

**BOROUGH OF HIGHLAND PARK
MAYOR & COUNCIL REDEVELOPMENT MEETING**

221 South Fifth Ave.
Highland Park, NJ
March 12, 2024 at 7:00 PM

CALL TO ORDER

The Regular Meeting of the Highland Park Redevelopment Entity was called to order in accordance with the Open Public Meetings Act by Mayor Foster at 7:01 pm. Annual Notice of this meeting was provided to The Home News Tribune, the Star Ledger and the Highland Park Planet on January 5, 2023 and was posted on the Borough website at www.hpboro.com and on the bulletin board at Borough Hall, 221 South Fifth Avenue, Highland Park, NJ and has remained continuously posted as required by law.

Dennis Chekenian led the flag salute.

ROLL CALL

Present: Mayor Foster, Council Members Canavera, Hale, Hersh, Postelnik, George
(arrived 7:25 PM)
Absent: Councilman Kim-Chohan
Professionals: Special Counsel Joseph Baumann, Borough Administrator Teri Jover,
Assistant to the Borough Clerk – Maureen Pampinto

Discussion Items

• **Financial Agreement With DL Urban Renewal LLC (SuperFresh)**

Mayor Foster announced the discussion items are financial disclosure for DL Urban Renewal LLC, which is otherwise known as SuperFresh.

Special Council Baumann said we're going to discuss a financial agreement for the new operator of the grocery store SuperFresh. He thought it's really important for us to go back to the past about a year or more. When we first found out that the grocery store was closing he would say there was a loud cry from the public and Governing Body that we can't let that happen we have to solve that problem. That began a process that's taken us to better part of year or more to where we are today. We have a grocer who is about to invest \$6 million into that building, including work on the inside and the outside. That only happened because this Governing body had the foresight to figure out how to put themselves in a position to have tools necessary to entice that operator to come to Highland Park. He thought he would be remiss if he didn't say that when we began this process he wouldn't have bet that we could pull this off but the Governing body sure thought we could. They turned to a professional team and myself. The Planners said how do we put ourselves in a position to attract a grocery store? We said we have to put it in an area of Redevelopment. We have to adopt the Redevelopment plan and then we have to go and find our grocery store. We did that and began the process by first designating the area. We retained a professional to analyze the area. It was a fairly simple analysis because it was a grocery store and it was certainly outdated in need of significant improvements. We then adopted the plan as a way to try and entice that developer. We told them they could do some residential and the grocery store. No matter what you want to do under this new plan there has to be a grocery store. The Mayor, Borough Administrator Jover and myself we're knocking on doors for grocery stores. Wake Fern, Food Town, you name it we were calling around to see who would come to Highland Park and take over this project. It was clear from the community this is an integral part of Highland Park. This is a necessity for the community. We worked with people who were involved in this process but the Mayor and Borough Administrator Jover worked with them really closely. To work them through the process and as a result today he was happy to recommend to Mayor and Council consideration of a financial agreement that would provide the redeveloper with a payment of taxes for up to 30 years. That payment of taxes is going to be \$50,000.00 a year, increasing by 2% a year for the life. It terminates at the grocery store. It's entirely driven to entice this operator in particular to come to Highland Park operate and invest again. They're investing \$6 million into the building, that's huge for us. The taxes normally might be about \$100,000.00. The discount is about \$50,000.00. At the next meeting we're going to introduce an ordinance for consideration by the Governing body. The ordinance will approve a financial agreement, described as pay taxes at \$50,000 a year increasing by 2% a year. As part of this process, we did gather a lot of information about the grocery

store. We have seen the plans they have for them. They have a formula which you'll see in the application that shows that they need this pilot. We needed to influence the vocational decision of the probable occupants. There is no doubt that this pilot influenced this operator to come here and occupy this building and put \$6 million dollars into the project. They're investing their own money into this facility. This is an entity that's here to stay. Highland Park's role in this is to take about \$50,000.00 in taxes. As professionals this is a win-win for Highland Park.

Mayor Foster thanked Special Counsel Baumann for the narrative overview. She was watching the news and they were showing down in Brick, New Jersey that they were without a supermarket for over 10 years. Highland Park is blessed. We worked really hard and she is so happy that we're going to be able to have our own supermarket back less than two to two and a half years. They closed last March and here we are this March looking to sign an agreement to officially have them in town with the 50% deduction and the pilot that we're giving them. A lot of our seniors and most residents in town need a supermarket in Highland Park. I'm quite sure my Council colleagues are going to be urging us to sign whatever paperwork is necessary to get our supermarket in.

Councilman Hale added that this is been in warp speed and it was the pushing not by only every member of the Governing body but certainly by the Mayor. The Mayor has taken a strong lead on making sure that this happened. It was a lot of hard work and a lot of stress but this is the right thing to do for Highland Park and all of our residents.

Councilman Postelnik said thank you again for all of your hard work and he is really excited and looking forward to this vote in one week.

Special Counsel Baumann added we wanted to be as transparent as possible tonight. We're just explaining it. There's no vote tonight. The application and financial will be uploaded and people can take a look at it. Then there will be an introduction of an ordinance and then there'll be another vote to adopt the ordinance. This is going to be a three meeting reveal. Tonight is to introduce the ordinance.

Mayor Foster added as long as the council members are on board I'll be happy to sign.

Council President Hersh mentioned if it's like the one in Middlesex Borough then it will be a huge win for Highland Park. Super Fresh's model is in tuned for small town. The huge upgrade, fresher produce, and a lot of variety.

Special Counsel Baumann stated one other the things for him is that people are going to read it and in order to get this bond there's a Redevelopment area Bond. A Redevelopment area bond is non-recourse to the municipality, meaning the bond holder that when we issue this will only be legal to the property owner. It's a necessary legal mechanism to allow us to have the fixed \$50,000.00 increasing every year as opposed to some of the other formulas so we intentionally did that. It's a nominal Bond that's paid for by the owners within 50,000 it's \$3,000 a year to pay off the bond ordinance over time and to wrap this up we will go to the Finance Board and ask for their blessing.

Borough Administrator Jover added there's not one shred of the old store inside that building right now, the floors, ceiling and every grocery case are gone. That was actually Property Owners that made that decision. This is going to be a brand new store.

Resolutions

Resolution 2024-02

WHEREAS, Section 8 of the Open Public Meetings Act permits the exclusion of the public from a meeting in certain circumstances; and

WHEREAS, the Borough Council is of the opinion that such circumstances exist.

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Highland Park, in the County of Middlesex, State of New Jersey, as follows:

1. The public shall be excluded from the closed session at close of tonight's open session.
2. The general nature of the subject matter to be discussed is as follows:
Executive Session regarding:
 - (1) Redeveloper Negotiations – Tract A
 - (2) Litigation – JSM v. Highland Park
3. It is anticipated at this time that the above stated subject matter will be made public when these matters are resolved or as soon thereafter as it is deemed to be in the public interest to do so.
4. This Resolution shall take effect immediately.

It was MOVED by Councilwoman Canavera and seconded by Council President Hersh that Resolution 2024-02 be approved.

ROLL CALL: Ayes- Canavera, Hale, Hersh, Postelnik
 Nays – None
 Absent: Kim-Chohan, George (arrived 7:35 PM)

There being four (4) ayes and no nays, Resolution 2024-02 was approved.

Public Comment: (3 minutes per speaker)
Mayor Foster opened the floor to the public.

Lois Lebbing, North 2nd Avenue Lois Lebbing mentioned that she could not hear the last two speakers. She heard Borough Administrator Jover clearly say that there's nothing left of the old, it's going to be a new store. Special Counsel Baumann gave a brief description of what he had reported to Lois Lebbing and confirmed the renovation of SuperFresh.

Lois Lebbing said at the end of March we were promised that the redevelopment plan would be shown at the high school is that still on target? Mayor Foster replied that's not under discussion at this time but yes it's still on target.

Mary Forsberg um 317 Denison Street, reiterated what Lois Lebbing said. She couldn't understand what Attorney Baumann was saying she asked how they came up with \$50,000 a year with a 2% increase per year and what was it that the Stop and Shop paid and what would they have paid under the new revaluation? Special Counsel Baumann responded the difference was about half of what the otherwise applicable taxes would be and it was a number that we thought would be enough to entice the operator and it did.

Mary Forsberg asked if this is half of what the Stop and Shop used to pay. Special Counsel Baumann answered yes.

Mary Forsberg said the Stop and Shop was paying \$100,000 a year in property taxes? Special Counsel Baumann answered yes, roughly.

Mary Forsberg asked why did he come up with \$50,000. Special Counsel Baumann answered he thought it was an appropriate number that would entice the new operator but at the same time we thought half was about the right number to entice the new operator.

Mary Forsberg asked if that was really the right amount of money. Mayor Foster answered replied as she said before it takes about 10 years to get a supermarket into any location and we were fortunate enough to entice a supermarket to come to the area was deemed area in need of free development and we put the caveat that there would be a pilot attached to anyone coming into that a because we desperately need a supermarket in that that will come into Highland Park. We didn't have 10 years to sit around and wait

without a pilot to say let's wait for Supermarket to get to Highland Park we did what we thought was best to bring a supermarket into our town that is sorely needed.

Special Counsel Baumann added that we were more likely to get something else. Mayor Foster agreed.

Mary Forsberg asked what is the status of all the redevelopment plans that you paid LRK to do? Mayor Foster answered at this at moment we are discussing the SuperFresh Supermarket .

Mary Forsberg added this is part of the Stop and Shop Redevelopment plan. Mayor Foster responded yes.

Mary Forsberg said it seems like a fair thing to ask about what you're going to do with rest of that area.

Kieran Crowley, 218 Harrison asked what the penalty will be if they exit after one year or so. Special Counsel Baumann replied the pilot will go away and the tax payment terminates. The owner wouldn't get the benefit of the tax exemption any longer. They signed a 20 year lease with the property owner which we have a copy of, so they're committed for 20 years.

Kieran Crowley asked what does the contract say about any future development of Tract D? Does it limit it in any way?

Special Counsel Baumann said it doesn't address any other development. Any other development would be subject to the redevelopment plan and zoning. They'd have to come in and go through all the approvals like normal they have to get a redevelopment agreement so they're not entitled to anything as a result of this agreement for the balance of the property. The grocery store did reserve a fair amount of parking for its facility so there is a limited area that could actually develop.

Kieran Crowley asked is there anything in that agreement that would limit that redevelopment plan that was put together. Special Counsel Baumann explained the only limitation is between the property owner and the tenant who make certain reservations of land.

There being no further public comment Mayor Foster closed the public discussion.

Adjournment

There being no further business, there was a motion by HALE and seconded by CANAVERA regular meeting adjourned at 8:17 PM to go into executive session.

Respectfully submitted,

Maureen Pampinto
Assistant to the Borough Clerk