

Recent Efforts to Redevelop the Union Hotel

The upper stories of the hotel, except for a small office area, have been vacant since the 1950s and have fallen into significant disrepair.

In 2007, the hotel owners approached the planning board, wanting to rehabilitate the upper floors. They eventually dropped their plan and did not return to the planning board. Contrary to a popular myth, the planning board was receptive and did not impose onerous conditions on the proposal. This was the first attempt in recent times to rehabilitate the hotel.

The hotel was closed in 2008 and has been dark ever since.

During informal talks between local government officials and developers in 2009 and 2010, it became apparent that redevelopment prospects for the hotel would be improved if it was designated as an “area in need of redevelopment”. This is a state-defined designation: if a property or group of properties meet certain criteria, the municipal government can write redevelopment standards that may be different than the normal standards for the zone. They can also designate an official redeveloper and negotiate tax incentives. The point is to encourage redevelopment that otherwise would likely not occur.

In 2010, Council designated the hotel property to be an area in need of redevelopment and sought bids from interested developers. Two developers, Mark Mulligan and the team of Frank Banisch and Joe LoPiccolo, were selected by the redevelopment committee to present their plans to the public, which they did to large audiences at the historic courthouse. The Mulligan proposal would have restored the restaurant on the first floor and provided housing on the upper floors. The Banisch/LoPiccolo proposal would have restored the restaurant and added a hotel and other historically interesting components to the upper floors. The redevelopment committee recommended Mark Mulligan as being better able to execute a successful redevelopment, but the public was enthralled with the appeal of a restored hotel and demanded, unanimously, that the Banisch/LoPiccolo proposal be adopted. In the face of the public pressure, Mr. Mulligan withdrew his proposal and Banisch/LoPiccolo were chosen as the designated redevelopers on March 28, 2011.

The hotel owners were not willing to sell the hotel for a price that might have made the redevelopment economically feasible. After not seeing enough progress, the council de-designated the Banisch/LoPiccolo team and notified them of the de-designation on July 5, 2012.

Council again sought redevelopment proposals for the hotel property. In November, 2012, the team of Liam Burns and Matt McPherson were conditionally designated as the new redevelopers. They immediately began acquiring properties and the liquor license (which had been transferred to Bensi's), and a redevelopment agreement with Burns/McPherson was finalized in May, 2013.

Financial reality again set in, and the redevelopers concluded that the hotel property by itself could not be economically redeveloped. Therefore, in January 2014 Council officially expanded the area in need of redevelopment to include the other properties in the block from the hotel south to 110 Main St. (just south of Chorister Place). The Burns/McPherson team developed a concept for a larger development that would include the larger area (not just the hotel). They had some discussion with Advance Realty, a company that does large scale developments. The redevelopment committee held one meeting with Advance Realty, after which Advance Realty sent an employee to Flemington to walk the site and assess

the possibilities. Advance Realty concluded it was not practical to redevelop the existing buildings and did not participate further in the project.

In October, 2014, Burns/McPherson submitted a letter of interest to buy the 90-100 Main St. property at market price, supporting their belief that the hotel by itself was not an economically viable project. Council agreed to allow four months, until February 16, 2015, for Burns/McPherson to make the purchase. The four-month window expired with no offer to purchase the building. It was apparent that the project had stalled, so, more than two years after being designated, Burns/McPherson were de-designated in August, 2015.

Later in 2015, Jack Cust acquired the liquor license and began to develop his own vision for the redevelopment area, which brings us to where we are today.

In summary, the upper floors have been abandoned since the 1950s, the entire building has been closed since 2008, and there have been six developer assessments of the hotel in the last ten years:

1. The owners' own plans in 2007
2. Discussions with local developers in 2009/10
3. The Banisch/LoPiccolo team as designated redevelopers in 2011/12
4. The Burns/McPherson team as designated redevelopers in 2012/15
5. The assessment by Advance Realty in 2014
6. The assessment by Jack Cust in 2015

Since 2010 Council has been continuously occupied with a redevelopment committee that has sought proposals and worked with interested parties who thought they might be able to economically restore the hotel. All efforts to redevelop the hotel have come to the same end: either the developer could not raise the money to cover the high cost, or the developers who have the money concluded it is not economically feasible.