

REGULAR MEETING

CITY COUNCIL

AUGUST 28, 2012

7:30 PM

The Regular Meeting of the Long Branch City Council was held on Tuesday, August 28, 2012 at 7:30 p.m. in the Municipal Building, 344 Broadway, Long Branch, New Jersey.

Present: Kathleen Billings, Council President; Joy Bastelli, Council Vice-President; Dr. Mary Jane Celli, Councilwoman (via telephone communication); John Pallone, Councilman; Michael Sirianni, Councilman

Others Present: Mayor Adam Schneider; Howard Woolley, Business Administrator; James G. Aaron, City Attorney; Ronald Mehlhorn, Finance Director; Kathy L. Schmelz, City Clerk

The Pledge of Allegiance was recited and certification was read into the record.

PRESENTATIONS:

Pier Village III – Kevin McManimon, Mike Handly and Eric Rothman

Pier Village Phase III will be done in two phases, and cover the area between Morris Avenue and Melrose Terrace, east of Ocean Boulevard. Phase IIIA includes 60 condos, a 68 room hotel, about 28,000 square feet of retail space, 42' diameter carousel, boardwalk improvements including a new comfort station, a kids play area and a stage. Preliminary work is expected to start this year. Phase IIIB will consist of 240 more condominium units, another 21,000 square feet of retail space, 600 valet parking spaces, 286 parking space parking garage and acquiring land on the other side of the Boulevard for additional public parking. The redeveloper for the area said that they had a funding gap of \$19.95 million on the \$170 million project. To ensure that it is paid back, the city is taking certain steps. None of the bonds will be issued until the developer has gotten the private loans it also needs so that it is financially committed to the project. Only \$7 million of RAB's will be issued for phase IIIA which is where the majority of the public improvements are. The City will not be giving the majority of the money until after it has received most of the benefits. In the event of nonpayment, the city will be able to place a lien on the property, just as it would with non-payment of property taxes. According to the city's analysis, the amount of collected through PILOT's, hotel taxes, and parking revenue and other expenses will significantly exceed the added costs to the city for services such as police and public works. When IIIB is completed there is an estimated annual net benefit of \$315,000 a year to the city's coffers. The City is demanding that the parent company of the redeveloper, Ironstate Holdings LLC provide a written guarantee to the City in the event that the redeveloper itself fails to pay any of the obligations that are set forth in the project related agreement, any payments due to the City, the City can look to Ironstate Holding LLC and demand that they make those payments. All of these things put together will help minimize the risk to the City that the City bears by making this financial commitment to the project. The steps that the City is taking is going to reduce the risk of making debt service payments to the City. The tax burden should not be increased by this financial undertaking by the City. A copy of the presentation is attached hereto and made part of these minutes.

READING AND APPROVAL OF PREVIOUS MINUTES:

August 14, 2012 – Motion by Councilman Pallone seconded by Councilman Sirianni to approve the minutes of August 14, 2012 was carried out upon the following roll call vote: Ayes 4 – Absent 1 Celli

CONSIDERATION OF ORDINANCES **PUBLIC HEARING AND FINAL CONSIDERATION**

#15-12 BOND ORDINANCE PROVIDING FOR VARIOUS CAPITAL IMPROVEMENTS IN AND BY THE CITY OF LONG BRANCH, IN THE COUNTY OF MONMOUTH, NEW JERSEY, APPROPRIATING \$24,900,000 THEREFOR, AUTHORIZING THE ISSUANCE OF \$24,900,000 BONDS OR NOTES OF THE CITY FOR FINANCING THE COST THEREOF, DIRECTING THE

SPECIAL ASSESSMENT OF A PART OF THE COST THEREOF AND AUTHORIZING THE EXECUTION OF ONE OR MORE SPECIAL ASSESSMENT AGREEMENTS IN CONNECTION THEREWITH (Introduced: August 14, 2012)

A motion was made by Councilman Pallone, seconded by Councilman Sirianni to open the public hearing on this ordinance.

Robert Krebs – 176 Ocean Avenue

Happy to see Phase III being done. Fully support the project.

Donald Riley – 170 Atlantic Avenue

Asked about the financing. Kevin McManimon explained the debt service and revenue.

Gloria Janucci - Chelsea Avenue

In favor of the development. Spoke regarding flooding issues.

(Name inaudible) 102 Villa Drive

Asked what the URE was? Mayor responded explaining about the parent company would guarantee the payments. Kevin McManimon further explained who is obligated to pay.

Bob Puhak – 269 Second Avenue

Happy to see progress being made and the amount of amenities for the community. Asked about the financing and the value of amenities. The City responded that about \$14,000,000 will be publically owned in public improvements.

Michelle Bobrow – 295 Ocean Boulevard

Asked Mr. Mehlhorn how much debt the City has. Mr. Mehlhorn stated that including this it will be \$73,900,000. Asked what the bond rating was and will it change. Mr. Mehlhorn stated AA2 rating and what it will be is not known. Concerned about debt increase.

Adam Schneider – Ocean Avenue

Spoke regarding parking. Wished the City luck and feels that this is a good project.

Alethea Riley – 170 Atlantic Avenue

Spoke regarding the bond and asked if it will cover both PVIIIA and PVIIB? The Mayor stated, yes.

Carmella Morocco – 125 Morris Avenue

Thrilled about this project. Spoke about the additional parking.

Vincent Lapore – 80 North Broadway

Spoke regarding the project and the financing of the project. Asked Council to vote no.

Diana Multare – 21 North Bath Avenue

Spoke regarding the lack of access to this presentation. The public should have been more involved. Council explained that it has been before the Council before including presentations and it has been presented before the Planning Board.

Donna Peterson – Rockwell Avenue

Spoke regarding the taxes and what is going to be for public use.

Harold Cooper – 113 South 7th Avenue

Asked Mr. Mehlhorn what the debt was. Mr. Mehlhorn responded. Asked the presenters when we will be receiving financial payback on the bond. Kevin McManimon stated that the annual services charges will be due when the project is complete.

Lori Ann Vendetti – 33, 38 Ocean Terrace

Stated that people's homes were taken for this project. Asked why the developer doesn't have the extra money to fund this themselves. Went on to speak about the individually owned condominiums and asked about taxes on them.

Gerry Scarano – Ocean Boulevard

Spoke regarding the guarantee of 25% of residents working at PVIII.

After ample time was given and no one else responded, a motion by Councilman Sirianni to close the public hearing was seconded by Councilman Pallone.

A motion was made by Councilman Pallone seconded by Councilman Sirianni to adopt on third and final reading was carried out upon the following roll call vote:

Councilwoman Celli – As many of you do know that I had some hesitation about this project. I was very concerned about parking but the consultant came down, we reviewed that site and I am okay with it now. I realize it's a lot of money but I think this may start the economy in the City of Long Branch. It's a good project and with that I will go ahead.... Yes.

Councilman Pallone – I'd like to read a brief statement before I cast my vote. First of all I would like to thank everyone for attending this meeting tonight and regardless of about how you feel about the project, we appreciate you being here. I want to thank the consultants for their presentation, the Mayor, Administration and members of the Council for their vision and creative ideas and hard work during this process. I'd like to take a few moments to tell you about how I came about making my decision on this financing agreement. I know that some people think that PILOTS or abatements or whatever you want to call them should not be given to anyone. I understand that and I must admit that there were several times I was sitting on the fence myself but I see this project as an exciting opportunity and an investment in our City and its future. We spent months debating and hammering out the details of this agreement. For me, the first and most important was that this project would not in any way be an

additional tax burden on the residents of our City. All of the money for this project will be paid back in full with interest and with no out of pocket costs to the taxpayers. Second, the fiscal reality is that the public improvements that the City will receive from this project would most likely never be possible without this public / private partnership and the benefits and improvements are significant. There will be millions of dollars worth of public amenities including a much wider boardwalk, a large year round carousel, a children's play area, multipurpose stage, new restrooms, concession stands and much more. I do think this is important. Third, it's critical that this investment be safe and secure. Someone stated that the developer has the assets to build this project without any financial assistance. That's probably very true. But whether or not they would, I don't know. Also, remember that the developer, as the Mayor has pointed out, would not be obligated to provide all of the public benefits if they had built the project on their own. For me, the fact that the developer has considerable assets and a proven track record is very important. As the owner and developers as I mentioned in Pier Village I and II, no one has more to benefit from the success of this project. It's also important to note that this project is going to be completed in two phases. Most of the public improvements and benefits will be constructed in phase I and almost 2/3 of the bond money will not be released until phase I is completed. Finally for additional security as the consultants had mentioned, the City will have the first lien on all the land and improvements. I want to end my comments with a few final notes. Together the Mayor and Administration and the Council have been involved in every facet of this project making sure there is sufficient parking, insuring a family friendly atmosphere, insisting on high quality workmanship and putting in place the tools needed to finance, audit and monitor construction at every stage of this process. It's been a collaborative effort from day one. In closing, I'd like to ask you to think about what our oceanfront looked like 20 years ago and what it looks like now. In this tough economic environment creative ideas and problem solving is more important than ever for local governments. As I mentioned earlier, I see this project as an investment in our future. The creation of hundreds of jobs, more sources of revenue, a stronger tax base and a link to future Broadway development as I think you were referring to. It's an exciting opportunity and with that I vote.... Yes.

Councilman Sirianni – I support 100% with what Mr. Pallone has said. I don't want to go over it word for word but we need to make an investment in our City, we need to show that we love our City; we need to show that development is needed here. What we're getting out of this, the public area, the infrastructure as John said, we couldn't do that all by ourselves but the one thing that has gone on all these months is we as the redevelopment agency for the City of Long Branch has been part of the design. If you were here for the first design presentation and it went to the Planning Board, we didn't care for the way it looked. They took the program, brought it back and redesigned it to fit our needs so we have a lot to say in the development in what's going on. We need to show also people outside of Long Branch that Long Branch is alive, that Long Branch is growing and we need this growth and if you hear, we're in the political arena now, you know what's going on in Florida and what's going to happen in North Carolina or the Carolina's wherever the democrats are going, we need to make our own stance here in Long Branch and we worked very close with this team to ensure our money, to ensure that we are protected, to ensure, no one sat down with a blank check and started writing. There was a lot of conversation going on and I'm sorry, we couldn't bring it to you earlier but these were contract negotiations that are done behind closed doors in our Executive session, not privately, in our Executive sessions and that's how we handle our business... I vote yes, thank you.

Councilwoman Bastelli – This is an important project and I believe it's a good investment in our City and anytime we make a large investment, it is a risk and that was my point last meeting was that it wasn't just a risk but it was a calculated risk because we have worked hard to ask important questions. We have worked in closed session giving our point of view, what we believe the City elected us for and we worked hard. We didn't take this lightly. These decisions weren't made frivolously or lightly. I'm confident that this project will be a benefit for our entire City. I'm pleased to be a part of this project also. I look forward to its completion. I would like to stress a point made on page 12 of your presentation, we've discussed it already but the last point on page 12 says, neither the issuance of the bond nor the PILOT put any additional tax burden on the residents of the City. That was very important to me. I researched this with them and felt satisfied with the answers and satisfied that that was going to be a true thing. Again, I also look forward to that public portion, I think it's important. I wished they could have developed the entire boardwalk, that would have been a wonderful part of it but then we would have been, the project would have cost more money. We are trying to be as conservative and yet in this project also, and we worked hard on that but the public portion is going to be wonderful, we are going to enjoy it, it's going to be a positive change for our town and with that I also vote yes.

Council President Billings – When I originally heard about this project, the numbers, the 0's were floating around, it was very, kind of difficult for us to swallow. It's a lot of money, a lot of money but we sat down and through hours and hours of negotiations and hours and hours of reading and I can tell you, our last agenda was 310 pages, this agenda was 290 pages. We have crossed every T and dotted every I, we've asked questions upon questions to people and we do believe we are making the right decision for the City of Long Branch and with that I vote yes.

Ayes: 5 / Nays: 0 / Absent: 0 / Abstain: 0

#16-12 BOND ORDINANCE PROVIDING A SUPPLEMENTAL APPROPRIATION OF \$140,000 FOR CITY-WIDE PAVING, DRAINAGE AND CONCRETE IMPROVEMENTS IN AND BY THE CITY OF LONG BRANCH, IN THE COUNTY OF MONMOUTH, NEW JERSEY AND AUTHORIZING THE ISSUANCE OF \$133,300 BONDS OR NOTES OF THE CITY FOR FINANCING THE APPROPRIATION (Introduced: August 14, 2012)

A motion was made by Councilman Pallone, seconded by Councilman Sirianni to open the public hearing on this ordinance.

After ample time was given and no one else responded, a motion by Councilman Sirianni to close the public hearing was seconded by Councilman Pallone.

A motion was made by Councilman Sirianni seconded by Councilman Pallone to adopt on third and final reading was carried out upon the following roll call vote: Ayes 5

#17-12 BOND ORDINANCE PROVIDING FOR VARIOUS CAPITAL IMPROVEMENTS BY THE CITY OF LONG BRANCH, IN THE COUNTY OF MONMOUTH, NEW JERSEY APPROPRIATING THE AGGREGATE AMOUNT OF \$1,270,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$1,209,000 BONDS OR NOTES OF THE CITY TO FINANCE PART OF THE COST THEREOF (Introduced: August 14, 2012)

A motion was made by Councilman Pallone, seconded by Councilwoman Bastelli to open the public hearing on this ordinance.

After ample time was given and no one else responded, a motion by Councilman Sirianni to close the public hearing was seconded by Councilman Pallone.

A motion was made by Councilman Sirianni seconded by Councilman Pallone to adopt on third and final reading was carried out upon the following roll call vote: Ayes 5

#18-12 AN ORDINANCE OF THE CITY OF LONG BRANCH, COUNTY OF MONMOUTH, STATE OF NEW JERSEY APPROVING THE APPLICATION OF AND THE EXECUTION OF FINANCIAL AGREEMENTS WITH HOTEL PV IIIA URBAN RENEWAL, LLC, RETAIL PV IIIA URBAN RENEWAL, LLC AND RESIDENTIAL PV IIIA URBAN RENEWAL, LLC FOR LONG TERM TAX-EXEMPTION IN CONNECTION WITH IMPROVEMENTS WITHIN THE PIER VILLAGE REDEVELOPMENT AREA (Introduced: August 14, 2012)

A motion was made by Councilman Sirianni, seconded by Councilman Pallone to open the public hearing on this ordinance.

Donna Peterson – Rockwell Avenue

Asked what tax exemption meant. Mr. McManimon explained.

Vincent Lapore – 80 North Broadway

Spoke regarding the life of the RAB and the appropriation. Went on to speak about tax abatement programs and pending litigation concerning PV Phase III.

After ample time was given and no one else responded, a motion by Councilman Sirianni to close the public hearing was seconded by Councilman Pallone.

A motion was made by Councilman Pallone seconded by Councilwoman Bastelli to adopt on third and final reading was carried out upon the following roll call vote: Ayes 5

#19-12 AN ORDINANCE OF THE CITY OF LONG BRANCH, COUNTY OF MONMOUTH, STATE OF NEW JERSEY APPROVING THE APPLICATION OF AND THE EXECUTION OF FINANCIAL AGREEMENTS WITH RETAIL PV IIIB URBAN RENEWAL, LLC, RESIDENTIAL PV IIIB URBAN RENEWAL, LLC AND PARKING PV IIIB URBAN RENEWAL, LLC FOR LONG TERM TAX-EXEMPTION IN CONNECTION WITH IMPROVEMENTS WITHIN THE PIER VILLAGE REDEVELOPMENT AREA (Introduced: August 14, 2012)

A motion was made by Councilman Sirianni, seconded by Councilman Pallone to open the public hearing on this ordinance.

Donna Peterson – Rockwell Avenue

Asked what IIIB was for? Council President Billings stated it was for retail and condominiums. Ms. Peterson went on to speak regarding vacant store fronts and empty apartments in Pier Village.

After ample time was given and no one else responded, a motion by Councilwoman Celli to close the public hearing was seconded by Councilman Sirianni.

A motion was made by Councilman Pallone seconded by Councilwoman Bastelli to adopt on third and final reading was carried out upon the following roll call vote: Ayes 5

#20-12 AN ORDINANCE AMENDING ORDINANCE 325-28 OF THE CODE OF THE CITY OF LONG BRANCH ENTITLED "PARKING PROHIBITED DURING CERTAIN HOURS ON CERTAIN STREETS TO RESTRICT PARKING DURING THE HOURS OF 6:00 A.M. AND 4:00 P.M. AT 127 MYRTLE AVENUE DURING SCHOOL DAYS ONLY (Introduced: August 14, 2012)

A motion was made by Councilman Pallone, seconded by Councilman Sirianni to open the public hearing on this ordinance.

After ample time was given and no one else responded, a motion by Councilman Sirianni to close the public hearing was seconded by Councilman Pallone.

A motion was made by Councilman Sirianni seconded by Councilman Pallone to adopt on third and final reading was carried out upon the following roll call vote: Ayes 5

#21-12 AN ORDINANCE AMENDING CHAPTER 296 ENTITLED "STORM SEWERS" OF THE CITY CODE OF THE CITY OF LONG BRANCH (Introduced: August 14, 2012)

A motion was made by Councilman Sirianni, seconded by Councilman Pallone to open the public hearing on this ordinance.

Gerry Scarano – Ocean Boulevard

Asked if guards were being put over the sewers to prevent trash from entering the sewer.

Council President Billings stated that there were very strict specifications regarding new storm sewers.

Donna Peterson – Rockwell Avenue

Asked if they were doing Rockwell Avenue.

Council President Billings stated that it was regarding new sewers with new construction and the change in specifications.

Mr. Woolley stated that this ordinance just regulates the way people have to construct storm sewers on their own property.

After ample time was given and no one else responded, a motion by Councilman Sirianni to close the public hearing was seconded by Councilman Pallone.

A motion was made by Councilman Sirianni seconded by Councilman Pallone to adopt on third and final reading was carried out upon the following roll call vote: Ayes 5

ORDINANCES FOR INTRODUCTION:

None

PUBLIC PARTICIPATION:

A motion was made by Councilman Pallone, seconded by Councilwoman Bastelli to open the public portion of this meeting.

Gloria Janucci - Chelsea Avenue

Spoke regarding flooding in the City and on Chelsea Avenue.

Vincent Lapore – 80 North Broadway

Spoke regarding redevelopment agency bond, condemnation properties under the threat of eminent domain, financials of ordinance #15-12, Applied Developers and asked if there were going to be any affordable units.

Donna Peterson – Rockwell Avenue

Spoke regarding tax abatement and phases of development.

Harold Cooper – 113 South 7th Avenue

Asked about Phase I and II and how long have they been paying their full year of taxes. The Mayor stated it can be given to him but they don't have the answer in front of them at this moment. Went on to speak about the number of housing units that are being built.

Gerry Scarano – Ocean Boulevard

Spoke regarding the concert series and it's a good idea. Went on to speak about a Shade Tree Committee, crossing guards on Bath Avenue, buildings on Broadway, taxes on PVIII and employment of Long Branch individuals at Pier Village.

Vera Pizzo – 105 Jerolamon Avenue

Spoke regarding growth of bamboo in her neighbor's yard that has come on to her property. It's very invasive. According to local ordinance, this can't be enforced. Would like to see an ordinance listing bamboo as a nuisance and that it is enforceable as being invasive and a nuisance. Council President Billings stated that they will look into it.

After ample time was given and no one else came forward, a motion was made by Councilman Sirianni, seconded by Councilman Pallone to close the public portion of this meeting.

RESOLUTIONS:

On file in the Clerks Office and posted on the City's Web Site.

APPLICATIONS:

None

MISCELLANEOUS BUSINESS FOR THE GOOD OF THE ORDER

Councilwoman Celli – I would like to wish everybody just a happy and safe Labor Day, thank you to all.

Mr. Aaron – Councilwoman, I would just like to thank you on behalf of all of us for participating while you were on your vacation and we all keep in mind that you are two or three hours away from us and thank you very much.

Councilman Pallone – I would just like to again thank you all for being here this evening. We appreciate it, thanks.

Councilman Sirianni – Thanks for coming out. It was a long meeting and very informative. Thank you.

Councilwoman Bastelli – Thank you for coming out. Your comments are important to us. I also would like to announce that there is going to be a children's health day at Monmouth Medical Center at the annex on 270 Broadway and there is going to be free dental care, free vision screening and immunizations. That's this Thursday August 30th from 9am to 12pm. When I saw that I thought if you know of any families that are in need of anything like this, I think it would be very valuable to let them know. Thank you.

Councilwoman Billings – And I would like to thank everyone for coming out tonight and hopefully we will have a beautiful sunny Labor Day weekend and we'll get to go to the beach.

ADJOURNMENT

A motion was made by Councilman Sirianni, seconded by Councilman Pallone to adjourn this meeting at 9:50 p.m.