

**METUCHEN PARKING AUTHORITY**  
**DECEMBER 18, 2012 MINUTES**

**PRESENT:**

Commissioners: Len Roseman, Rick Dyas, John DeFoe, Anthony Campisi and Sean Massey  
Borough Council Liaison: Mr. Muldoon  
Chamber Liaison:  
Legal Counsel: James Graziano, Esq.  
Executive Director: Thomas Crownover

The usual order of business was suspended to acknowledge Tim Kelly of 64 Pleasant Place attending as an observer.

Joe Miciak residing on Amboy Avenue spoke about development that he has planned. He asked for 1.5 parking spaces for each of 17 residential units to be built on Center Street totaling 25 spaces. No onsite parking will be provided. Mr. Constantine advised Mr. Miciak to seek spaces from the Authority.

Mr. Roseman noted that any Metuchen resident would have priority in securing a parking permit. Mr. Miciak described his plans. There would be no commercial space and only residential one and two bedroom rentals in this development. Occupancy could occur as early as November 2013. Mr. DeFoe noted that A&P parking is leased month to month and could end abruptly. The deck was seen by Mr. Roseman as the likely place for his tenants parking.

**MINUTES:**

The minutes of the November 20, 2012 meeting were moved for approval by Mr. Dyas seconded by Mr. Campisi and approved unanimously.

**BILLS:**

The Bill list moved for approval by Mr. Dyas which was seconded by Mr. Campisi and approved unanimously. Mr. Dyas asked if the health care was still being billed by the borough at a higher rate. It was noted that the American Legion lease payment was for 2013, the last year of the lease agreement.

**CORRESPONDENCE**

Ms. Babineau asked for increase cap for billing which will be taken up in New Business.

The Municipal Joint Insurance Fund documents reflect an increase in deductibles. This was presented for Mr. Muldoon's benefit and borough council review. Mr. Graziano suggested that that FEMA payments may be encouraging insurers to increase deductibles.

The fireworks recreation department request will be moved under New Business. Mr. Graziano asked for the borough's certificate of insurance.

DCA's approval of our budget was received. Zoning on Hillside to reduce a requirement of 33 spaces to 22 spaces was discussed. Mr. Muldoon questioned if we know where new residents actually park. The history of developer space lump sum payments was discussed by Mr. DeFoe and Mr. Dyas. Mr. Muldoon questioned the management of parking resources. Mr. DeFoe said it was a planning board decision to allow development requiring parking spaces.

### **FINANCIAL REPORT:**

Mr. Roseman observed that the weather impacted our income. Mr. DeFoe questioned Memorial Parkway revenue. Mr. Crownover advised that we continue to maintain the Memorial Stickers even while parking in Pearl. Mr. Roseman anticipates a \$10,000 surplus. Mr. Crownover noted that the Balance Sheet of Deposits show 2012 revenue in excess of budget.

**November Income: \$86,099.37; year to date Income: \$1,145,145.90.**

### **EXECUTIVE DIRECTOR'S REPORT:**

Chronic lighting issues in Pearl due to the age of fixtures were noted. The Halsey lighting problem has been resolved. Mr. Campisi asked if PSE&G could help. Mr. Crownover advised that they were limited to hanging lighting from existing telephone poles. Mr. Graziano asked if they might provide a grant for more efficient lighting. Mr. Roseman anticipated that our engineer should get involved to formulate a bid.

### **OLD BUSINESS:**

The Memorandum of Understanding for the development of Pearl Street was discussed. Mr. Graziano stated that an open session vote on whether to approve the Memorandum was required but that the terms should be discussed in closed session. Discussion of the process would be done in open session while business terms would be in closed session. Mr. Roseman invited comments from the commissioners on process. Mr. Massey asked for a summary of the memorandum.

Mr. Graziano advised that Nexus would build a 750 space deck utilizing a ground lease. Developer would have 60 days to determine if title was insurable. A six month period for environmental review is provided. If no environmental problems, Woodmont would have 12 months to acquire planning board approval, then 14 months to build the public space and the apartments. Mr. Roseman said that no investment was to be made by the Borough. The \$750,000 DOT grant needs contact with Trenton to determine details.

Mr. Massey said that the MOU over commits the Authority at this point and that a site plan was needed. Approval of the MOU was premature without identifying the project team, what the deliverables are and other concerns. Mr. Dyas responded that it would cost hundreds of thousands to create a site plan. Selling versus leasing and due diligence were questioned by Mr.

Masscy. Mr. Massey stated that the financial structure of the deal should arise out of the site plan. Mr. Roseman replied that the Parking Authority has a limited role – to identify a developer and that the planning board will determine the details. Mr. Graziano noted the series of public meetings which had occurred. Mr. Campisi reminded the commissioners of the parking study done by Haahs. Mr. Muldoon felt that a lack of an overall parking plan was not resolved by that study and that a management plan for parking resources was essential. Mr. DeFoe reviewed the conclusions of the Haahs study, including the 10 year out need for 800 additional spaces.

Mr. Roseman stated that 400 spaces in the deck would provide resident parking. The Authority has worked for 18 months with some of the most qualified experts in New Jersey to create this MOU.

Mr. Dyas moved for closed session. Attendees were asked to exit. While leaving, Tom Rockafeller said that the development was a great thing and that he favored a parking plan. Tim Kelly, 64 Pleasant Place, asked about a referendum on the development. Mr. Graziano said that public hearings will occur at the Borough Council and planning board. Mr. Kelly asked if the Borough Council initiated the development of Pearl. Mr. Muldoon indicated that it had by changing the zoning of the area. The idea of redevelopment for this property had been considered for 40 years but was never accomplished. Mr. Dyas said he had served on planning and zoning in addition to council and expected that a thorough review would be done. Mr. Kelly confessed to a lack of knowledge about the development and it was suggested that he keep an open mind until public hearings occur.

Mr. Roseman noted Mr. Constantine's public meetings which arrived at a resident consensus that replacing the ugly blacktop of Pearl Lot with attractive, tax ratables was desirable. Another attendee, a civil engineer, said that a tear down of the deck after 40 years could be anticipated with a fund to rebuild it.

### **NEW BUSINESS:**

Mr. DeFoe moved resolution 2012-31 concerning the execution of a Memorandum of Understanding for development of the Pearl Street parking lot. Mr. Dyas seconded and a roll call vote ensued.

Mr. Roseman voted aye to approve resolution 2012-31; Mr. Defoe voted aye; Mr. Massey voted no; Mr. Dyas voted aye; Mr. Campisi voted aye which approved the resolution.

Mr. Massey moved that a parking management plan be acquired, was seconded by Mr. DeFoe and approved unanimously.

A motion to increase the Wilentz billing cap for 2012 to \$25,000 was moved by Mr. DeFoe, seconded by Mr. Dyas and approved unanimously.

Mr. Dyas moved to approve the fireworks use of Pearl by the Borough, was seconded by Mr. DeFoe and approved unanimously.

**REPORT OF COUNCIL LIASION**

**ADJOURNMENT:**

Mr. Dyas moved to adjourn, seconded by Mr. Massey and approved unanimously at 10:36 P.M.  
The next meeting of the Authority is scheduled for January 21, 2013.

Respectfully submitted,

A handwritten signature in cursive script, reading "Thomas J. Cournoyer". The signature is written in black ink and is positioned below the text "Respectfully submitted,".

# PEARL STREET PROJECT DELIVERY PLAN

Sean Massey, December 18, 2012

## Three Phases

1. Selection Phase - Who will we partner with to develop a Project? What's the process?
2. Project Planning Phase - What will we build? How will we build it?
3. Execution Phase - What are the business terms?

## SELECTION PHASE

- Preferred Developer (Woodmont/Nexus) identified by Parking Authority (PA) (COMPLETE)
- Memorandum of Understanding (MOU) between PA and Preferred Developer
  - o Details process & responsibilities for development of a Project Development Plan (Site Plan): "Who's involved, and what are the deliverables for each party (Public and Private)?"
  - o Identifies steps, milestones and conditions for further agreement in support of the Project.
  - o Once MOU executed, the PA formally ratifies the Preferred Developer as its Selected Developer to proceed with Project Planning and development of a Project Development Plan.

### Why is the MOU important?

The MOU provides an opportunity at the outset of the project delivery life cycle to clearly detail steps that will be taken to deliver the ultimate project. It identifies the Project Team (Public and Private); highlights Project objectives and design standards; identifies roles and responsibilities for development and approval of a Project Development Plan (Site Plan); and, outlines the necessary steps, agreements, and milestones for implementation of a successful project. It is not intended to memorialize site plan details, nor commit the PA to business terms; it is strictly a statement of mutual understanding that the PA and Woodmont/Nexus will collaborate in the creation of a Project Development Plan, and, if successful, further agree to a framework of additional steps, milestones and agreements necessary to deliver a project.

## PROJECT PLANNING PHASE

### PROJECT DEVELOPMENT PLAN (SITE PLAN): What will we build?

- Selected Developer and PA collaborate to engage stakeholders in development of a Project Development Plan as set forth in the MOU. Effort includes outreach with officials and stakeholders, including the Planning and Zoning Boards, and Developer organized workshops and outreach sessions, all aimed at developing an acceptable Project Development Plan.
- With respect to the proposed Parking Deck, the Planning Phase allows for the PA to develop and approve a Parking Management Plan (PMP) for the Borough, and collaborate with the Developer to appropriately size the new parking facility for integration into the overall parking system.

### PROJECT COORDINATION AGREEMENT: How will we build it?

- Once consensus is achieved for the Project Development Plan, the PA and Selected Developer will agree on how best to build the project. Considerations will include interim parking plans and maintenance of traffic during construction; timing and compensation for lost uses/shared facilities; a development schedule and phasing plan; easements and property rights; and, financing plans for the project.
- Once the Project Development Plan and Project Coordination Agreement are agreed to by the parties, they will be formally approved by the Parking Authority and Planning Board. Separate Zoning Board approval for certain elements of the Development Plan will be obtained, as needed.

### **Why is the Project Planning Phase Important?**

This is when the Parties and Project Stakeholders collaborate to determine what will be built on the site, including uses, building forms/sizes, public spaces, possible tenants, and how the project will relate to and integrate with the surrounding streets and transportation network. It's an opportunity to explore possible environmental standards (e.g. LEED certification) in collaboration with the developer, and really shape the overall nature of the final project.

The PMP plays a critical role in developing parking management plans for both this project and throughout the downtown district, and guards against building a Pearl Street deck in a vacuum, without accounting for existing parking inventory and other economic development initiatives likely in the near-term. It will further detail pricing plans, and goals for shared parking, car-sharing, bike parking and storage in connection with the project and in the downtown district. As part of Project Planning, the PMP will help meet an important rule of Transit Oriented Development: "Get the Parking Right!"

Once the "what will be built?" question is addressed in the Project Development Plan, the Project Coordination Agreement plays an important role in detailing how the parties will build it, both in terms of the project's financials, phasing and scheduling, as well as how impacted parking and transportation systems will function during construction.

## **EXECUTION PHASE**

### **JOINT DEVELOPMENT AGREEMENT – What are the business terms of the project?**

- Once the Project Development Plan and Project Coordination Agreement have been approved by the PA and Planning Board, the Joint Development Agreement sets out the business terms of the deal and, upon execution and approval, transfers development rights to the Selected Developer. It will reflect PA due diligence and final determinations regarding the sale or lease of its property to affect the project, and include the approved Project Development Plan and Project Coordination Agreement; business terms of the Sale/Lease; a Management Plan detailing management and maintenance of the project once constructed; and, identify procedures for addressing market changes.
- The Parking Authority, Planning Board and Council will approve the Joint Development Agreement, at which point development rights will be transferred to the Selected Developer.
- Upon execution of the Joint Development Agreement, parties will execute the appropriate lease or sale of parcels per the Joint Development Agreement, and proceed with Construction consistent with the terms of the Project Coordination Agreement.
- Construction phases are completed, and project elements are activated for use.

### **Why is the Joint Development Agreement important?**

Once parties have successfully developed an acceptable plan for the property and means to implement the plan, the Joint Development Agreement details the business terms of its implementation. Whether cash up front, a long-term lease or leases, shared costs, or some combination of structuring options, the Joint Development Agreement lays out the terms of the deal, as well as memorializes obligations related to long-term management and maintenance of the project.

In conjunction with Project Planning for the project, the PA will have to perform due diligence with respect to how best to structure any deal for delivery and operation of the parking deck and proposed residential and retail. There are risks and pros/cons associated with the multitude of structuring options, and the PA will have to work through those options to arrive at a preferred approach for the Borough.

In the event that market conditions, or other factors, cause changes or delays in connection with the project, the Joint Development Agreement sets forth steps for dealing with those unforeseen conditions, and protects the long-term interests of the Borough.