A Conference Meeting of the City Council of the City of Trenton, New Jersey, was held on the above date at 5:20 p.m. in the Council Conference Room, City Hall. The meeting was called to order by Council President Paul M. Pintella. Council President announced that adequate public notice had been provided to the public specifying the time and place for this meeting in accordance with the Open Public Meeting Act. FY 2008-2009 annual notice was mailed to the Times and the Trentonian Newspapers, posted on the first floor bulletin board in City Hall, and filed in the City Clerk’s Office on June 19, 2008 by Resolution No. 08-341. The agenda for this meeting was mailed, posted and filed on February 2, 2009.

ROLL CALL:

PRESENT: Messrs. Bethea, Coston, Ms. Lartigue, Messrs. Melone, Segura, Ms. Staton, Mr. Pintella – 7.

ABSENT: NONE

PRESENTATION:

1. Sale of the Water Infrastructure:
   Appearances: Mr. Edward DeHope
   Mr. Ed. McManimon, Esq.

   Mr. Dennis Gonzalez, Acting Business Administrator reminded City Council that this was a Public Hearing for the Resolution on the Sale of the Water Infrastructure.

   A presentation was made on the sale of the Water Infrastructure that included the following information:

   Mr. DeHope stated that if all settlement documents were signed by all parties involved it would be sent to the Office of Administrative Law and an Administrative Judge would settle the matter. If the Administrative Judge approved the settlement and the sale of the water infrastructure, BPU has a meeting on February 24, 2009 if everything is approved and sign in a timely matter BPU can put the matter on their agenda and act on in on February 24, 2009 which is 21 days from today. The agreement of sale will be amended, Trenton will receive $80 million for the sale, at closing the City of Trenton would received a check for $5 million. This amount is to cover the assistance the City will provide American Water during the transitional period.
American Water will be responsible for the separation cost. The water supply agreement will be amended. The City will be obligated to provide water for twenty years, the 1st three years American Water will pay on the basis that they are taking 14 million gallons of water per day. After three years they will pay for the amount of water they are taking. They will pay $1,180 per million gallons and a capital improvement surcharge.

Council President Pintella asked Mr. McManimon for a brief explanation on the money that would be paid and how it could be utilized to lower the debt service.

Mr. McManimon stated that there are approximately $80 million in proceeds from the sale; $35 to $37 million is calculated to be used to pay down by escrow the principal and interest on outstanding Bonds or other obligations of the City. The remaining $42 to $44 million the City can use for debt service on other obligations for the water system or for general services. The annual sale of water revenue is about $11.5 million and that money has to be used to maintain the water utility system.

A detailed discussion was followed by a question and answer period.

2nd reading and hearing of the following ordinance:

Mrs. Juanita M. Joyner, Acting City Clerk read the ordinance for the record:


Council President Pintella declared opened the public hearing and asked anyone interested in speaking in favor of or in opposition of the ordinance to speak.

The following individuals appeared and spoke in opposition of the Ordinance:

- Algernon Ward, 668 Dr. Martin Luther King, Jr., Blvd.
- Michael McGrath, 3 Kensington Avenue
- Ralph Dowdell, 118 Cliff Street
- Robert Genewski, 719 Second Street
- Shirley Ann Bechtel, 511 Greenwood Avenue
- James Fouse, 13 Cavell Avenue
- Patricia Stewart, 679 Lamberton Street

No one else appeared to speak nor were protests filed with the Clerk. Council President Pintella made a motion to close the hearing, seconded by Councilwoman Staton, passed by Council’s unanimous vote.
A motion to adopt the ordinance was made by Council President Pintella, seconded by Councilman Bethea, and carried by the following vote of Council:

Roll Call:
AYE: Messrs. Bethea, Coston, Melone, Ms. Staton, Mr. Pintella
NAY: Mrs. Lartigue, Mr. Segura

Council recessed at 6:15 p.m. and reconvened in open section at 6:20 p.m.

EXECUTIVE SESSION: (Council went into Executive Session at 6:22 pm)

Adoption of the following resolution to go into Executive Session was moved by Councilwoman Staton, Seconded by Councilman Melone and carried by the following vote of Council:

Roll Call:
AYE: Messrs. Bethea, Coston, Mrs. Lartigue, Messrs. Melone, Segura, Ms. Staton, Mr. Pintella
Nay: None

RESOLUTION FOR EXECUTIVE SESSION

BE IT RESOLVED, that pursuant to N.J.S.A. 10:4-12 et seq. the public is hereby excluded from the following discussions; concerning pending litigation or anticipated litigation or contract negotiations pending litigation is regarding lay off plan and employees with 20 or more years of services.

BE IT FURTHER RESOLVED, that the contents of these discussions will be disclosed to the public when the need for confidentially no longer exists.

Council reconvened in open session at 7:30 pm in the Council Chambers. All members were present.

Councilwoman Lartigue made a motion requesting that Council draft an ordinance requesting that City Council begin budget discussion within ninety days of the FISCAL year, and that Council move forward its agreement to address and deal with the residency law. Seconded by Councilman Bethea.

After a brief discussion City Council decided to adopt a resolution for Councilwoman Lartigue’s request.

Councilwoman Lartigue asked for a resolution to be adopted and for the Law Department to draft the Ordinance she requested.

Roll Call:
AYE: Messrs. Bethea, Coston, Mrs. Lartigue, Messrs. Melone, Segura, Ms. Staton, Mr. Pintella
NAY: None
2. **K. Hovnanian at Trenton Urban Renewal, LLC**  
**Appearances:** John Semple, Esq.  
Jerome Harris, Acting Director of  
Housing & Economic Development

Mr. Jerome Harris, Acting Director of the Department of Housing & Economic Development, stated that Mr. John Semple would be making a presentation on behalf of K. Hovnanian for the Champale Redevelopment site.

Mr. John Semple, Attorney for K. Hovnanian, stated that he was representing the K. Hovnanian at Trenton Urban Renewal, LLC project and introduced the following individuals; Robert Hoffman, Area Vice President – Dean Mon, President of the Mon Group – Joseph Lipanoski, License Architect and Director of Land Acquisition -  
Francis Wood, Engineer and Doug Fenishall, Director of Public Relations Department.  
Mr. Semple was very happy to appear before Council and give a status report.

The Project was presented as follows:

- Project Area covers about one city block
- They have approvals for 84 town homes (these will be in 12 three story buildings)
- Homes will have rear entry garages
- The size of homes will range from 1,100 sq. ft. to 1,840 sq. ft.
- A Park approximately 5,000 sq. ft. with a walkway to the River Front Park.
- Two open spaces

Mr. Semple provided some background history on how they got to the present point. Market conditions, acquisition of properties, law suits and other problems impacted on project. Mr. Semple said that for the last two years the City has been working on acquiring properties for the project under eminent domain. K. Hovnanian is one of the largest home builders in the nation and the largest home builder in the State of New Jersey. He also stated that the community at the Champale Site may be the only project they open in 2009.

If City Council allows them to proceed with their application under the Choice Program with New Jersey Mortgage Finance Agency they will be able to move forward with the project. They are requesting a contribution of RCA funding from the City. The reason they need the HMFA funds is that in 2004 & 2005 the base market analysis and purchase price for these homes ranged from $230,000 to $315,000. This is not possible in today’s market. Under the Choice Program they would be able to get low interest loans and subsidies that would allow them to sell the homes for a purchase price of $177,000 – $237,000 with options.
The Choice Program is through the HMFA, it provides a grant from the State of New Jersey that makes the project feasible. In exchange the developer is obligated to build 15% of the homes as affordable, which would be 13 homes. As part of the lending process, 50% of the funds come from the State through the Choice Program, and 50% from private lenders.

K. Hovnanian needs the following to move forward with the project:
- Council’s authority to proceed with the Choice application
- RCA contribution from the City
- HMFA to grant the application
- Confirm with the City that there are no title issues with the properties acquired
- Site plan amendment approval

Their goal is to close and break ground by June, 2009 and start construction by the fall of 2009.

Mr. Semple stated that the affordable home purchase price will range from $74,000 - $135,000. Market rate will range from $177,000 – $237,000.

A detailed discussion was followed by a question and answer period.

Council members voiced concern on the following issues:
- Market conditions impact on the project
- Financing - Private lenders
- Public meeting with neighbors
- City wants a right to revert clause in the contract
- Ten (10) year pilot
- K. Hovnanian use of local labor
- Time line set from time of approval to the time of completion

It was stated that K. Hovnanian has about 2,500 employees working in about fifteen (15) states. They are working on three urban area projects. The total cost for the Champale Site Project is about $21 million dollars.

Mr. Jerome Harris, Acting Director of Housing & Economic Development asked City Council to take action on the resolution for K. Hovnanian at the February 5, 2009 Council meeting.

Councilwoman Lartigue left the meeting at 8:22 pm.
Mr. Jerome Harris announced that Mr. Andre Yates, of Yates Real Estate would be making a presentation on his proposed project on North Clinton Avenue and introduced Mr. Andre Yates.

A booklet on the proposed project was distributed to Council members.

Mr. Yates gave a brief summary of his background and the history of his development project located at 1457 Chambers Street. In 2004 he purchased property and sub-divided the property into three lots. He sold two of the units in this project: Number 1455 sold for $288,000 and Number 1459 sold for $276,000 under the Live Where You Work Program. He also used local businesses and contractors in these projects.

The North Clinton Avenue Project includes eleven properties on the following streets:
- Girard Ave., Sherman Ave., Mechanics Ave., Mulberry St., N. Clinton Ave.
- Two rehabilitations
- Nine new constructions
- Each unit will be 1,500 sq. ft. with 3 bedrooms

Mr. Yates stated that he has done projects in Newark, Irvington, and Plainfield, NJ.

Council members asked questions regarding the following items:
- Price per units
- Project cost
- Time line to complete project
- Using local labor
- 5 year abatement
- Demolition of properties
- Financial commitments
- Sale of properties to developer
- Requested a list of what the City spent on the purchase and demolition of properties

Mr. Yates informed Council that the sale price for these units will range from $117,000 - $129,000. The cost for the project is $2.7 million, it will take about six month to complete, and he will use local labor. Two of the properties on Mechanics Avenue will be rehabilitated, the other nine are vacant lots.
PUBLIC COMMENTS:

Shirley Ann Bechtel, 511 Greenwood Avenue – Read a written letter regarding her Medicare Health Insurance and Charity Care; South Ward Community Center being designated as a Historical Landmark.

Patricia Stewart, 679 Lamberton Street – Spoke in opposition to the K. Hovnanian Project.

Antoinette Shelton, 74 Highland Avenue – Spoke about the K. Hovnanian Project.

Mr. Ahmed, 176 Princeton Hightstown Road - Owner of Flamingo Bar, spoke regarding removing conditions on his ABC License.

CIVIC MATTERS:

Councilman Coston – 1. Asked Director, Carolyn Lewis-Spruill, about the closing of the South Ward Senior Center and what savings would be realized? He also wanted to know how the City was going to utilize the building in the future.

Councilmen Melone and Segura also asked questions regarding the Senior Center.

ADOPTION OF RESOLUTION

Motion was made by Councilman Pintella, seconded by Councilwoman Staton, to adopt the following resolution by vote of City Council:

1. RESOLUTION NO. 09-40 - RESOLUTION AUTHORIZING ALTERNATIVE ACTION DUE TO EXTREME FINANCIAL/BUDGETARY HARDSHIP  
(Sponsored by Mr. Pintella)

Ayes: Messrs. Coston, Melone, Ms. Staton and Mr. Pintella  
Nays: Mr. Segura  
Absent: Mr. Bethea, Mrs. Lartigue

Motion was made by Councilman Bethea, seconded by Councilwoman Staton, to adopt the following resolution by vote of City Council:

2. RESOLUTION NO. 08-41 - RESOLUTION SUSPENDING ALCOHOLIC BEVERAGE LICENSE NO. 1111-33-256-004 OF DOOKIES BAR & GRILL, LLC, T/A JAM ROCK, 86 EAST PAUL AVENUE, TRENTON, NEW JERSEY  
(Sponsored by Mr. Bethea)

Ayes: Messrs. Bethea, Coston, Melone, Segura, Ms. Staton and Mr. Pintella  
Nays: None  
Absent: Ms. Lartigue
Council President Pintella requested a motion to postpone docket review until February 5, 2009. Councilman Coston made the motion, seconded by Councilman Segura and carried by City Council unanimous vote.

The meeting adjourned at 9:45 p.m.

Respectfully submitted

________________________________________  ______________________________
PAUL M. PINETELLA  JUANITA M. JOYNER
CITY COUNCIL PRESIDENT  ACTING CITY CLERK