

**MINUTES OF A REGULAR MEETING OF THE PLANNING BOARD
OF THE BOROUGH OF MOUNTAIN LAKES**
August 28, 2014

Chair Jim Bailey read the Open Public Meeting Advertisement Notice adopted at the annual meeting on January 30, 2014: Adequate notice of this meeting was given to the Citizen and the Daily Record, filed with the Borough Clerk, posted on the Bulletin Board in the Borough Hall on February 03, 2014 and made available to all those requesting individual notice and paying the required fee.

Meeting start: 7:31 PM

ROLL CALL:

Members Present: Bailey, Kane, Tovo, Dagger, Lester, DeVenezia, Nachshen, Happer and DuTertre

Absent: Russo and Horan

Also Present: Attorney Peter Henry, Engineer Bill Ryden

REVIEW OF MINUTES: John Lester made a motion to adopt the minutes of the July 24th meeting. Robert Tovo provided the second; the minutes were approved by voice vote of all eligible voters.

RESOLUTIONS:

Jeffery and Lynne Ansell

App. #14-256

Martin Kane made a motion to adopt the resolution of denial; Tom Dagger provided the second. The resolution was carried by a vote of 6 to 0 with members Bailey, Kane, Nachshen, Tovo, Dagger and DuTertre voting in favor.

PUBLIC HEARING:

Carried from July 24th:

Evergreen Realty Group, LLC

Blk: 4 Lot: 20

Major Site Plan Review

Parking Spaces, Parking Stall Size, Fence in the Front Yard, Side Setback, Front Setback

90 Route 46 East

App. #14-257

B Zone

Stephen Shaw, the facilitator for Evergreen Realty Group LLC, introduced the team of professionals that would be presenting their application. In his introduction he highlighted the Board's recent Master Plan update. In the Land Use element of the plan, adopted on October 24, 2013, the Board expressed its desire to redevelop the Route 46 corridor, specifically Business Zone B. This was the 1st application submitted under that Master Plan update. He continued the applicant conformed to the conditional use criteria for the zone but needed variances for front setback, side yard setback, fence in the front yard and parking. They planned to have 9 experts testify.

Mr. Shaw said they had leftover business from last meeting. The Board requested they submit a report concerning the wetlands on the property. He introduced Mark Gimigliano, a licensed Engineer in the state of NJ, who has worked delineating wetlands for over 25 years. On August 13, 2014 he visited the site and the area within 200 ft. of the property to make his evaluation.

Using exhibit A-1, a colorized version of the Site Layout Exhibit, dated July 21, 2014, he pointed out one area on the SW corner of the lot that showed a drainage ditch on the neighbors property. There were no other wetlands within 150 feet of the site. There is another site close by on Route 46 that has similar characteristics. The wetlands were mostly on the adjoining property; there was a small area on this property but the entire 50 foot transition area was on the applicant's property. Peter Henry asked if they needed to do a DEP Letter of Interpretation (LOI). Mr. Shaw said it was the Board's decision to ask for a letter of interpretation. Corey Nachshen said the wetlands area was just a culvert and he did not feel it necessary to get a LOI from the DEP and the rest of the Board concurred.

Chairman Bailey asked if anyone from the public had any questions for Mr. Gimigliano. Frank Garbarino, President of the Lakes and Dams Committee of Rainbow Lakes, wished to ask a question. He asked Mr. Gimigliano to show him where the wetlands were on the site plan. He asked if the water came from Twilight Lake and connected to another lake. Mr. Gimigliano did not know if that was true. Mr. Garbarino thought it was. He was also concerned about the run off from the parking lot.

Mr. Shaw introduced the managing partner of Evergreen Realty Group Jerry Frungillo Sr. Mr. Frungillo said his family has been in the catering business for 41 years. This is the only property they own but do manage several other sites. At those locations they have overnight rooms which are doing much better than their site in Mountain Lakes. He continued, things have changed over the last 20 years, people want one stop shopping and prefer an overnight stay when attending a wedding. His family has owned and run this site for 10 years. They have used valet parking for their larger occasions. Every Wednesday he conducts a meeting with his staff and reviews their events for the week determining the staff and valets they need. In the previous ten years they have rarely used all 600 seats.

Mr. Shaw asked him to explain deliveries to the facility. They receive a bread delivery at 4AM every day. Most of the food is delivered on Monday morning with fish and vegetables delivered on Thursdays. The deliveries are made by trucks that are 22 to 28 feet long.

Mr. Frungillo spoke about parking at his facility. They do have events where all the guests are bused in or they run a shuttle bus to the area hotels. All the help parks out of the way. Mr. Shaw asked him to explain the condition in the 2004 resolution to have a shared parking agreement on the east side of his property. They originally had that agreement but when it expired they did not sign up again since they did not use it. However their neighbors would be interested in entering an agreement again. Mr. Shaw asked him to explain the types of rooms on the premises. Mr. Frungillo said they had pre-event rooms that are not used for separate parties on the weekends but rather for hors d'oeuvres before a larger event held in the ballroom. During the week those rooms are used for smaller events. Garbage pickup is 2 times a week but he can arrange for additional pickups if he needs them. Mr. Shaw asked him how they recommend people get to his establishment. Mr. Frungillo said the online directions have people get off at exit 39 in Denville and come east on Route 46 for easy entry into the site.

Mr. Shaw asked Mr. Frungillo to share his thought about who would be operating the hotel. They have not selected a partner yet but would need a manager to operate the hotel while they operated the catering. They also needed a hotel chain for its reservation system. They are interested in Wyndam Hotel; they are a high end hotel with their headquarters within three miles of the location.

Mr. Shaw asked him to explain the location of the hotel space. Mr. Frungillo said they discussed many locations for the hotel and decided to give up half the catering space, 300 seats, to put the

hotel on top of the current building thereby maintaining their parking areas. Mr. Shaw asked about catered events during construction. They plan to have catered events during construction and will cook off site and bring the food in.

Dan Happer asked if they would have valet parking for every event once the hotel opens. Mr. Frungillo said if he must have valet parking for an event everyone must be valet parked. This is a customer service business so they will do whatever they have to do to keep everyone happy.

John Lester asked based on your experience have you ever had people lined up on Route 46 trying to enter your site. Mr. Frungillo said they had that happen once when they first opened and they adjusted their valet parking. Nick DeVenezia asked how their employee count would change once they cut the seats by 300; it will decrease. John Lester asked if they had considered doing a shadow study. Mr. Shaw said they were not doing a shadow study since the height of the building does not exceed the ordinance. Jerry Frungillo said they oriented the building sideways so that the narrowest width faces Rainbow and Mountain Lakes. Mr. Frungillo said he took photos of the existing trees from Rainbow Lakes and saw that they would block most of the building. Nick DeVenezia did not like how the building was situated on the site; he felt it similar to a billboard. Mr. Frungillo said they talked about stepping back the building and it did not work. They tried the building in different areas on the site and it looked awful plus it created parking problems. Peter Henry asked since they intended to keep operating during construction would it be at a 300 seat capacity; yes. He asked if they could address safety during the construction. Mr. Shaw said they would handle that next month. Tom Dagger asked how long the construction would take; they have been told it would take a year. Mr. Dagger asked if Mr. Frungillo could share his photos; they would have them for the next meeting. Chairman Bailey asked if there were any questions from the public. Frank Garborino, President of the Lakes and Dams Committee for Rainbow Lakes, asked where Mr. Frungillo took his photos; he said from the street on the Rainbow Lake side.

Scott McMahan, a principle with Marshall Hotel and Resorts for 15 years, manages 60 three and four star hotels along the eastern seaboard. He has been working with Jerry Frungillo for a year and has determined his site is an excellent location for a new hotel. Mr. McMahan explained his firm turns around existing hotels and builds 2 to 3 new facilities a year. Using the STAR report his firm determined the Parsippany market has a 65% occupancy rate during the week for hotels with banquet facilities; that rate drops off on the weekend. The ADR (average daily rate), the amount charged for a room, for this area was very high. His company likes the Evergreen Realty situation, the corporate business goes away on the weekend but Jerry's business would peak on the weekends. If the hotel was not financially viable it would not be built. Dan Happer asked about the other hotels with banquet facilities. Mr. McMahan said they do corporate banquet events and the Villa can't do those now because they don't have hotel rooms. Mr. Happer asked if this hotel would be a destination banquet facility; yes it was. Ultimately Evergreen Realty would be able to do both corporate and non-corporate events. Mr. Happer asked about the other smaller hotels in the area. Smith's Travel Report, a report used by the industry to record occupancy rates, shows the smaller hotel locations in the area with no banquet facility have a 60% occupancy rate throughout the week. This new hotel could take guests away from them. Mr. Shaw asked Mr. McMahan to tell the Board how the hotel restaurant and spa would work. The restaurant would primarily serve breakfast and dinner to hotel guests. There would be no room service only a simple menu in the 80 seat restaurant. The spa would also be for guests only. Mr. Shaw asked Mr. McMahan about the garbage facilities on the site. Garbage pickup for the hotel would be between 8 and 10 am. In the area of parking Mr. McMahan said the hotel

creates less of a problem. Banquet planning is very predictable so you know exactly how many people to expect and plan for making it very profitable. Mr. Shaw asked the number of employees for the 132 rooms. Mr. McMahon said they would have 40 employees of which 15 to 20 would be full time for the hotel and restaurant. The catering will be leased out and would have its own employee headcount. Mrs. DuTertre asked the number of parking spaces needed due to the increase in number of employees. Peter Henry asked the applicant to clarify the total number of employees working at any time in the facility. John Lester asked for an explanation of the leasing agreement. Mr. Frungillo would be part of the hotel group and lease back the catering space.

Nick DeVenezia asked how the number of rooms was determined. Mr. McMahon said they could use more than 132 rooms but thought that number was all the site could handle. A 300 person event would use all the rooms if 2 people were in each room. Mrs. DuTertre asked if they considered adding a pool. They are not doing a pool because this was not a family destination and there were space constraints. She said Mr. McMahon had mentioned his firm had looked at hotels in the area with and without banquet facilities. Did they look at comps without pools; no they did not. John Lester asked if there was a separate kitchen for the restaurant; no there was not. He asked about event security. Mr. McMahon said security was regulated by the hotel chain and they would not have a separate security staff but they would work with the local police when setting up the hotel.

The next expert introduced by Mr. Shaw was Stephen Carrozza, a licensed Architect in the state of New Jersey. He presented exhibit A-2, the 1st floor plan of the building labeled sheet D1 "Hotel Addition" dated June 4, 2014. He pointed out he had updated the square footage chart on the plans as requested by the Planner under item #11 of his review letter. A copy of this sheet would be provided to the Board at the next meeting. He also presented exhibit A-3, dated June 4, 2014, the "North and West Elevations" and exhibit A-4, dated August 28, 2014, a rendering of building as viewed from the stop line at the Boulevard. Referring to exhibit A-2 he stated the floor area of the current building was 29,306 square feet. He explained the existing layout of the building which consists of several building additions built over time. The buildings are joined where the service corridor is planned. The back 14,000 square feet of the existing building would be demoed and reconstructed at a new setback of 10.3 ft. They will take 680 sq. ft. off of the building along the east side of the property closest to the lumber yard and add 1041 sq. ft. to the back of the building. They are removing the existing offices and creating new office space. The net result of the additions is a building footprint of 33,562 sq. ft. Stephen Carrozza explained the layout of the new 1st floor plan including the reception desk, new kitchen, offices, restaurant and bar. The hotel functions are to the east of the service corridor. Nick DeVenezia questioned the absence of a service elevator. Mr. Carrozza said there were 2 guest elevators. During times that are slow one will be for service and the other would be for guests.

Stephen Carrozza explained their attempts to add the hotel and maintain the existing catering facility but they could not make it work. In the end they gave up the back banquet space. The current kitchen will be demoed and replaced with a new kitchen. All guests will go through the entrance by the porte cochere to check into the hotel. All the hotel floors are identical but the top two floors will have a few suites. Each floor has its own housekeeping room to handle laundry. From an operations stand point the franchise does not care if you do laundry on site or off. Stephen Shaw added the applicant was willing to do laundry on or off site. Mr. Carrozza added even if we don't do laundry on site we still need a housekeeping area. Nick DeVenezia asked if the design was based on preserving the banquet space; yes it was. He asked if you were not

preserving the ballroom would you still have designed the building this way. Yes because if they went beyond the wall where the two buildings joined we would have had to take down the entire building.

Stephen Carrozza presented the elevations which maintained the Italian Tuscan design they already have. By fire code they created a 3 hour fire rated reinforced concrete floor ceiling assembly (type 1A for safety) separating the main floor and the hotel rooms. This was regulated by NFBA rules and building codes. The upper portion of the building must be a type 2A rating (metal covered with drywall). The entire building has an automatic sprinkler system that would be upgraded to include the hotel. Nick DeVenezia asked would they excavate the footings for the new building. The service area will act as the buffer when we take down the back part of the building and we can shore and brace the walls if needed.

Stephen Carrozza referred back to exhibit A-1 to answer the questions about the choice of building location. He presented the different options they discussed. For firefighting the trucks need to get around the building and not drive under it. After looking at several alternatives they determined the best way to handle the location of the hotel was to take over the least productive banquet space and rebuild the kitchen to be more efficient and modern. Stephen Shaw established the plan presented preserved most of the original footprint. Mr. Kane confirmed the overall designed added about 4000 sq. ft. or 11% to the footprint of the building. Mr. DeVenezia asked why they did not make the building an L shaped structure. Stephen Carrozza answered the fire department could not access back of the building and they would have created a need for a rear setback variance. They also needed to build on top of building to keep the parking they require. The neighbors in the back would be very unhappy with an L shaped building.

Mr. Carrozza referenced exhibit A-4 the building rendering imposed on an actual photo of the property from the stop line at the Boulevard and Route 46. The rendering shows the actual trees on the front of the site. John Lester asked if they could do the same photo rendering from the other sides of the building.

The Board could not see the standby generators and other equipment located on the roof because of the parapets at the top of the building. The new tower is setback the required 50 ft. from the property line but the old building is 45 ft. at the columns. Tom Dagger asked about fire access on east side of the building. This will be covered later in their presentation.

The Chair asked if there were any questions for Mr. Carrozza. Robert Dewing, of 33 Arden Road, asked how Mr. Carrozza felt about adding such a tall building along Route 46 when all the hotels in the area were all below grade. And how did he feel about architecturally introducing something not in keeping with Mountain Lakes. Stephen Carrozza thought when it was done it would be congenial for the site and in keeping with the building that is there today.

Due to the late hour the application was carried to September 25, 2014. The applicant agreed to grant an extension of time until October 23, 2014.

Committee Reports – There were no reports for this evening.

Public Comments – No one from the public wished to comment on other matters.

Jim Bailey adjourned the meeting at 10:43 PM.

Respectfully submitted,

Cynthia Shaw, Secretary