society.

### **PUBLIC COMMENTS:**

### **ADJOURNMENT**

On motion by Mr. McLaughlin, seconded by Mr. Reilly and passed unanimously, meeting was adjourned at 7:45 pm.

Respectfully submitted,



Deborah Brooks  
Municipal Clerk

Approved November 22, 2021

New Jersey's Payment in Lieu of Taxes ("PILOT") program was originally designed to entice development in areas in need of extensive revitalization and rehabilitation. The original goal of the program was to foster local redevelopment by providing tax incentives to allow developers to make needed capital improvements on dilapidated properties. In certain limited circumstances, PILOTS are a necessary economic concession with which municipalities must engage in order to foster redevelopment. In such cases, they are a needed economic incentive to entice developers to improve property that would otherwise remain moribund.

But in recent years, this program has been a scheme for abuse, whereby unscrupulous developers make self-interested deals with unwary and unwise municipal leaders. The scheme is a simple one – a developer asks for a PILOT for property that does not necessarily need it. Rather than explore other options or negotiate proper terms, the municipality simply gives the developer what it wants. Over the next several decades, depending on the term of the agreement, the developer will make fixed payments in lieu of property taxes at a rate locked in for the term of the agreement. Thus, even as the property value increases exponentially, the payments remain fixed. The developer pays a fraction of what it normally would pay under regular property taxes, and in some cases is free to sell the property with the PILOT attached, substantially increasing its resale value. The developer makes massive profits at the municipality's expense.

What does the municipality get? Well, its taxpayers are stuck with the bill. PILOT payments do not have to be, and in some cases cannot be, shared with other local taxes, such as school taxes. Thus, for every child sent to school from a residence on such property, for every fire or other emergency on such property, South Amboy's taxpayers will be paying the bill. Our taxpayers will be shouldering a decades-long burden so that we can line the pockets of out-of-town developers, all so our leaders can point to the arbitrary and illusory short-term gain of a redevelopment agreement as a measure of what passes for progress.

I will say this – what passes for progress now will be a palpable hinderance in the not so distant future. A decade from now our largest and most profitable waterfront properties will be tied to outdated PILOT agreements, and our town will see none of the rightful tax dollars it should receive from properties that will balloon in value. Instead, we will be getting pennies on the dollar, and our taxpayers will be making up the difference.

Yet despite the many and obvious dangers of such agreements, our leadership has engaged in none of the good faith negotiations and give-and-take that should characterize all municipal deal-making. Instead, we simply believe whole cloth what these self-interested developers tell us. I have seen not one bit of pushback, not one bit of hard bargaining over the terms of these agreements. We have made it too easy, and in the process we have made it much harder for our City's future.