

EXECUTIVE SESSION

Chairman Sheridan announced that he abstained from the following item and left the room.

ITEM: 1. SALE OF PRINCETON "DINKY" STATION

The following report was presented by staff:

A long-standing NJ TRANSIT objective has been the redevelopment and preservation of the NJ TRANSIT Princeton Borough/Township rail station property. In 1981, a rail station development committee chaired by Princeton Borough was formed, and NJ TRANSIT was represented. The result was a lease option agreement providing for the redevelopment of the site. The site consists of two buildings on a three acre lot. Under the terms of the agreement, the municipalities were to develop the property with office/commercial space, create and maintain 150 commuter parking spaces and continue the maintenance of the station facilities. In addition, the lease required the municipalities to pay NJ TRANSIT a \$50,000 annual ground lease payment and a percentage of gross revenue directly from the development.

The municipalities hired Hi 11ier Associates to design and evaluate the site. The consultants concluded that development was possible only if NJ TRANSIT exchanged property with Princeton University. The exchange in property would have allowed the University to improve campus pedestrian circulation and offer NJ TRANSIT a larger parcel of land for development.

Princeton University, municipality officials, and NJ TRANSIT representatives explored the various development options for the site. The negotiators concluded that the property exchange was not feasible due to a long-term lease agreement on the University's land that was designated for exchange.

Furthermore, and even more importantly, NJ TRANSIT staff has concluded that after three years of unsuccessful discussions among the affected parties, it is highly unlikely that major commercial development will ever be acceptable to the various entities that would have to approve such development. Additional efforts to identify a parcel, attract the interest of a developer, and arrive at plans

compatible within the surrounding area and all affected parties would be time-consuming, costly and in staff's opinion, have a low probability of success.

In February 1984, Princeton University offered to purchase the rail station site and continue station maintenance activities. The University's goal is aimed at preservation and enhancement of the educational nature of the adjacent properties, as well as rehabilitation and maintenance of a parcel of land and that intrudes upon the surrounding land-uses.

Staff recommends that NJ TRANSIT offer Princeton University title to the station property. The staff supports the view that this sale is financially advantageous. It will allow for investment of the proceeds and retention for future transit/development related purposes. The Finance Committee recommends the sale to the full Board.

At present, NJ TRANSIT has agreed in concept to sell the property to Princeton University at the appraised value of \$743,000. The University would be responsible for \$400,000 worth of station, platform, and parking lot improvements as well as general maintenance and up-keep of the station. The University has agreed to rehabilitate and expand the commuter parking lot to accommodate 150 parking spaces.

Title to the station site would enable the University to create a safer and more direct pedestrian linkage between the residential college on Alexander Road and the eastern academic core of the campus.

PARAMETERS OF THE PROPOSED PURCHASE AGREEMENT

- L NJ TRANSIT will retain all necessary transportation easements including preservation of the ticket office, waiting area and crew quarters.
2. The property would be for sale at the appraised value of \$743,000.
3. Princeton University would be responsible for maintenance of the railroad station, station platforms, and parking lot.
4. The University will expend \$400,000 for new station improvements, platforms, and 150 parking spaces.
5. The proceeds of the sale will be invested and the proceeds from that investment will accrue to NJ TRANSIT.

Whereupon, the Board adopted the following resolution by a vote of six (6) to zero (0) and requested that the final proposal be presented for their review. Chairman Sheridan abstained from the vote.

Mr. Rogers voted in the affirmative but he asked that the minutes reflect his concern that the property was not evaluated by two independent real estate appraisers. Mr. McGoldrick requested a copy of the contract authorizing the sale.

RESOLUTION

WHEREAS, NJ TRANSIT owns a railroad station and parcel of land known as the Princeton Borough Rail Station or the Princeton Dinky Station; and

WHEREAS, the property is partially located in Princeton Township and Princeton Borough and is surrounded by Princeton University; and

WHEREAS, Princeton University offered to purchase the rail station site and continue station maintenance activities; and

WHEREAS, the University's goal is preservation and enhancement of the educational nature of the adjacent University property; and

WHEREAS, NJ TRANSIT has agreed in concept to sell the property to the University at the appraised value of \$743,000, and for the University to provide \$400,000 worth of station, platform, and parking lot improvements.

WHEREAS, NJ TRANSIT has actively explored development options for the property and concludes that Princeton University's offer to purchase is a more financially advantageous alternative;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to enter into an agreement with Princeton University for the purchase of the Princeton Borough Rail Station site, upon terms in substantial conformance with the terms set forth in this Board item, as well as such other terms and conditions as may be deemed necessary.

(This is not an official copy of the minutes and resolution – the text was extracted from a scanned copy of the original.)