

SOUTH AMBOY REDEVELOPMENT AGENCY

MINUTES OF THE MARCH 6, 2014 MEETING

Public Session

Vice Chairman Benjamin Block called the meeting to order and led the Agency Commissioners, professionals and attending public in the Salute to the Flag. Vice Chairman Block certified that this meeting had been advertised as prescribed by law.

ROLL CALL: Benjamin Block, Councilwoman Zusetta Dato, John F. O'Connell, Camille Tooker

Also in attendance: Eric Chubenko, Executive Director
Craig J. Coughlin, Esq.
Mayor Fred Henry

John O'Connell made a Motion to approve the January 8, 2014 Agency Meeting Minutes (*Agenda Item No. 12.C.*).

The Motion was seconded by Councilwoman Dato.

ROLL CALL: Block – yes; Dato – yes; O'Connell – yes; Tooker – abstain

Councilwoman Dato made a Motion to approve the February 6, 2014 Agency Meeting Minutes (*Agency Item No. 12.D.*).

Camille Tooker seconded the Motion.

ROLL CALL: Block – yes; Dato – yes; O'Connell – abstain; Tooker – yes

A Motion to adopt the Resolution Certifying the 2014 FY Agency Audit (*Agenda Item No. 12.A.*) was made by John O'Connell.

Councilwoman Dato seconded the Motion.

ROLL CALL: Block – yes; Dato – yes; O'Connell – yes; Tooker – yes

A Motion to approve the bill list for this meeting (*Item no. 7.B.1. contained in the Agenda annexed hereto*) was made by John O'Connell.

Camille Tooker seconded the Motion.

ROLL CALL: Block – yes; Dato – yes; O'Connell – yes; Tooker – yes

Stephen A. Santola, Executive Vice President and General Counsel for Woodmont Properties, distributed copies of a booklet prepared by Woodmont entitled "South Amboy Transit Village" which included various Woodmont redevelopment projects, the approved 2012 townhome site plan for South Amboy, the proposed site plan for the South Amboy Transit Village, architectural renderings of the 2012 approved townhomes, architectural renderings of the proposed luxury rental apartment, home specifications, proposed rental home floor plans, listing of advantages of proposed transit village and demographics concerning who resides in luxury apartments.

Mr. Santola provided the following information in conjunction with the Woodmont presentation:

- A brief history concerning the remediation already conducted on the site, including the fact that Woodmont “has probably about five million dollars in the ground out there right now.”
- Original approval was for 126 townhomes however, when Woodmont included the healthcare facility, the project was reduced to 86 townhomes to provide space for the healthcare building. The current proposal now consists of returning to 126 units (rental) in a transit village style (i.e., no three bedroom units – all will be two bedroom units or, in some cases, one bedroom units due to the need for office leasing space).
- The site plan originally approved in 2012 is essentially the same as the new proposal. Mr. Santola stated “You will see that those line up identically.”
- Woodmont is willing to discuss what the architectural elevations should look like and Woodmont is excited to “do something really nice here.”
- Luxury units include nine (9) foot ceilings, granite countertops, stainless appliances, walk-in closets, stall showers, direct garage access and all Woodmont projects are pet friendly. There will be a dog run on the site and clean up stations.
- Every unit consists of an upstairs and downstairs.
- It is Woodmont’s belief that “probably half” of the residents will commute to the City or somewhere by train, but some will want to drive to the ferry and some will simply drive to work.
- Woodmont is “definitely” marketing to the transit oriented person and not marketing to families – there will be no three-bedroom units, no playgrounds and no onsite swimming pool.
- There will be a leasing center and during the day there will be three Woodmont Management employees in the community and one employee who will live onsite.
- The project will “incubate the area with younger folks” who will possibly want to buy property in South Amboy or the surrounding communities.
- Based upon past projects and the fact that the project consists of two bedroom units, Woodmont feels that the transit village will average one student (i.e., school age child) per every fifteen (15) units.

- The design calls for two stories in the front (i.e., view from the street) and three stories in the rear. The design will “seem like a typical home in South Amboy.”
- Woodmont “. . . will market to, and have many, younger folks. The type of folks who don’t cook and don’t do a lot for themselves . . .” Residents of the transit village will be taking advantage of the downtown area.
- The average rent at the outset [per unit] will be about \$1,850.00 to \$1,900.00 with rent growth anywhere between 2% and 3% per year.
- Projection calls for a one-year build out.
- Woodmont Construction is the general contractor for all projects and Woodmont Management handles the managing of all properties with a “24/7 maintenance person”.
- No determination has been made to date concerning an actual sales model or the use of a unit belonging to a resident (i.e., someone who will receive a rebate on rent in exchange for the use of their unit).
- The units are updated periodically (e.g., painting, etc.) and Woodmont has a full time decorator who travels to all of the Woodmont communities and makes recommendations.

Benjamin Block asked if the rent is inclusive or exclusive of utilities and Stephen Santola stated that the rent is “exclusive of utilities” - containing separate meters for each unit with a community-wide cable provider that tenants may take advantage of and the rate would be included in the lease agreement.

Councilwoman Dato inquired as to what happens if Woodmont can’t get the rental rate that they [Woodmont] are looking for and/or doesn’t get the reaction that Woodmont is expecting. Mr. Santola said that “first of all they [Woodmont] will hold out for awhile” because if Woodmont “starts to rent at \$1,650.00 then that becomes the market and it becomes a little harder.” What Woodmont typically does, Stephen Santola explained, is that they [Woodmont] will make concessions (e.g., offer \$250.00 to cover moving expenses and/or offer a free month of rent with a thirteen (13) month lease). Alternatively, as an incentive, Mr. Santola explained that they could have a fifty-five inch television mounted on the wall already plugged in, give it to the tenant and the tenant can keep it when they move out “. . . because it is cheaper than a months rent.” Stephen Santola also mentioned giving away a free bicycle upon the signing of a lease agreement.

Stephen Santola explained that “This is not a killer return” for Woodmont and that “This is a long-term investment where the first few years we’ll [Woodmont] recapture some of our [Woodmont] investment and then over time we’ll [Woodmont] will make some money.”

Benjamin Block, along with Councilwoman Dato, asked if Woodmont feels confident about the lending for this project and Mr. Santola said that he [Santola] could provide letters from investors and banks.

Stephen Santola thanked the Agency Commissioners and professionals for their time and interest in the project and departed the meeting.

Eric Chubenko stated that feedback from the Planning Board is essential prior to moving forward with the project and added that Woodmont is one of the few developers who have actually done what they [Woodmont] said they would do. Mr. Chubenko said that an informal meeting with the Planning Board would be advantageous at this point.

John O’Connell explained that he [O’Connell] is concerned about the unit count and/or density and would like to have the opportunity to review the Redevelopment Plan prior to making a decision concerning the project.

Eric Chubenko stated that another meeting has taken place with regard to the O’Neill Group project and he [Chubenko] was advised that O’Neill has made a two million dollar deposit on the Amboy Aggregate contract and it must close no later than December 31, 2014. Camille Tooker stated for the record that, just because a discussion has taken place concerning the O’Neill Group, “We still don’t trust them.”

Please note that the Agency took a brief recess at this point of the meeting.

Vice Chairman Block read the Executive [closed] Session Resolution aloud and advised that the Agency would remain in Executive [closed] Session for approximately fifteen (15) minutes for the purpose of discussing potential and pending litigation matters.

A Motion to enter into Executive [closed] Session was made by John O’Connell. Camille Tooker seconded the Motion.

Voice Vote taken: all in favor

Executive [closed] Session

Return to Open [public] Session

Vice Chairman Block requested comments/questions from the public and, with no public in attendance, closed the public portion of the meeting. With no questions/comments from Commissioners, Vice Chairman Block requested a Motion to adjourn this meeting.

A Motion to adjourn this meeting was made by Camille Tooker.
Councilwoman Dato seconded the Motion.

Voice Vote taken: all in favor

Meeting adjourned

Submitted by:

MADELINE B. PIRRO