

Real Est~~ate~~ Equities v. Holmdel 5/22 (1984)

Letter confirming proceeding w/initial
plans + trial date

2 pgs

no P.i.

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May 22, 1984

Hon. Eugene D. Serpentelli
Judge of the Superior Court
Court House, CN-2191
Toms River, New Jersey

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MAY 23 1984

Re: Holmdel Township
Real Estate Equities, Inc.
Docket No. L-015209-84PW

JUDGE SERPENTELLI'S CHAMBERS

Dear Judge Serpentelli:

I am writing in response to the letter sent to you, with copies to me, by Carl S. Bisgaier, Esquire, attorney for Real Estate Equities, Inc.

In his letter, Mr. Bisgaier complains about Holmdel's decision to withdraw funds from City Federal Savings and Loan Association.

It is our understanding that a municipality has a clear right to do business with whomever it chooses with respect to its depositories. In the case of City Federal, it was indicated that City Federal had an equity interest in the development proposed by Real Estate Equities, Inc. This caused great concern to the Township. In other words, the Township was told that City Federal was not just a lender, but also had options which could make it a partner. Needless to say, this caused our local officials to become very upset and they decided to deposit Holmdel's money elsewhere. (See Rothermel vs. International Paper Company 163 N.J. Super. 235, 244. [Appellate Div. 1976])

To date, Holmdel Township has been sued by two developers - Real Estate Equities, Inc. and New Brunswick-Hampton, Inc. The demands for construction of new units as stated in the complaints total approximately 5,000 units. Holmdel now has approximately 2,300 homes and I think you can well

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understand that this kind of an assault on Holmdel's zoning ordinance created an adversarial situation in the minds of the members of the governing body. Basically, it is the opinion in Holmdel that it would be very inappropriate to allow anyone to use Township funds to pay for litigation against the Township.

As I see it, there is no need for an "emergency conference" at this time. I believe we should proceed with our initial plans, as outlined by you, which include a trial date in the fall.

Kindest personal regards,

Respectfully submitted,



S. Thomas Gagliano
Holmdel Township Attorney

STG:cm

cc: Carl S. Bisgaier, Esquire
Mr. John P. Wadington
Mr. Jack Coughlin