

**BOROUGH OF SOMERVILLE
MAYOR BRIAN G. GALLAGHER**

**Council President: Patricia Webster* Clerk-Administrator: Kevin Sluka
Borough Council: Sean Decker*Jane Kobuta*Tom Mitchell*Dennis Sullivan*Rob Wilson**

The Editor
The Courier News

July 1, 2008

Dear Editor,

Following recent articles relating to the Landmark Shopping Center in Somerville we felt a response and update is in order to detail the current status of the project and the council's approach to finalizing this development.

We have always prided ourselves on the open and public process we have used and continue to use in the Borough's redevelopment efforts; unfortunately when we are in final contract negotiations, the very nature of these negotiations contradicts the open and public process. This is frustrating for all of us at times. During discussions to revise the redeveloper's agreement, a lot of ideas are discussed by both sides and many alternatives studied; some are dismissed as not workable for a variety of reasons, and others become components of a working agreement not yet finalized.

Bringing these discussions to the public before they are all agreed upon could hurt the negotiations or delay them even longer; confidential corporate detail is discussed at these meetings, which by its nature is not public information. We realize that the statement "we are currently renegotiating with the redeveloper" is increasingly frustrating to hear as time passes with no other communication than that statement.

For over a year all work was stalled because of Pathmark's injunction on the site. November 2007 is when the courts allowed work on the project to re-commence, and the vacant McDonalds building was demolished almost immediately. It was our belief at that time that the three agreements we were negotiating with the redeveloper would be complete by January 2008 and the revised site plan for the project approved by the Planning Board shortly after, with demolition beginning in the spring of this year. The agreements we continue to negotiate are: Redeveloper's Agreement, Parking Agreement and Land Lease agreement. Unfortunately these agreements are not yet final and the revised site plan has yet to be presented to the Planning Board.

It should be noted that while the courts lifted the Pathmark injunction against work at the site, the court proceedings are not final. Pathmark had appealed the Superior Courts' judgment approving the Borough's right to declare the site a redevelopment area and our ability to condemn the business. The Appellate Court decision was reached this past Monday, June 23rd; it once again confirmed that the Borough had acted correctly and in good faith throughout the project and that Pathmark had no grounds for litigation. The legal action is still not complete even after this ruling. In September there is to be a jury trial to determine the value of the leasehold due to Pathmark. Pathmark has already withdrawn the \$1.6 million placed in escrow by the redeveloper, and if the value is determined to be less than this, that portion of it will have to be refunded to the developer.

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Since January of this year, many changes in the market have occurred. Not only has the housing market collapsed, the financial markets have retrenched across the board with many “approved” redevelopment projects in the state being shelved or postponed indefinitely. This month, the State Council Of Affordable Housing (COAH) released new rules and requirements for defining the number of affordable housing units. It appears they will be challenged in the courts later this year as being unworkable and punitive to every community.

The negotiations with the developer have centered on a few key areas over the past months....PILOT programs which are tax abatements used to help in the financing of the project, affordable housing requirements, parking deck construction, revenue allocation district funding and road construction. While some of these issues are resolved, they may impact on others that are not resolved yet.

We continue to work with the Redeveloper (property owner) to redevelop the site in a manner that is consistent with the Redevelopment Plan. We could allow the Redeveloper to do as they wish with the property; we believe that this would result in a project with none of the already agreed to improvements. At this point in time we continue to negotiate to achieve the Borough's goals with this Redeveloper.

While we cannot say yet when we will have a new food store or when construction will begin, it is the goal of this entire council to ensure we have a project that benefits our downtown and our entire Borough as quickly as we can.

Our downtown has made tremendous strides in recent years. Though this project has encountered substantial roadblocks to completion, we remain committed to getting the best redevelopment possible for our citizens and downtown merchants. To do less would be to ignore our duty to Somerville.

Brian G Gallagher ★
Mayor

Rob Wilson
Redevelopment Committeeman & Councilman



