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**Via Email Only**

Honorable Todd M. Tersigni, Mayor  
Town of Phillipsburg  
120 Filmore Street  
Phillipsburg, New Jersey 08865

**Re: USW, LLC (Stateliner United)/Union Square Redevelopment**

Dear Mayor Tersigni,

I am writing to provide you with an update on the Union Square redevelopment project with USW, LLC (Stateliner United) and where matters currently stand.

As you are aware, the Town Council conditionally designated Stateliner United (and subsequently its successor entity, USW, LLC) as the redeveloper of the Union Square redevelopment area (Sub Area-1, Waterfront North). This designation was in response to a proposal submitted by Stateliner on August 31, 2020 and was “conditioned upon, and subject to, the negotiation and execution of a Redevelopment Agreement which will contain, among other things, a purchase and sale component controlling the sale of Town-owned land to the Redeveloper as part of the redevelopment process.”

Many months after this designation as redeveloper in the late winter of 2021, the Town and Stateliner executed a Letter of Intent (“LOI”) for the purchase and sale of the Town-owned property in the redevelopment area. The LOI provided that the “Redevelopment Agreement shall be mutually prepared and executed by Purchaser and Seller within 60 days of execution by both parties of this Letter of Intent to purchase (the “Contract Negotiation Period”)” and that if it was not prepared and executed with the Contract Negotiation Period for whatever reason or no reason at all that the “Letter of Intent shall expire and no party shall have any further rights or duties hereunder.”

As of today, there is no Redevelopment Agreement which has been executed between the Parties and therefore the LOI has expired and is null and void. In other words, there is no contract (either in the form of a Redevelopment Agreement or a LOI for the purchase and sale of the Town-owned property.

And while there have been occasional meetings with Stateliner representatives regarding its intention for the redevelopment of the property, no action has been taken on its part regarding the process, other than the funding of a developer’s escrow to cover professional costs of the Town. Indeed, well over {00751755-1}

a year after being conditionally designated as the Redeveloper, our Town Engineer has not been contacted by any engineer on behalf of the Redeveloper. Additionally, while informal conversations have been had with representatives of the Redeveloper regarding a revised project, there has been no formal notification to the Town nor a request to appear before the Council to discuss the revised project.

Also, obtaining site control over the Redevelopment Area has proven problematic for the Redeveloper and it has requested that the Town direct the Planning Board to consider condemnation as part of the powers of the Town in the Redevelopment Area. While that has been referred to the Planning Board by the Council, I do not believe that the process has progressed due to lack of escrow being posted. There are also site access issues which would need to be addressed and which would involve railroad crossings. These are notoriously difficult to obtain, and I do not believe any progress (or attempted progress) has been achieved.

In short, other than submitting a proposal and meeting a few times with the Town and its professionals, there has been no forward movement on this project, and I have serious doubts regarding the actual construction of the project.

It is my understanding that the Town Council will be discussing installing parking kiosks at the Riverside Way parking lot. As this is in the redevelopment area and is on property contemplated being purchased by the Redeveloper (notwithstanding that all contracts to that effect have expired) and no agreements are in place between the Parties, my recommendation is to gain finality on the status of Stateliner prior to taking any official action regarding the parking lot kiosks. Ultimately, it is my opinion that the Town would be within its rights to terminate the designation of Stateliner as the redeveloper based upon the acknowledged failure to meet certain deadlines and the lack of any real movement on the development front.

Should you have additional questions, please do not hesitate to contact me.

Very truly yours,

*// Richard W. Wenner*

Richard W. Wenner

cc: Robert Bengivenga  
Harry L. Wyant, Jr.  
Stanley J. Schrek, P.E.