

EAST BRUNSWICK REDEVELOPMENT AGENCY MEETING
April 1, 2019 MINUTES

Court Room
1 Civic Center Drive
East Brunswick, NJ 08816

8:00 PM

1. Call to Order, Pledge of Allegiance, Moment of Silence, and Roll Call

Mirah Adah Becker-√
Jason Friedman- √
Michael Lachs-√
Allison Nagelberg- Absent
Councilman Stanley-√
Debbie Wynter- √
Chairman Wendell-√

Also present: Michael Hughes, Executive Director; Amy Denholtz Lewandowski, Agency Clerk; Walter Denson, Agency Counsel; Jim Kennedy, Redevelopment Consultant; Francis Reiner, Redevelopment Planner; Mayor Brad Cohen; Keith Kipp, Director of Planning & Engineering.

2. Statement of Notice of Publication, read by Chairman Wendell:

Adequate notice of this meeting has been provided as required pursuant to the "Senator Byron M. Baer Open Public Meetings Act," P.L.1975, chapter 231, specifying the time and date, location, and, to the extent known, the agenda. A copy of this notice has been: posted on the Municipal Building Public Notice Bulletin Board located in the main lobby, provided to the *Home News Tribune* and *Sentinel* newspapers, posted on the Township's website, and filed with the Executive Director of the Redevelopment Agency, in accordance with the law.

3. Presentation

a. River Development Equities, Warren Waters and Chris Smith

Commissioner Lachs asked about which team members handle PR.

Mr. Waters responded they he will handle it; it will be measured, as he will determine what needs to be said or not said. Mr. Waters said he would be quoted very little in the press, by design. He has two policies: don't lie and don't lie for anyone, and he may say "I don't know" or "I don't know yet."

Mr. Waters and Mr. Smith stated that one of the most important aspects of the project is connectivity. The first building would be residential plus sports/medicine and be interactive and high-tech. Also in the first phase would be the hotel with alternating floors of rooms and tech space for pharmaceutical or software companies, and the hotel would be connected to the transit center and sky bridge. This first phase and initial conversation is not just bread and butter; there's a little bit of risk but it's a place people want to be. This is

designed for the next generation, people in their 20s and 30s who will occupy, stay, and utilize the space. A smart tenant mix is important; this includes a mix of bars, restaurants, and entertainment. People want to be here, stay, and interact. There will be lots of features on the ground, like a hockey rink, dog park, and water feature. The space is community-oriented and open to the public with public programming, an amphitheater, and pedestrian interaction. The plans can be tweaked too.

Chairman Wendell stated that River Development Equities also prepared an alternate plan based on traffic discussions.

Mr. Waters confirmed the River Development Equities traffic planner knows Route 18 is a top 5 problem in New Jersey, and buses need to move in and out easily, turn left onto Route 18, and convenience is necessary for those who live there.

Michael Bruno, River Development Equities redevelopment counsel (Giordano Halleran & Ciesla), described his experience with River, Mr. Waters, and other New Jersey municipalities. Mr. Bruno stated that a 90-day redeveloper agreement window is not realistic but he is committed and realistic about a reasonable extension.

Jim Candranell and Gavin Weaver, Holiday Fenoglio Fowler (HFF), is known for financing big projects and will have even more resources under JLL. HFF has about \$100 billion in transactions each year. The average deal is \$38 million for work on sophisticated projects.

Chairman Wendell inquired about whether HFF can find joint venture partners and broker relationships. Mr. Candranell responded that yes, it brings in equity partners. There's money to go around for good deals and people are looking for projects like this: large scale with cooperation between the municipality and redeveloper. This is an ambitious project, even with recommending more mid-rise buildings while keeping the aesthetics.

Chairman Wendell commented that it's lower density and the project proposal changed the construction to be more affordable. Mr. Candranell iterated it's high quality stick construction.

Mr. Waters provided that there could be an increased unit count depending on the feel where the market is; River would like more density but needs to finance the project and appreciates the opportunity to increase the number of units in a later phase. HFF agreed to look at this project as 3-4 phases and determine the absorption rate.

Mr. Smith provided that the initial proposal was for 1200 units but HFF came back at 805 units. The three phases are each financeable with a rate of return that's different for equity advisors at different levels for whatever phases, providing lots of options on equity and debt. River has the vision of the project with options. HFF agreed that if it works at 800 units it will work at 1200 units. Mr. Smith continued that it'll be a \$75 million, \$50 million, and \$110 million project because of the phases. Mr. Candranell confirmed that the project attracts high quality institutional investors.

Commissioner Wynter inquired about the impact of an economic downturn. Mr. Candranell replied that because of the phasing, the project will be okay; it has good fundamentals, the project can slow a phase if need be.

Commissioner Lachs asked about basing the project on the success of the first phase. Mr. Waters responded that demand will be created with a great first phase. Chairman Wendell added that this project will follow millennials as Mayor Cohen said at the Town Hall Sunday, March 31st.

Stephen Carlidge, Shore Point Architecture, is experienced with mixed-use projects. The project proposal was adjusted to HFF's recommendation for mid-rise, proposing podiums with residential above, concrete with light gauge framing and steel, and establishing taller buildings if poured in place concrete. Tom Bauer, Melillo + Bauer Associates (landscape architecture), identified the goal of making the project spectacular, creating a place that is memorable, like Pier Village for example. Mr. Bauer has completed projects in urban areas. This project is exciting because of the streetscapes, urban plazas, public spaces, rooftop developments, and Melillo + Bauer is one of the top US rooftop green developers. Mr. Bauer continued that circulation is important – how to get in, circulate, deliver, etc. – which must all work well. Considerations include pedestrian circulation, expanded public open space, respecting what's constructed and who are the neighbors, the arrival space – passive, active, or a combination, parking concept where very little is visible because most is housed within a structure that's wrapped, and green roofs, amenities, courts, lawns, and looking down at parks.

Commissioner Lachs asked about parking. Mr. Bauer replied that the parking concept proposed is a touch of urban because of the higher density and parking required. Commissioner Lachs expressed concern about the failures in Livingston failing and making sure this project is different. Mr. Waters stated the project has urban elements and Livingston didn't have transit access and was ill-advised. This project is on the edge and is the smart thing to do. Mr. Bauer added that he is certain this is the right place to do it.

Commissioner Friedman inquired about where Melillo + Bauer does work and what differentiates this project. Mr. Bauer responded that 95% is in New Jersey. This project's scale is like multiple city blocks. Mr. Carlidge added that the 30 feet elevation difference is a feature to the project; for example, the waterfall into the pond is a change that can be played up. Mr. Bauer continued that the grade change can lend to good design, like entering and exiting a parking facility. Commissioner Becker noted that the project can be successful under this plan; however, she expressed concern for the portion that can't be developed and how it impacts the remainder of the site. Mr. Bauer expressed his confidence in the plan. Mr. Waters noted that the sophisticated nature of the project and the money excites an investor. He continued that River is taking a risk but thinks that there is a return for the municipality since this project is out of the box and very cool. It will be successful if it appeals to the younger market and investors know that. Mr. Bauer noted the puzzle pieces are in the right spot.

Commissioner Lachs identified the need for a critical mass of retail. Mr. Bauer confirmed that will be along the streetscape. Commissioner Lachs emphasized it must be inviting for neighboring properties to feed into; this project will raise the value of Crosspointe, Lake Estates, and Taylor Gardens properties, especially with walkways and bike paths. Mr. Bauer reiterated the importance of connectivity.

Commissioner Lachs mentioned tennis will get all the sports to fill up. Mr. Waters responded that he is very familiar with tennis places, due to his work in Rumson. He proposed updating the current tennis site to be a 4-story sports facility, which keeps tennis, adds a pool at the ground level and increases sports offerings. If he can broker a deal with the owner, the facility could brand for college and the building could be renovated to be consistent with the redevelopment area. Brokering for a multi-sport facility will make it successful. Commissioner Lachs commented that there are not enough places in central New Jersey for large tournaments. Mr. Waters proposed creating a multi-sport facility if possible.

Chairman Wendell opened the meeting to public comments on the presentation. Councilwoman Sullivan asked about the phases and what happens if phases one and two are completed but the project can't be finished. Mr. Waters replied that if there is a phase one and two, then it will be successful enough for phase three. If phase one starts with infrastructure, then logically leasing and build out will follow. River is being conservative about not putting too many units on the market at once and doing it in sequence, from one side of the property to the other. Mr. Waters noted that he will provide more specific timelines in the future.

Commissioner Wynter noted the jug handle is critical. Mr. Waters agreed it is mission-critical and has been discussed with the expert traffic engineer in New Jersey. His concerns are about making the case to the NJ Department of Transportation (DOT). Mr. Waters continued that Trenton will listen to important municipal projects, this is a classic redevelopment project and the jug handle is a critical component. Mr. Waters offered that he knows River can't do this alone, and this is jointly with the municipality as a valid part of the project. Mr. Waters professed that this is the type of project the state wants to do, and the state knows this jug handle is a nightmare.

Commissioner Lachs asked about the demolition phasing. Mr. Waters noted River is not there yet, since it depends on the infrastructure design.

Thomas Joseph, Hanscomb Consulting, asked about sustainable initiatives like geothermal or solar energy. Mr. Waters explained the company's ethos relies on their 14-point sustainability initiative. The project will use LEDs, solar where possible, and reuse rainwater; all their designs are sensitive to this.

Commissioner Friedman asked about women and minority –owned businesses and hiring local. Mr. Waters emphasized the professional nature of everything and using consultants who will find women and minority –owned businesses, local labor, and how these components make it a stronger project. People are

more invested in it. Mr. Waters offered that he will share who the consultant will be.

Commissioner Wynter asked about the timeline moving forward. Mr. Waters replied that at the next meeting he will respond with more detail and provide a 48-month timeline. Chairman Wendell stated this will be at the start of the executed agreement.

4. Reports

- a. Executive Director – N/A
- b. Clerk – N/A
- c. Attorney – N/A
- d. Planner – N/A
- e. Chairman – N/A

5. Public Comments – None received following the reports.

6. Agenda

- A. Approve the minutes from the Redevelopment Agency Meeting on March 18, 2019.

Motion to approve by Commissioner Lachs; second by Commissioner Becker

Mirah Adah Becker-√

Jason Friedman-√

Michael Lachs-√

Allison Nagelberg-Absent

Councilman Stanley-√

Debbie Wynter-√

Chairman Wendell-√

- B. HELD - Approve the Bill List (approval of bills owed by the Agency to various individuals, companies, and accounts).

7. For the Good of the Cause

8. Adjournment

Motion to adjourn by Commissioner Lachs; second by Commissioner Friedman

Voice vote- all in favor, none opposed

Adjourned at 9:25PM