



Township of South Orange Village

MEMORANDUM

TO: BOARD OF TRUSTEES

FROM: 298 WALTON AVENUE RE-USE COMMITTEE (VILLAGE PRESIDENT COLLUM, TRUSTEE CLARKE, TRUSTEE LEVISON, VILLAGE ADMINISTRATOR LEWIS AND DEPUTY VILLAGE ADMINISTRATOR, LOEHNER)

SUBJECT: RECOMMENDATION FOR RE-USE OF 298 WALTON AVENUE

DATE: DECEMBER 12, 2016

CC:

This memorandum is submitted by the 298 Walton Avenue Re-Use Committee (comprised of Village President Collum, Trustees Clarke and Levison, Village Administrator Lewis and Deputy Village Administrator Loehner) and is intended to summarize the proposals submitted, the Committee's interview process, the recent public forum, and ultimately provide the Committee's recommendation for the re-use of 298 Walton Avenue.

BACKGROUND:

As a result of the Jersey Animal Coalition's default and eventual termination of the lease for the facility located at 298 Walton Avenue, (constructed on Village Owned land), the Village was then in ownership and possession of the building and facility at 298 Walton Avenue. As a result of prior agreements and financial contributions, the Township of Maplewood retains an interest in the building and the Village recognizes the need to reach a resolution of that interest with Maplewood. Village representatives have had discussions with Maplewood and a general understanding has been reached. The details and particulars of that understanding remain in negotiation and thus confidential; and the specifics are not particularly germane to the discussion herein, beyond indicating that the potential financial impacts of that understanding have been considered by the Committee in undertaking its analysis and arriving at our recommendation.

The Village President and Board of Trustees decided that it was appropriate to solicit proposals for potential re-uses of the facility using the Village's town-wide rehabilitation designation. This allowed us to solicit proposals with no real restrictions placed thereon, in order to receive a broad spectrum of proposals. Moreover, the redevelopment plan process under the rehabilitation designation provides the Village with the opportunity to fully evaluate and consider

all aspects of every proposal, instead of being obligated to simply take the highest amount of rent bid, as would be required under the Local Lands and Buildings Law. (N.J.S.A. 40A:12-1 *et seq.*)

As an interim measure to generate some revenue to offset expenses, the Village held an “auction” and accepted bids for a short term (6 month with month to month thereafter) “as is” rental of the facility. That short term lease was ultimately awarded to Run, Jump Lift as the highest bidder and who has now occupied the building for approximately 8 months.

RFP PROCESS

In August of this year, the Village issued an RFP soliciting proposed re-uses of the facility and received four proposals on the due date in mid-October. The proposals, in alphabetical order, were received from People for Animals (Spay/Neuter Clinic and sheltering of ACO animals), Run, Jump, Lift (Fitness/training center); Wagmore Inn (Dog daycare and boarding) and the YMCA. (Youth after school programs, camps, parties, etc.)

After receipt and review of the proposals, the Committee met with and interviewed each of the four proposing entities to further understand the proposals, ask questions and respond to questions. After the interviews, each proposer was provided the opportunity to submit any revisions, clarifications or supplements to their original proposal to address questions raised by the Committee, enhance their terms, or for any other reason.

Thereafter, on December 1, 2016, a public forum was held at SOPAC at which each of the proposers made 10-15 minute presentations to an audience of approximately 200 residents, and the residents were permitted to ask questions specific to each proposal. At the end of the presentations and Q&A, residents were permitted to make comments and express their opinions on the options presented.

Since the public forum, the Committee has met and discussed the relative merits, concerns and pros and cons of each proposal. Below is a summary of the evaluation of each proposal (again presented in alphabetical order) which is then followed by the recommendation of the Committee and the reasons therefore.

PROPOSALS

1. People for Animals

A. Operations

People for Animals (“PFA”) is a non-profit organization devoted to various animal issues. Earlier this year the Village and the Board of Health entered into an agreement with PFA to serve as the “sponsor” of the Trap, Neuter, Vaccinate and Release (“TNVR”) program for feral cats.

PFA's proposal for 298 Walton is to operate a spay/neuter clinic at which their staff and volunteer veterinarians would perform spay/neuter operations on cats and dogs from the regional area. In addition, PFA proposed to provide sheltering (7 day hold) services for SOMA dogs (stray or running at large/loose) caught by the municipal Animal Control Officer ("ACO"). The PFA proposal did not include the provision of ACO services

PFA proposes to operate the spay/neuter clinic on Mondays through Fridays from 8 a.m. to 6 p.m. with none of those animals staying overnight at the facility. The cats and dogs undergoing spay/neuter operations are kept inside throughout (in surgery and recovery). The cats and dogs would arrive at the facility generally between about 8 a.m. and 9:30 a.m. and be picked up between approximately 4 p.m. and 6 p.m. Some would be brought by their owners and some would be transported (in groups) via a van from PFA's Hillside, NJ location.

PFA indicated that it would anticipate approximately 40 to 60 animals per day. In order to accommodate the traffic associated with that volume they would need 32 parking spaces. (There are currently 15 spaces on site) PFA's proposal included the installation of a driveway from the parking area in front, along the left (east) side of the building, connecting to the rear, the conversion of the back patio to parking spaces, and the installation of additional parking spaces in the rear.

The sheltering/hold of municipal dogs (average 3 a month between the two towns) could occur on any or all days of the week and those animals would stay overnight and would be taken outside for brief periods several times a day.

B. Financial Offer/Terms

PFA proposed a five year term, with the consideration to the Village being the provision of the dog shelter/7 day hold services with no additional rent being paid. PFA explained that the costs it would incur in creating the surgical rooms/center and parking spaces precluded it from offering rent in addition to the shelter services.

2. Run, Jump, Lift

A. Operations

Run, Jump, Lift ("RJL") is a fitness/training center that is somewhat unconventional from the typical "gym". The operation does not hold "classes" of large groups at scheduled times. Instead, the model is based on members arriving on their own schedule and working out, with guidance and encouragement of the staff. As a result, the traffic is limited and spread sporadically throughout the open hours. In addition, many members, walk, run or bicycle to the facility. As a result, RJL indicated that to date and in the future they anticipate no need for additional parking beyond the existing 15 spaces. RJL indicated that it planned to participate in community activities, such as SOFit, as well as offer free or discounted programs for seniors and students.

RJL proposes to operate its business M-F 5:30 a.m. -10 p.m., Sat. 7 .a.m. - 10 p.m. and Sun. 7 a.m. - 5 p.m. with indoor and some outdoor activities, including accessing the River Greenway when completed.

B. Financial Offer/Terms

RJL proposed a five year term, with monthly rents as follows: Yr. 1 - \$6,000, Yr. 2 - \$6,250, Yr. 3 - \$6,750, Yr. 4 - \$7,000 and Yr. 5 - \$7,250.

3. Wagmore Inn

A. Operations

Wagmore Inn (“Wagmore”) proposes a dog daycare and boarding facility at which customers could drop their pets off for daycare or for more extended boarding stays. Wagmore indicated that the facility could potentially hold as many as 50 dogs at a time (dependent on the mix of small and larger dogs). Their business model is based on a minimum of 14 dogs per day to break even. Wagmore indicated that the existing 15 parking spaces would accommodate its staff and customer drop off needs.

Wagmore also indicated the possible addition of an accessory grooming component, at least initially to be conducted in a fully equipped mobile grooming van. Wagmore indicated that the dogs would primarily be kept indoors in reasonable sized pens, and be taken outside periodically for “group play” and toileting. Animal waste would either be disposed of via a mechanical system that allowed it to enter the sanitary sewer system or through a contracted service. Wagmore also expressed an interest in providing potential employment opportunities for developmentally disabled persons.

Wagmore proposes to operate its business M-F 7 a.m. - 7 p.m., Sat. 8 .a.m. - 6 p.m. and Sun. 10 a.m. - 5 p.m.

B. Financial Offer/Terms

Wagmore proposed a five year term, with monthly rents in year one of \$5,400 with 2.5% annual increases thereafter.

4. YMCA

A. Operations

The South Mountain YMCA (“YMCA”) proposes to use the facility for a variety of programs. On weekdays during the school year on school days, the YMCA proposes to provide after school programs to up to 80 students, who would be bussed from their schools to the facility between approximately 2:00 and 3:30 p.m. Parents would then pick the children up, primarily

between 5 and 7 p.m. In the summer, the YMCA proposed to offer specialized summer “camps” to up to 45 students, with hours M – F from 7 a.m. to 7 p.m. Finally, the YMCA proposed to host birthday and other parties for up to 20 youths on weekends. The YMCA indicated that activities would occur both indoors and outdoors when weather permitted. YMCA indicated that the existing 15 parking spaces would accommodate its staff. However, considerable questions remained as to the school bus drop off and parent pick up, including the possible need to construct an access directly from Walton Avenue to the facility and thereby avoid the DPW driveway.

YMCA proposes to operate M-F, (school days) 2 p.m. - 7 p.m., M – F (summers) 7 a.m. - 7 p.m. and weekend parties.

B. Financial Offer/Terms

YMCA proposed a seven year term, with monthly rents in year one of \$5,000 with 4% annual increases thereafter.

ANALYSIS AND RECOMMENDATION

The Committee reviewed and evaluated each of the proposals (supplemented by the interviews and public input at the public forum) on a number of criteria, including:

1. Suitability of the proposed use for the facility and the site, (including the need for modifications to the facility and site, the interaction or conflict of the use with adjacent DPW use, the adequacy and safety of ingress and egress from the site, and the adequacy of the available parking);
2. Compatibility of the proposed use with, and its impact on, the surrounding neighborhood. (Including, hours of operation, nature of operation, traffic impacts);
3. Public Benefit provided by the use; and
4. Village’s Animal Control Services
5. Financial Benefit to the Village

Below is a summary of the Committee’s evaluation of the four proposed uses under each of the above criteria, followed by the Committee’s recommended use for the site.

1. Suitability of Use for Site

A significant factor in evaluating the proposals was the suitability of each proposed use for this unique site; specifically including the adjacency to the DPW yard and need to share the access driveway with the busy DPW operation and its equipment and truck movements. This included an evaluation of the on-site traffic of staff and customers, the sufficiency of existing parking or

need for additional parking, and the need to make modifications to the facility or the site to accommodate any particular use.

PFA - The Committee had significant concerns in this area from the PFA proposal. Specifically, PFA contemplates potentially 30 or more drop offs (each of which could last approximately 10 minutes while customers checked their pets in for surgery) in the 8 a.m. to 9 a.m. time frame M-F, which directly conflicts with the DPW daily mobilization and exiting of vehicles and equipment each morning. In addition, PFA specifically indicated that the existing 15 parking spaces would not meet their needs and proposed the construction of a driveway and parking area in the rear, the engineering and cost of which had not been fully vetted and which might implicate flood plain regulatory issues. For these reasons, the Committee found the PFA proposal to be somewhat unsuitable for the site.

RJL – Based on the approximate 8 months of history of the RJL operation on site, together with a report from the DPW Director of no issues or conflicts with that use, RJL’s indication of the adequacy of the parking (supplemented by actual experience), and the lack of any needed significant modifications to the facility or site, RJL was found to be fully suitable for this unique site.

Wagmore - Wagmore’s projected client morning peak hours presented some potential for conflict with DPW operations. However, Wagmore’s relatively confined hours of drop offs and pick-ups (which typically occur after DPW closes) as well as the indicated adequacy of the existing 15 parking spaces and lack of any need for significant modifications led the Committee to find Wagmore’s proposed use to be fairly suitable for the site.

YMCA - The YMCA’s proposed use and volume of traffic and drop-offs presented significant concerns for the Committee, both from a traffic standpoint and from a safety standpoint given the number of children involved. The school bus drop offs raised both safety and logistical (turnaround) concerns, and the summer camp hours presented potential morning conflicts with DPW traffic. Moreover, the Committee could not see bus drop-offs on Walton Avenue with children walking down the driveway, particularly in light of the lack of any sidewalk and limited ability to install one. In fact, the only possible safe solution that the Committee saw would require the installation of a connecting walkway from Walton Avenue in the area of Farrell Field down to the rear of the facility, which would require ADA accessibility and thus involve significant ramps and retaining walls, likely at significant cost, with no clear understanding as to who would pay for it, but in either case would affect the viability of the proposal. Moreover, a future connection path as part of the River Greenway project is likely at least a year away. For these reasons, the Committee found the YMCA proposal to be mostly unsuitable for this site.

2. Compatibility of Use with Neighborhood

A second important criteria involved the compatibility of the proposed use with the surrounding residential neighborhood. In this regard, the Committee felt that both of the proposed animal uses were unfairly tainted by the past neighborhood experience with the JAC, the well

documented problems of which would not be implicated in the two proposed uses; as more fully discussed below.

PFA - As discussed above and at the public forum, PFA's primary proposed use as a spay/neuter clinic involves pre- and post-surgical animals, sedated and recovering which would be exclusively inside the facility and would only be there weekdays and no nights or weekends. Also as noted, the overnight dog presence from municipal ACO dogs is only an average of 3 dogs a month and the outdoor time would only be during the day and limited in number and duration. As a result, virtually none of the problems experienced with the JAC would be a risk with this use. The traffic associated with the drop offs and pick-ups, which largely occur during or near "rush hour" would modestly increase traffic, but not significantly so.

RJL - RJL has the benefit of having a history of operating its proposed use on the site (however, as noted, that was the result of an advertised public bid for short term tenancy and available to anyone). The past experience, coupled with RJL's explanation of its operations and its membership and their habits in accessing the facility, and substantial support and anecdotal evidence and statements from immediate neighbors, indicates that RJL's use is compatible and in fact favored by the residents in the immediately surrounding neighborhood who would be most impacted by the selected re-use of the facility.

Wagmore – As with PFA, Wagmore's focus on animals appears to unfairly taint their proposal in the public eye due to the prior negative JAC experience. The proposed daycare for dogs would have many of the pets only housed on site during the day, mitigating night time concerns. However, depending on the success and volume of the boarding component, there could be a meaningful number of overnight dogs on the premises, and the proposal includes outdoor "group play" for up to 10 dogs at a time, either or both of which could raise barking/noise concerns for the neighbors, although undoubtedly not to the level of the JAC. As with the PFA, the concentration of pick-ups and drop-offs of "daycare" dogs during peak "rush hour" traffic would modestly increase traffic, but not significantly so.

YMCA – The YMCA proposal involves the highest level of automobile and bus traffic added to Walton Avenue and for that reason presents a potentially adverse impact to the neighborhood. The potential drop off on Walton Avenue and queuing of parent cars at pick-up could also present traffic issues. The full extent and nature of the outdoor activities of the children leaves open the question of impact on the neighborhood from possible noise, crowding of the park and playground, etc.

3. Public Benefits

Each of the proposed uses is predominantly, if not exclusively, a "private" enterprise, with only PFA providing any direct municipal/public benefit in the form of shelter services, but even in that case those services are more of a business transaction that can be addressed through alternative shelter services and are not specific to this location. However, as borne out in the interviews and at the public forum, each of the proposed uses provides some public benefit, whether in the form of meeting public needs and providing desired services, or through other

aspects of the operations. PFA’s principal spay/neuter and Wagmore’s dog daycare and boarding both meet specific needs of pet owning residents in South Orange and Maplewood. PFA also indicated a willingness and desire to participate in and provide public education on a variety of animal issues. Wagmore is committed to providing opportunities for developmentally disabled residents. RJL provides a unique fitness experience not generally available and appreciated by its members, the vast majority of which appeared to be residents. RJL also committed to providing free and discounted services to seniors, students and underprivileged individuals. The YMCA meets a variety of public needs in providing much needed after school programs and summer camps. In the end, the Committee found that each proposal met public needs and provided public benefits on relatively equal levels and no proposal enjoyed a significant advantage in this area.

4. Village’s Animal Control Services

The Village is obligated under New Jersey statutes to provide certain animal control services to the community; principally relating to domestic animals (dogs and cats) and potentially rabid animals. (raccoons, bats). The Village has and continues to provide these services through its employee Animal Control Officer. An ancillary requirement is the need to shelter or “hold” dogs or cats caught by the ACO until reclaimed by the owner. This shelter/hold service was previously provided by the JAC at 298 Walton. Since the closure of the JAC two years ago, the Village has procured these services through various sources.

The Village has always been and remains committed to the humane treatment of all animals that come under the control of the ACO. To that end, as noted above, the Village recently entered into an agreement with PFA to oversee a TNVR program to humanely address the feral cat population. In that agreement, PFA will also handle stray (but not feral) cats and be responsible for the statutory hold period and use its network to adopt out these cats.

With respect to stray dogs caught by the ACO and formerly held at the JAC and at alternate locations since, it is important to understand the magnitude or number of these dogs. The table below provides the total number of dogs “held” from South Orange and Maplewood (and the combined total) for the past four years.

Year	South Orange	Maplewood	Combined
2012	12	24	36
2013	12	17	29
2014	18	20	38
2015	11	24	35
Average Per Year	13.25	21.25	34.5
Average Per Month	1.10	1.77	2.88

As reflected in the table above, South Orange and Maplewood combined only average about 3 dogs per month. Moreover, that includes dogs that are reunited with their owners during the 7 day hold, which is a significant percentage. As a result, the actual number of dogs held and for whom adoption may eventually become necessary has historically been less than 1 per month or 12 per year. With respect to those dogs, the Village, in exploring alternatives, has been focused on finding a provider with a strong history of “no kill/low kill” (excepting for medical necessity or vicious/biting history) and continuing our commitment to the humane treatment of all animals.

At this time, the Village is confident that it has identified an alternative humane low kill/no kill arrangement for the shelter/hold and eventual adopting out of this limited number of South Orange and Maplewood dogs on financial terms which could justify a potential alternative re-use of the 298 Walton facility should that be the decision of the Board.

5. Financial Benefit to the Village

As discussed above, PFA offered in kind services in the form of shelter/7 day hold services for municipally caught dogs from South Orange and Maplewood. The Village recognized that if sheltering/7 day hold services were not to be conducted at 298 Walton Avenue, an alternative arrangement would be necessary. As a result, the Village has been actively exploring and negotiating alternative shelter/7 day hold services, which, in turn provided a dollar “value” to assign to the PFA proposal. However, that “value” also includes Maplewood’s dogs (for which Maplewood will be responsible), meaning that while the “value” provided by PFA is \$30,000 in year one, the financial benefit to the Village is half of that amount. The other three proposals included monthly rent for specified terms. PFA, RJL and Wagmore all proposed 5 year terms and the YMCA proposed a 7 year term. For that reason, the financial evaluation below covers a five year period and is set forth in the table below.

<u>YEAR</u>	<u>PFA*</u>	<u>RJL</u>	<u>WAGMORE</u>	<u>YMCA</u>
1	\$30,000.00	\$72,000.00	\$64,800.00	\$60,000.00
2	\$30,600.00	\$75,000.00	\$66,420.00	\$62,400.00
3	\$31,212.00	\$81,000.00	\$68,080.50	\$64,896.00
4	\$31,836.24	\$84,000.00	\$69,782.51	\$67,491.84
5	\$32,472.96	\$87,000.00	\$71,527.08	\$70,191.51
TOTAL	\$156,121.20	\$399,000.00	\$340,610.09	\$324,979.35
Difference	-\$242,878.80	\$0.00	-\$58,389.91	-\$74,020.65

*** PFA imputed rent based on cost of alternative shelter/7 day hold services incl. Maplewood dogs.**

*As noted, the table above reflects the total projected cost (\$30,000 annually) for the Village and Maplewood to pay for an alternate source to provide the shelter/hold services. That

amount is shown as it represents the “value” being provided by PFA in lieu of rent. However, it does not represent “income” to the Village, but rather expense avoidance. Even then, as noted, the alternative expense of \$30,000 would be split between South Orange and Maplewood.

As can be seen, the RJL, Wagmore and YMCA all have a significantly higher financial benefit to the Village as compared to PFA, with RJL being the highest by almost \$60,000 over the next highest 5 year rent total.

RECOMMENDATION

Before providing the final recommendation, the Committee, and on behalf of the full Board of Trustees, would again express its sincere appreciation to each of the proposing entities for their effort and thoughtful proposals and public presentations.

After carefully evaluating each of the proposals, the interviews and the public presentations and resident questions and comments, the Committee finds that each of the uses are admirable and address demonstrated needs and would be a good use for South Orange and Maplewood, However, there is only one site to lease and, as such, the Committee has to recommend the proposed use that best suits the site and the neighborhood, in addition to considering the financial benefit to the Village in these challenging economic times and cognizant of maximizing revenues to limit tax increases.

For all of the foregoing reasons, the Committee finds that Run, Jump, Lift is the most suitable for the site and the neighborhood, provides comparable “public” benefit, and provides the most financial benefit to the Village and its taxpayers. Accordingly, the Committee recommends the adoption of a Resolution selecting Run, Jump, Lift and directing the preparation of a redevelopment plan and financial agreement (Lease) to authorize the RJL use.