

Real Estate Equities v. Holmdel 5/11 (1984)
Support for
a Request for an emergency case management
conference

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BISGAIER AND PANCOTTO

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MAY 11 1984

JUDGE SERPENTELLI'S CHAMBERS

May 11, 1984

CARL S. BISGAIER
LINDA PANCOTTO

HONORABLE EUGENE D. SERPENTELLI, J.S.C.
Ocean County Court House
118 Washington Street
Toms River, New Jersey 08753

Dear Judge Serpentelli:

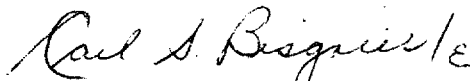
Re: Real Estate Equities, Inc. v. Holmdel Tp.
Docket No. L-15209-84 PW

Enclosed please find further support for plaintiff's request for an emergency case management conference in the above-referenced matter. Included are copies of an April 21, 1984, Mailgram from Holmdel's Mayor Popolo to City Federal Savings and Loan, an April 24, 1984, letter from Mayor Popolo to George Mikula of City Federal and a May 4, 1984, article from the Asbury Park Press regarding this issue.

It must be clear to the court that my client's financial support is essential to its success in the construction industry. It is certainly clear to the defendant. My client is now being subjected to a public attack which may seriously affect its financial integrity solely because of its participation in a Mt. Laurel II lawsuit. This is even more incredulous in light of a proposed zoning amendment which, if adopted, would rezone at least half of the subject lands for Mt. Laurel II purposes.

Holmdel is attempting to strangle my client financially and directly send a message to the financial community to withhold financial support to any developer who might pursue a Mt. Laurel II claim. I strongly encourage you to take prompt action on my request for a case management conference and an immediate trial date.

Respectfully yours,



CARL S. BISGAIER

CSB:emm
Encls.

cc: Hon. S Thomas Gagliano

ML000082L

Township Committee

Joseph V. Popolo, Mayor

James M. Cox, Deputy Mayor

Elaine M. Frey

Ernest N. Cole

Frank J. Tricarico

S. Thomas Gagliano
Attorney

Edward G. Broberg
Engineer

HOLMDEL Township

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HOLMDEL, NEW JERSEY 07733-0410

John J. Coughlin
Administrator
(201) 946-2820

John P. Wadlington
Clerk/Treasurer
(201) 946-4330

Frank Verange
Construction Official
(201) 946-8122

April 24, 1984

Mr. George Mikula, Sr. Vice-president
City Federal Savings & Loan Association
Equity Investment Department
200 Centennial Avenue
CN 1366
Piscataway, NJ 08854

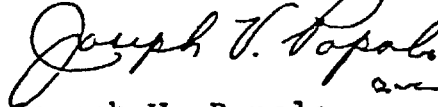
Dear Mr. Mikula:

Holmdel Township sent the attached mailgram to Mr. A. J. Hedden yesterday. His office indicated that you would respond to our inquiry. Holmdel would like a positive statement of fact that City Federal is or is not an equity participant in Real Estate Equities, Inc.

Please contact me on Wednesday, April 26, 1984 at 201 264 8200 or John P. Wadlington, Township Clerk and Treasurer at 201 946 4330.

It is important that this matter be resolved since it affects our relationship with City Federal.

Very truly yours,



Joseph V. Popolo
MAYOR

TOWNSHIP OF HOLMDEL

column
ballet.



Expert answers wide range of
questions about fashion.

Lifestyle/8

inside

Monmouth

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Asbury Park Press
Fri., May 4, 1984

S&L denies partnership with development firm

HOLMDEL TOWNSHIP — The savings and loan from which the township withdrew \$10.5 million in short-term investments says it isn't partners with a development firm that is suing the township.

"City Federal Savings and Loan (of Elizabeth) has zero relationship to Real Estate Equities Inc. (Middletown Township)," said George Mikula, senior vice president of City Federal.

Mikula said City Federal loaned Real Estate Equities money to purchase property, but the savings and loan was not a partner of the developer.

"Real Estate Equities approached us for a traditional, arms-length agreement, and a loan was granted," he said.

Real Estate Equities purchased 99 acres on Route 35 in the township and proposed a 1,836-unit housing development on the property.

The township turned down the project, saying the project's planned density of 18.3 units per acre was too high.

Real Estate Equities Inc. is suing the township, claiming the refusal constitutes a violation of the state Supreme Court's Mount Laurel II decision, which requires low- and middle-income housing.

"We're still not investing with City Federal," said John Wadington, township treasurer and clerk. "We want to get a clean-cut picture one way or another. It's still cloudy at the moment."

Wadington withdrew about \$7 million April 25 and about \$3.5 million Tuesday.

The delay allowed the short-term investments to mature, he said.

A title search of the property where the proposed development would have been built, ordered by S. Thomas Gagliano, township attorney, revealed a \$2.8 million loan to Real Estate Equities Inc. by City Federal.

It also showed that City Federal has loaned almost \$30 million to six local firms, including Real Estate Equities Inc.

All the loan papers were signed by the principal owners of Eastern Planned Communities, Middletown Township, Albert Bresnick and Daniel Matthews.

Bresnick was listed as the president and Matthew the secretary of all the firms.

"At this point, all we know is that City Federal is a substantial loaner to Real Estate Equities," Gagliano said.

He said he isn't certain how Real

Estate Equities Inc. and Eastern Planned Communities are linked.

The property deeds are made out to Eastern Planned Communities, Real Estate Equities Inc., Gagliano said. He said the only name on the lawsuit is Real Estate Equities Inc.

Neither of the principal owners, nor the lawyer representing the developer in its lawsuit against the township, were available for comment yesterday.

Township officials said they will continue to withhold investments from the savings and loan until they are satisfied no partnership exists.

Mikula said City Federal does have the first option on any joint venture the developer proposes.

"That's not abnormal," Mikula said. "We do have other joint venture arrangements with Real Estate Equities, but on this specific transaction, we don't have anything to do with it. If they want to sell the property or intensify the development, it's up to them," he said.

Mayor Joseph Popolo said that as long as that option exists, City Federal would be suspect.

"We would never know if they exercised that option," he said.