

Readington Township

Referendum on Bond Ordinance

May 16, 2006

More Frequently Asked Questions

This document is intended to help clarify points of fact concerning the referendum being held on May 16. It supplements an earlier “Frequently Asked Questions” distributed to Township residents in April.

Does Solberg Airport have a formal plan to expand into a jetport?

Yes. Over a number of years, Solberg Aviation has accomplished most of the steps necessary to expand its runways and grow into a jetport, including:

- Designation as a Reliever Airport by the Federal Aviation Administration;
- The filing of an Airport Master Plan with FAA and NJDOT;
- FAA and NJDOT approval of an Airport Layout Plan that details the expansion to accommodate jets;
- Inclusion of the plan in the National Plan of Integrated Airport Systems;
- Qualification for the Federal Airport Improvement Fund;

- Cooperation with NJDOT toward completion of an Environmental Assessment.

All that remains for the final approval of the expansion plan is the completion of the Environmental Assessment with a finding of “no significant impact” by the FAA.

What is the Township’s goal in pursuing further negotiations with Solberg Aviation?

The goal of the Readington Township Committee is to successfully negotiate an arrangement with Solberg Aviation that will:

- 1) preserve the open space around the existing airport,
- 2) restrict the proposed airport expansions into open space and sensitive areas, and
- 3) ensure continued ownership and management of Solberg Airport by its current owners.

Is the Township proposing to buy the airport?

No. Both the Township and Solberg Aviation agree that the airport should remain in private ownership. The Township's goal is to preserve open space and to acquire development rights on the airport—not to own or manage the airport itself.

Is the airport for sale?

Solberg Aviation has engaged in negotiations for the sale of this tract or the development rights on this tract with both the Township and the New Jersey Department of Transportation at various times since 2001. The Township wishes to resume negotiations, which were suspended in January of this year.

What is the purpose of this bond at this time?

If the Township is to ensure an acceptable alternative to airport expansion, Readington must reach an agreement with Solberg Aviation before the FAA and the NJDOT grant unconditional approval for the Solberg Airport Layout Plan. The bond would ensure the necessary funding to negotiate a purchase. Once NJDOT approval is final, the Township's ability to preserve open space and natural resources by restraining airport development diminishes considerably.

Can't Readington prevent expansion after NJDOT grants final approval of the Solbergs' expansion plans?

Municipalities wield far less authority over airport development than they do over ordinary commercial or residential tracts. State law limits municipal zoning authority over airports. Two recent New Jersey court decisions have upheld the supremacy of State priorities over local concerns.

Has NJDOT promised that it will respect Readington's wishes regarding a jetport?

NJDOT's policy is "to fully coordinate its work and projects with local authorities." However, NJDOT has never promised to restrict the growth of Solberg Airport.

NJDOT has funded a \$300,000 environmental study required for expansion, and the State Commissioner of Transportation has already conditionally approved the expansion pending completion of that study. Moreover, NJDOT's State Aviation System Plan articulates a need to relieve congestion at existing jetports in New Jersey.

Can Federal authorities supercede local interests?

The Airport Layout Plan (ALP) on file with FAA shows a 4,890' runway. Once DEP's environmental review and other limited criteria are finalized, FAA can fund development of a 4,890' runway at Solberg without further municipal approval.

Additional background on the legal constraints on municipalities' control of airports is available at the Municipal Building and both Township libraries. Select resources are also available online at www.readingtontwp.org.

What is the Township's maximum financial liability under this bond?

\$22 million is a “not to exceed” number. No bonds would be issued unless the land surrounding the airport and development rights were acquired.

Is \$22 million a fair price for the development rights on the airport and surrounding land?

Legal restrictions prohibit municipalities from paying appreciably more than true value for property rights. During negotiations in 2004, the State of New Jersey determined that a fair market value for the airport and 750 acres of land did not exceed \$22 million.

The Township has chosen this number as a “not to exceed” number for a lesser interest—only 650 acres—and the airport *development rights* only.

Unlike the State's offer, the Township is proposing to leave the airport itself in the hands of Solberg Aviation, representing a lesser fair market value than the entirety of the property plus airport. Readington is in the process of obtaining current appraisals of the market value of the open space land and development rights under consideration.

Is open space funding available?

State funding is readily available through 2007. If Readington applies and is approved for funding this year or next, the money allocated to us will be set aside and remain available until the purchase and preservation are completed.

What would be the impact on my taxes?

The cost of the bond, after open space funding has been received, is estimated to be \$60/year for the average homeowner. An average home in Readington is assessed at \$400,000.

What would be the cost if no open space funding were received?

Without any state reimbursement, the cost for the average homeowner would be no more than \$165 per year. However, Readington ranks near the top of New Jersey municipalities in securing reimbursement for open land purchases. The Township Committee remains committed to pursuing all avenues for reimbursement as it has successfully done in the past.

Could this bond ordinance support an eminent domain action?

A negotiated purchase has been the only subject of all discussions between the Township and the Solbergs during the past year. However, so long as eminent domain remains a legally available option, bonding approved under this ordinance could be utilized.

By law, eminent domain must only be used if bona fide negotiations for voluntary acquisition fail. Such an action would require a separate ordinance approved by the Township Committee, subject like any ordinance to public notice and comment.

What open space funding does Readington anticipate?

Readington Township would seek to reserve funding from the State Green Acres Fund, the New Jersey Environmental Infrastructure Trust Fund, and the Hunterdon County Open Space Trust Fund. Regardless of how the Township acquires the open space lands, funding would be set aside at the time of approval and continue to be available until all legal considerations are resolved.

Can Readington afford to take on more debt?

Readington enjoys lower overall tax rates than more developed Townships like Raritan and Hillsborough,

as well as a double-A bond rating from Moody's. Readington's allowable debt ratio is 3.5%, while its present debt ratio is 1.61%. If all of the bonds authorized under the proposed ordinance are issued, this ratio will rise to 2.48%.

Readington has earned its high bond rating by consistently using debt in a fiscally responsible manner for land preservation. The Township employs long-term financing using low-interest or interest-only notes. In the past,

state preservation funds have covered an average of 75% of total costs—a strategy the Township Committee intends to pursue under the proposed ordinance as well.

The alternative to land preservation is land development. New residential, commercial, and airport expansions all create new infrastructure costs that can push property taxes higher. The proposed ordinance is in keeping with Readington's history of using land preservation to stabilize tax rates.



A complete copy of the Solberg Airport Master Plan—the most recent on file with the NJDOT and the FAA—is available at the Municipal Building and both branches of the Readington Public Library.

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