

The Borough is redacting/withholding from public disclosure financial statements/audits that were submitted with the RPM proposal in a separate envelope marked "confidential," and on page 20 entitled "Financial Capacity", because public records do not include "proprietary commercial or financial information obtained from any source" or "information which, if disclosed, would give an advantage to competitors or bidders," pursuant to N.J.S.A. 47:1A-1.1.

A Response to a Request for Proposals for the

UNION HOTEL REDEVELOPMENT



Flemington, NJ

RPM DEVELOPMENT GROUP
77 PARK STREET
MONTCLAIR, NJ 07042
973-744-5410

September 28, 2012

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A. DEVELOPER PROFILE



Market Fair, Camden, NJ Completed 2010

ABOUT RPM DEVELOPMENT GROUP

RPM DEVELOPMENT GROUP is an award-winning, diversified real estate company with over two decades of experience in development, construction, residential and commercial leasing, and property management. RPM Development Group is a group of companies that perform the various real estate activities of development, construction, and property management.

Since 1986, RPM has worked throughout New Jersey to turn redevelopment visions into realities. With a staff of nearly 120 employees and offices in Montclair, Camden, and Franklin Twp., Somerset County, the company has developed and built over 2,500 units of housing, nearly 200,000 square feet of commercial space, and has invested hundreds of millions of dollars in communities across New Jersey. The company is committed to creating high-quality, well-designed housing that incorporates the latest advances in energy-efficient construction. These aspects of our work have allowed the company to emerge as a housing and commercial redevelopment leader in New Jersey. RPM is a six time award winner of the NJ Governor's Award for Excellence in Housing, and was selected by the US Green Building Council for the "Green Ground Breaking Award" in 2012 for its innovation in sustainable building.

RPM Development has extensive experience with historic renovation and preservation, with 12 completed historic projects and one currently under construction – the rehabilitation of a former theater building in downtown Woodbury, NJ, the seat of Gloucester County. RPM and its team of consultants have in-depth knowledge of and experience with obtaining the type of governmental approvals required for historic redevelopments with new construction components. As described more fully in the project experience section of this RFDC, RPM has successfully rehabilitated many historic buildings to meet both historic and sustainable building standards. Just one example is Market Fair in Camden, NJ, a formerly abandoned bank building that is reported to be the first LEED Platinum historic rehabilitation in the United States.

RPM has long-standing, strong working relationships with the New Jersey Housing and Mortgage Finance Agency, the New Jersey Department of Community Affairs, and the State Historic Preservation Office, as well as many private financing institutions. Support from HMFA and DCA has enabled RPM to finance the majority of its affordable housing transactions. RPM has a strong track record in attracting and utilizing all of the public and private financing available to build developments like that proposed in Flemington. As our own property manager, we would ensure that a high standard of maintenance and management of the property would be maintained for the next several decades.

DEVELOPMENT

RPM's Development department is skilled at financing complex projects with a mix of funding sources that has included federal historic tax credits, low-income housing tax credits, state and municipal funds, federal stimulus funding, Federal Home Loan Bank Affordable Housing Program funds, and other sources of capital funding. RPM is particularly adept at bridging any gaps in the financial structure of a deal. Recent deals have had up to eleven different sources of financing. RPM has deep experience engaging community stakeholders and collaborating with municipalities, state government, local authorities, and nonprofits to bring developments to fruition. RPM has secured funding for single-site, scattered-site, and multi-phase neighborhood redevelopment projects.

Edward Martoglio, President

Ed is one of three founders of the RPM Development Group and is now the sole principal of the company. Since its inception in 1986, Ed has been active in all aspects of RPM's business, including development, construction and management of the RPM portfolio. Prior to 1986, he was a tax attorney with the Internal Revenue Service/ District Counsel's Office. Ed is passionate about RPM's role in creating safe, energy efficient and beautiful housing and is committed to developing, building and operating quality housing that improves communities statewide. He is a graduate of Middlebury College and Vermont Law School, and holds an LLM in Taxation from New York University.

Ed will be responsible for the overall direction and implementation of the development. He will guide the overall structure of the transaction and will be directly involved with the development team on the initial design of the project. Ed will also ensure that RPM Contracting delivers the project on-time and within the construction budget. He will directly oversee the efforts of the on-site construction project manager.

DEVELOPMENT TEAM MEMBERS

These other members of the development team will coordinate all tasks required to develop the project, assemble and close financing, and transition the project to occupancy:

Michael Knab, Senior Vice President

Michael is Senior Vice President of Development at RPM, where he has financed affordable housing developments since 2004. Prior to joining RPM, Mike financed affordable and conventional housing at Neighborhood Housing Services of New York City, the Federal Home Loan Bank of New York, GMAC Commercial Mortgage and the New Jersey Housing and Mortgage Finance Agency. At NJHMFA, he participated in the design and administration of the Low Income Housing Tax Credit program for six years. He received a Bachelor's degree in Public Policy Analysis from Cornell University and a Master's degree in Finance from Rutgers University.

Brendan McBride, Vice President

Brendan, a native of South Jersey, began with RPM Development in 2003. Currently Vice President, Brendan previously managed the development and implementation of multifamily rental and for-sale projects for RPM from 2003-2006 in Newark, Trenton, and Camden, NJ. After graduate school and research on affordable housing in Latin America, Brendan returned to RPM in 2008 to work on the development of projects in Newark, Orange, and Franklin Twp., Somerset County, including two housing authority redevelopment initiatives and the first mixed-use, mixed-income rental development in Franklin Twp., Voorhees Station. Brendan received his M.S. with distinction in Urban Development and Housing Studies from Erasmus University in the Netherlands and a B.A. in Anthropology magna cum laude from Amherst College.

Elizabeth Kulinich, Development Associate

Elizabeth is Development Associate at RPM, where she is responsible for securing the financing and regulatory approvals for new development opportunities as well as coordinating debt and equity advances on existing projects. Elizabeth holds a Master of City and Regional Planning degree from the Edward J. Bloustein School of Planning and Public Policy at Rutgers University.

CONSTRUCTION & GREEN BUILDING

Since 1986, RPM CONTRACTING has built thousands of units of high-quality workforce housing in cities and suburbs throughout New Jersey. RPM Contracting has taken on challenging projects ranging from the construction of new multifamily buildings on contaminated vacant land to the adaptive re-use and the rehabilitation of historic buildings.

Market Fair in Camden is one successful example of RPM Contracting's rehabilitation of a neglected historical building in a downtown setting. Listed on the National Register of Historic Places and named one of New Jersey's "Most Endangered Buildings" due to its steady deterioration, the Market Fair building now is an anchor in downtown Camden, NJ. RPM Contracting has also worked in the historic Fairview Village neighborhood of Camden since 2003, when it was selected as redeveloper of four buildings on the main square and over 100 homes throughout this neighborhood National Register of Historic Places. RPM Development and Contracting have won numerous awards for sustainability and energy efficiency, including New Jersey's first LEED Platinum multifamily building and the United States' first LEED-Platinum Historic Rehabilitation. Seven of the last nine RPM projects have achieved LEED Platinum certification, with two other projects having achieved LEED Gold certification. Essential to all of RPM Contracting's work is a network of consultants with a long history of bringing their expertise to the table. An additional advantage of in-house construction is the ability to closely oversee costs and the project schedule.

PROPERTY MANAGEMENT

RPM MANAGEMENT II, LLC draws on over two decades of experience to ensure that RPM residences are pleasant places to live and assets to surrounding communities. RPM Management has been a multi-year recipient of the Excellence in Housing Management Award from the New Jersey Housing & Mortgage Finance Agency. A team of property managers, maintenance staff, and live-in superintendents take pride in maintaining the high quality of RPM's portfolio. With over 2,500 units under management, RPM Management has the knowledge, experience, and resources to successfully manage mixed-use buildings in a variety of settings. Portfolio-wide, the operating vacancy rate has remained below 3% for each of the past five years, a figure that includes both RPM's older and newer buildings. RPM's high leasing standards and close management of the buildings ensure that they represent harmonious places to live. RPM Management also provides a host of social services at several of RPM's buildings, such as financial counseling, employment assistance, and yoga and zumba. Our primary goals as property managers are to create a positive living environment for all residents, support thriving commercial tenants, and serve as an asset to the surrounding community.

COMMERCIAL LEASING

RPM'S COMMERCIAL LEASING DIVISION has leased hundreds of thousands of square feet of commercial space in communities statewide; tenants have included restaurants, community organizations, banks, and government agencies. We have incorporated high-quality commercial spaces into a number of our projects, recognizing that successful commercial tenants can play a major role in increasing the positive impact of residential redevelopment.

B. PREVIOUS DEVELOPMENT EXPERIENCE



West Side Village I, Newark Completed 2000



Fairview Village in Camden, NJ revived a historic, planned community to provide a total of 72 units of quality, energy-efficient housing to a neighborhood of Camden listed on the National Register of Historic Places.

FAIRVIEW VILLAGE | CAMDEN

Built by the federal government in 1919 as housing for shipbuilders, Fairview Village is listed on the National Register of Historic Places and often cited as one of the best examples in the US of a planned working-class walking community.

After a period of disinvestment, growing crime, and dropping real estate values, RPM was designated Redeveloper and stepped in to play a major role in restoring Fairview Village to its place as one of Camden's most vibrant neighborhoods in a multi-phase redevelopment project beginning in 2002.

The first phase of this revitalization effort brought back to life four boarded-up buildings around Yorkship Square – the heart of the neighborhood – by converting them into 52 units of rental housing affordable to low-income households and a 3,000 square foot community center. Another twenty units of new rental housing were constructed on an underutilized site on the main commercial road.

The success of RPM's work in Phase I galvanized stakeholders to address the decline of another neighborhood rental complex, Fairview Courts, in Phase II. Built in the 1930's, this once-attractive complex of 30 townhouse style apartments was in severe disrepair and half unoccupied when RPM began renovations in 2005. The renovations were staged in order not to have to relocate existing tenants off-site, and the refurbished townhouse units are now mostly occupied by the original tenants.

Funding Source	Amount
NJDCA Balanced Housing	\$ 2,281,756
LIHTC Equity	\$ 8,372,000
Federal Home Loan Bank AHP	\$ 57,000
Total	\$ 11,310,756



PROJECT REFERENCE:
Marge Della Vecchia
Deputy County Administrator
Camden County, NJ
mdellavecchia@camdencounty.com
(856) 225-2130



After over 20 years of being vacant, 301 Market Street, the former New Jersey Safe Deposit and Trust Company building, was rehabilitated to become the first LEED Platinum historic rehabilitation in the United States.

MARKET FAIR | CAMDEN

Market Fair is a unique project combining historic rehabilitation with new construction in two Camden neighborhoods to provide 71 units of affordable rental housing to low- and very low-income seniors as well as over 7,000 square feet of downtown commercial space.

In addition to providing a housing asset for the Fairview and downtown Camden neighborhoods, Market Fair preserved one of New Jersey's historic assets, the New Jersey Safe Deposit and Trust Company building located at 301 Market Street. The building - listed on the National Register of Historic Places and vacant for nearly 25 years - had been named one of New Jersey's "Most Endangered Buildings" due to its steady deterioration. After several unsuccessful attempts by developers to bring the building back, the Camden Redevelopment Agency issued an RFP in 2007 and selected RPM as the redeveloper for the site. RPM immediately stabilized the compromised structure and collapsing roof. RPM and the project architect, Inglese Architecture, then strategized to adapt this landmark for residential use while preserving its historic traits and incorporating modern green building technologies.

New Jersey's State Historic Preservation Office was involved in formulating and approving a strategy that met both LEED and historic standards. The building is reported to be the first LEED Platinum historic rehabilitation in the United States.

Funding Source		Amount
LIHTC Equity	\$	10,985,334
HMFA Special Needs Housing Trust Fund	\$	1,000,000
Economic Redevelopment Board	\$	3,000,000
Balanced Housing	\$	6,000,000
HOME	\$	1,100,000
State Treasury	\$	525,000
Federal Home Loan Bank AHP	\$	500,000
Total	\$	23,210,334

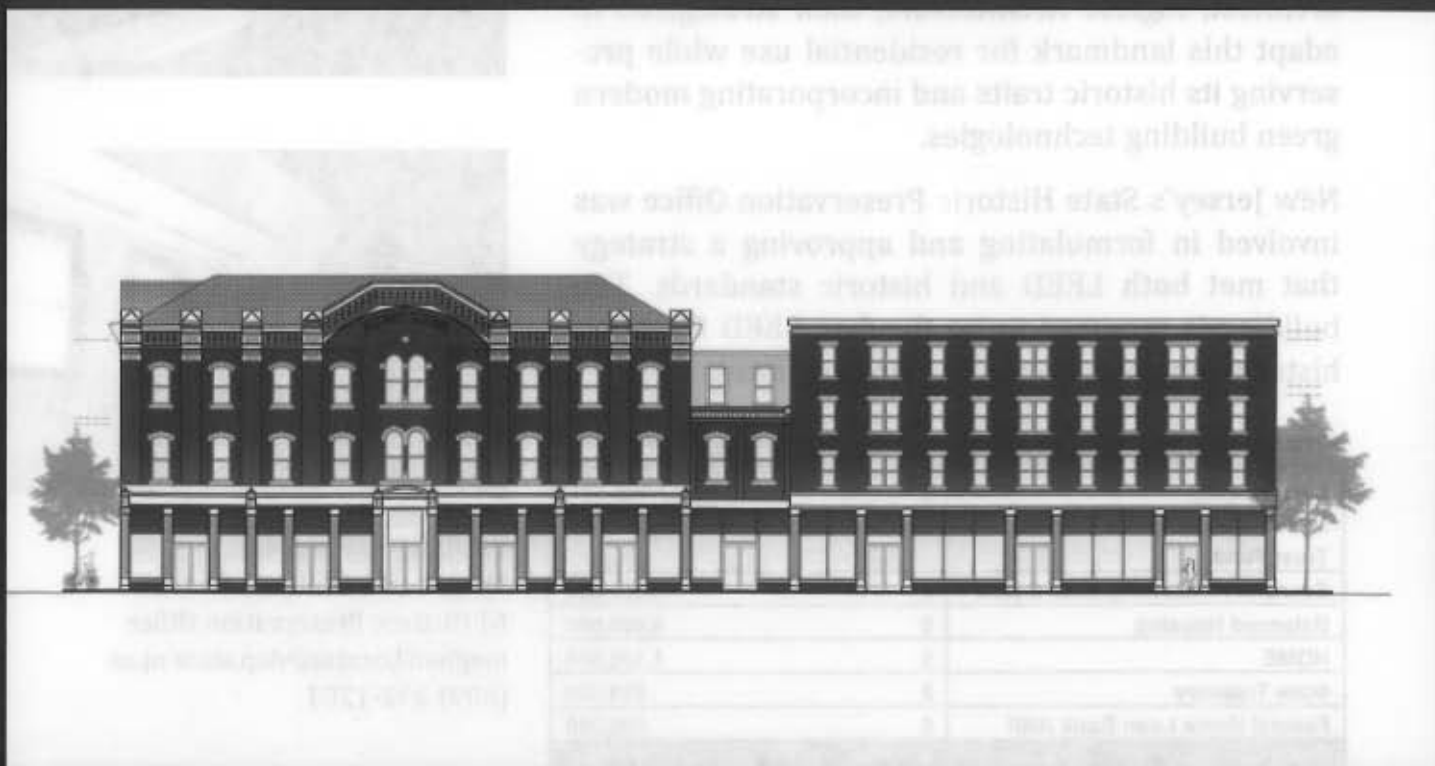


PROJECT REFERENCE:
Meghan MacWilliams Baratta
NJ Historic Preservation Office
meghan.baratta@dep.state.nj.us
(609) 292-1253

BEFORE



IN-PROGRESS



The rehabilitation of G.G. Green in Woodbury will bring to life a vacant building in a central downtown neighborhood and provide 52 units of housing for senior residents in addition to 7,000 square feet of retail space.

G.G. GREEN | WOODBURY

Funded in 2012, Woodbury Senior uniquely combines rehabilitation and new construction to redevelop a downtown site listed on the National Register of Historic Places. The project – now under construction – aims to serve as the anchor for the revitalization of a key section of the downtown of the City of Woodbury, the seat of Gloucester County. The project will adaptively reuse and rehabilitate the historic building to its original character and will accommodate a newly-constructed addition that draws design elements from the neighboring historic structure. This development is anticipated to be completed in a single 14-month phase by the end of 2013 and will create 52 one-bedroom and 3 two-bedroom apartments for seniors of a range of incomes, as well as approximately 7,000 square feet of retail space along South Broad Street.

Stabilization, coupled with a construction phase, will extensively address the building's brickwork, wall reconstruction, roof and floor structures, and building systems, such as plumbing and electrical. The goals of the project are to provide high-quality housing and commercial space, preserve one of the town's most important historic buildings and to anchor the revitalization of the downtown commercial corridor, with hopes of sparking further commercial and other redevelopment activity in the near future.

Funding Source	Amount
LIHTC Equity	\$ 11,881,503
Historic Tax Credit Equity	\$ 1,318,749
FHLB AHP	\$ 936,203
Total	\$ 14,136,455



PROJECT REFERENCE:
Ron Riskie, Mayor
City of Woodbury, NJ
RRiskie@woodbury.nj.us
(856) 845-1300 x 137

C. PROJECT CONCEPT



Franklin Boulevard Commons, Franklin Twp Completed 2011

CONCEPT

Given the location of the Union Hotel site, we recognize how crucial the redevelopment of the building is to supporting the vibrancy of Flemington's downtown. RPM Development Group takes great pride in developing housing that serves as a great place to live and a source of beauty and vibrancy for surrounding communities, both objectives that would apply to the Flemington redevelopment. RPM proposes to redevelop Union Hotel by adaptively reusing and rehabilitating the historic site for a mixed-use residential and retail development.

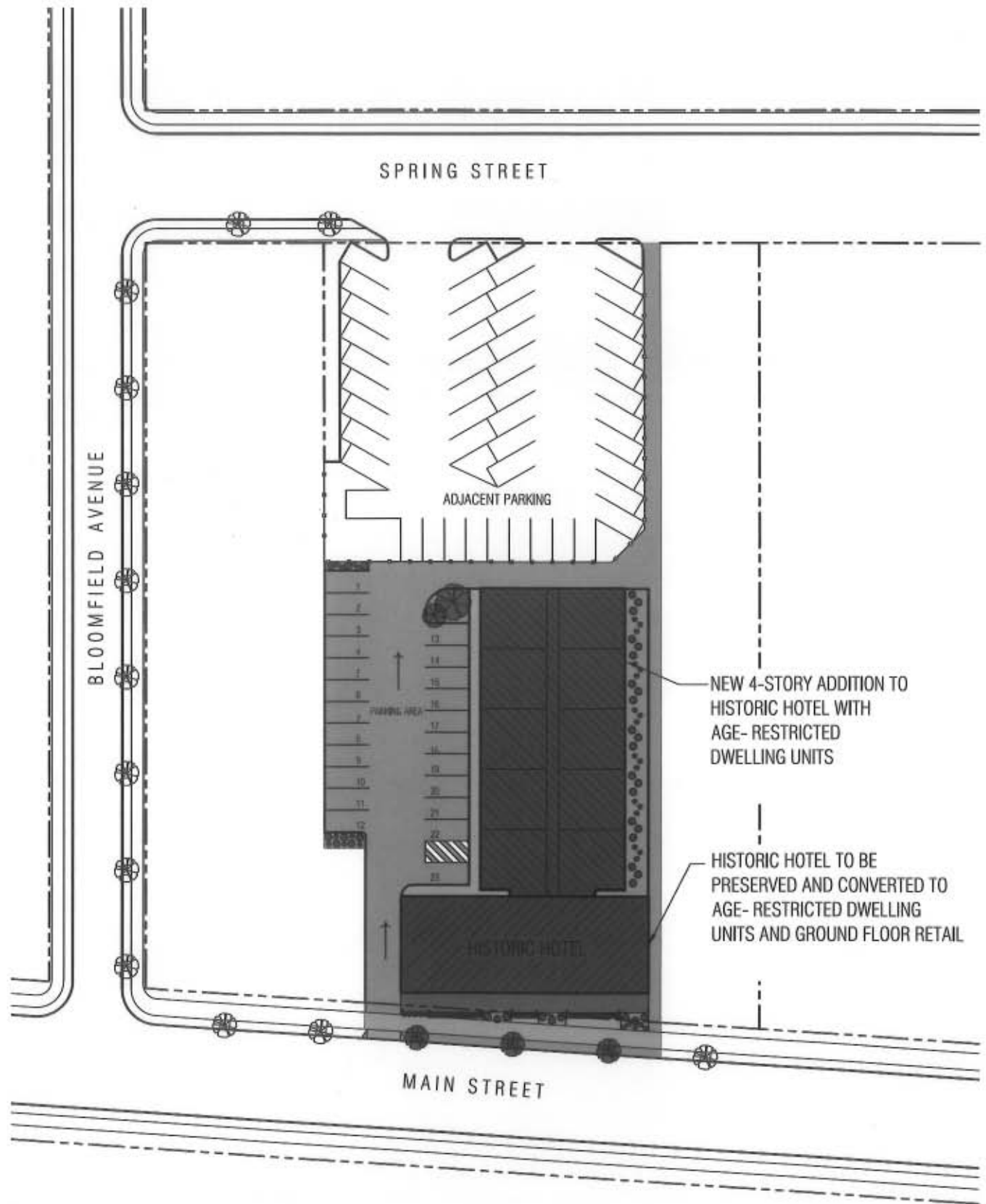
RPM proposes a development that will provide mixed-use, energy-efficient, high-quality senior housing for residents of Flemington, NJ with ground floor commercial spaces fronting Main Street. The project design would rest on a foundation of sustainable site planning, detail-oriented historic rehabilitation, and a commitment to place-making. The development would adhere to design guidelines referenced in Flemington ordinances as well as the Secretary of the Interior's Standards for the Treatment of Historic Properties. The design and development of the building would be carried out in due collaboration with the appropriate arms of local and state government.

The proposal takes into consideration Flemington's density, suburban character, and neighborhood scale and context. RPM envisions fifty-one (51) senior affordable units, with a unit mix that includes forty-eight (48) one-bedroom units and three (3) two-bedroom units, 3,000 square feet of retail and 24 parking spaces. In Hunterdon County, a household of two must have an income of \$56,700 or less to qualify for the units at the 60% or less of the area median income set-aside. Twenty-one (21) units will be available to seniors earning 60% or less of the area median income, while the remainder will be available for seniors earning 50% or less of the area median income. The building would include an addition to the rear of the Union Hotel building that would be designed to integrate into its historic surroundings.

All residents will have access to a variety of social services at no cost. These services will be organized by an on-site coordinator in a designated community room and will consist of programming such as financial counseling, educational workshops, and fitness activities geared toward seniors. The community room will be located in a restored section of the historic building. The downtown district offers great access to retail stores, public transportation, and the town's resources, all amenities that will make it an attractive location for active seniors. A range of uses could be a fit with the retail spaces, and the final determination of retail tenants would be carried out in conversation with the town.

RPM's proposal for the Union Hotel sites balances residential growth with the preservation of a historic resource by striving to create an attractive place that will contribute to the vibrancy of Flemington. RPM has extensive experience in the successful redevelopment of such a historic asset and commits to collaborating with Flemington to create the best possible design and development program for the project.

INITIAL VISION *site plan*



INITIAL VISION *rendering*



This is one potential version of the addition to the original historic building. The final design would be elaborated in collaboration with the town and historic authorities.

INITIAL VISION *rendering*



D. FINANCIAL CAPABILITY & FUNDING STRATEGY



Bakery Village, Newark Completed in 1999

E. REFERENCES



Cherry Tree Village, Newark Completed 2010

REFERENCES

Charles Richman | Deputy Commissioner NJDCA

Charles Richman is the Deputy Commissioner for the New Jersey Department of Community Affairs. He has more than 30 years of experience in New Jersey state government and has been involved with a number of projects that RPM has developed. Mr. Richman is available at 609-292-6420.

Olivette Simpson | Director of Housing, Camden Redevelopment Agency, City of Camden, NJ

Olivette Simpson is the Camden Redevelopment Agency's Director of Housing, RPM has completed several redevelopment efforts redevelopment areas of Camden. Ms. Simpson is available at olsimpso@ci.camden.nj.us or (856) 757-7600.

Anthony Marchetta | Executive Director, NJHMFA

Anthony Marchetta is the Executive Director of the New Jersey Housing & Mortgage Finance Agency. Mr. Marchetta has over 35 years of experience in the public and private sector. Mr. Marchetta has been involved with a number of projects that RPM has developed. Mr. Marchetta is available at amarchetta@njhmfa.state.nj.us or 609-278-7440.

Vincent Dominach | Senior Zoning Officer, Secretary of Redevelopment Agency, Franklin Township

Vincent Dominach is the Senior Zoning Officer of Franklin Township and the Secretary of the Franklin Redevelopment Agency. RPM was designated redeveloper for the Churchill Millstone Redevelopment Area in 2006 and has subsequently served as designated redeveloper with the Franklin Housing Authority. Mr. Dominach is available at Vincent.Dominach@twp.franklin.nj.us or 732-873-2500.

Mark Gomberg | Vice President, Valley National Bank

Mark Gomberg is Vice President of Commercial Lending at Valley National Bank. RPM has a line of credit with Valley National Bank. He is available at mgomberg@valleynationalbank.com or 973-597- 5592.

Francis McEnerney | Managing Partner, McEnerney, Brady, & Co.

Francis McEnerney, CPA, RMA, PSA is the Managing Partner for McEnerney, Brady & Co. McEnerney, Brady & Co. prepares the annual audit for RPM Development Group. Mr. McEnerney is available at fmcenerney@mbccpa.com or 973-535-2880.

Jason Wilber | Vice President, The Richman Group

Jason Wilber is the Vice President for The Richman Group. The Richamn Group has been the tax credit equity investor for several RPM projects. Mr. Wilber is available at wilberj@richmancapital.com or 203-869-0900.



Richardson Lofts, Newark, NJ Completed in 2012