

RESOLUTION NO. 2014 - 54

**A RESOLUTION OF THE MAYOR AND BOROUGH COUNCIL OF THE
BOROUGH OF MOUNT ARLINGTON, IN THE COUNTY OF MORRIS,
NEW JERSEY, AUTHORIZING REDUCTION OF PERFORMANCE BONDS
FOR NOLAN'S RIDGE PHASE III**

WHEREAS, the Borough of Mount Arlington entered into a Developer's Agreement with Brookland Partners LLC, in connection with the construction and on-site improvements for the project identified on the final plans as "Nolan's Ridge"; and

WHEREAS, after a request for reduction was submitted by the Developer, Borough Engineer CP Engineers inspected the site and, finding that a substantial portion of the improvements had been completed, recommended that the performance bond requirement be reduced to \$750,000;

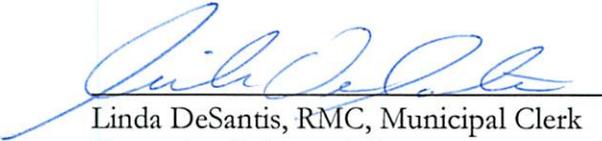
WHEREAS, the Borough Engineer's recommendation together with a schedule setting forth his calculations relating thereto are on file in the office of the Borough Clerk; and

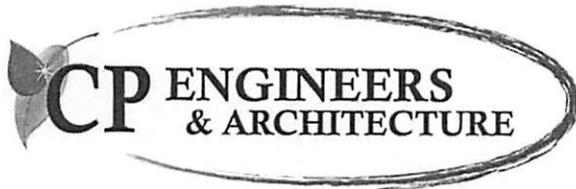
WHEREAS, as per letter from Borough Engineer CP Engineers, dated March 28, 2014, the Developer has committed to provide the Borough the remaining bonding required for Phases I and II, \$478,509.32 and \$281,396.46, respectively.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Borough Council of the Borough of Mount Arlington, County of Morris, State of New Jersey, that the requirement for a performance guarantee under the Developer's Agreement for Nolan's Ridge be and hereby is reduced to \$750,000.

This Resolution shall take effect immediately.

I HEREBY CERTIFY this to be a true and correct Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, and adopted on April 1, 2014.


Linda DeSantis, RMC, Municipal Clerk
Borough of Mount Arlington



35 Sparta Avenue
Sparta, New Jersey 07871
Phone (973) 300-9003
Fax (973) 300-4003
www.cpendeers.com

March 28, 2014

Ms. Carolyn Rinaldi
Municipal Administrator
Borough of Mount Arlington
419 Howard Boulevard
Mount Arlington, NJ 07856

Re: Nolan's Ridge Phase III
Performance Bond Reduction Request

Dear Ms. Rinaldi:

CPE has reviewed the request for reduction of the performance bonding required for Phase III of the Nolan's Ridge Development. This request is for approximately 50% of the updated bond amount, \$1,443,243.24, to be reduced to \$750,000. To date, the development of the on-site and public improvements is equal to more than 50% of the performance bonding initially required. These improvements include the site clearing, bulk grading, as well as the installation of water, sanitary sewer, and storm sewer infrastructure. The remaining outstanding improvements are associated with the roadway, sidewalk, retaining walls, landscaping and various ancillary features to be installed in Phase III. This is illustrated per the updated *Nolan's Ridge Bond Calculations for Phase 3* spreadsheet, attached for your reference.

We therefore recommend the performance bonding for Phase III be representative of the costs associated with the remaining on-site improvements, \$750,000.

It is to be noted that the Developer has committed to provide the Borough the remaining bonding required for Phases I and II, \$ \$478,509.32 and \$281,396.46, respectively. If you have any questions or comments, please do not hesitate to contact me.

Sincerely,
CP ENGINEERS, LLC

A handwritten signature in black ink, appearing to read 'Sabine Watson', is written over a light blue horizontal line.

Sabine Watson, P.E., CME
Senior Project Manager

Cc: Arthur R. Ondish, Mayor, via email
Debra Halik, Construction Administrator, via email
Stan Puszcz, P.E. (CPE), via email
Mike O'Callaghan, Brookland Partners LLC, via email

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Westport Capital Partners LLC

Chad Goodman
Brookland Partners LLC
40 Danbury Rd
Wilton CT 06897
March 10, 2014

Carolyn Rinaldi
Borough Administrator
419 Howard Boulevard
Mount Arlington, NJ 07856

Dear Carolyn Rinaldi:

I am writing to formally request a 50% reduction of the Phase III Subdivision Bond requirement from approximately \$1.3 million to \$650,000. Brookland Partners has bid out the site work and has a contract in place with R&R Construction for approximately \$1.1 million. Furthermore Brookland Partners has already funded over 100k towards the Phase III site work and has a cost to complete of less than \$1 million. In order to keep to our commitment to the buyer's under contract and to the Nolan's Ridge Home Owners Association, Brookland Partners has reinvested all the sales proceeds to date back into the Project since 2006. We are now on the verge of completing the fourth and final 24 unit condominium building and all that remains to be completed would be the final single family home phase (Phase III). The cash we have available is reserved for specific construction and infrastructure costs pursuant to our binding agreements with Project contractors and if we had to unexpectedly come up with \$1.3 million to hold in escrow, we would face serious hardship.

Between single family homes and condo units Brookland Partners has just under \$11.7 million in gross sales under contract. A considerable amount of these closing are expected to take place from April through June as we have 20 contracts in condo building 4 that can be closed as soon as the construction is completed and there is only \$3.2 million of debt that remains outstanding on the entire project.

We are very committed to completing this Project and seeing it through. Brookland Partners acquired Nolan's Ridge out of bankruptcy in 2006. We have carried this Project through the worst economic recession since the great depression and continue to do what we can to see this Project to the finish line but it certainly has taken a toll on our liquidity.

40 Danbury Road
Wilton, CT 06897

203 429 8600 phone
203 429 8599 fax

Carolyn Rinaldi
March 10, 2014
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We hope our commitment to the project, sales pipeline, status of completing building 4 and overall status of completion of the infrastructure across the Project will encourage the town to consider a less punitive bonding requirement.

While it has taken us some time to work through our capital and bonding resources, we are pleased to say that our existing lender M&T bank is willing to support the bonding requirement for Phases I, II and III and has recently offered to provide a letter of credit in the amount of \$650,000 to backstop the bond. I recognize this falls short of the request, but we think the project would be better served if we can keep our cash on hand to meet development obligations as we are moving forward at a very good pace at the present time.

Please feel free to call me at your convenience if you would like to discuss further. I'd be happy to share the pending sales contracts and executed binding agreements with our contractors to show you the commitments we are working to adhere to. We would also be open to any suggestions, accommodations or proposals the town may have for us to ensure that the town is comfortable with our commitment to complete the project.

Sincerely,

A handwritten signature in cursive script, appearing to read "Chad Goodman", followed by a long horizontal flourish line extending to the right.

Chad Goodman
Brookland Partners LLC