

# Rahway Redevelopment Agency

## MINUTES Regular Meeting February 7, 2007

### CALL TO ORDER

The meeting was called to order at 6:30 P.M. in the Council Chambers

### OPEN PUBLIC MEETINGS ACT

Chairman Rack noted that this meeting has been advertised and posted in accordance with the Open Public Meetings Act of the State of New Jersey

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### PLEDGE OF ALLEGIANCE

Commissioners, officials, and public attendees saluted to the flag

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### ROLL CALL

On a call of the roll the following officials were present:

Anthony Deige, Commissioner  
Carlos Garay, Commissioner  
James Ferrell, Commissioner  
Timothy Nash, Commissioner  
Nancy Saliga, Commissioner  
Courtney Clarke, Vice Chairman  
William Rack, Chairman

The following official was absent:

James Ferrell, Commissioner

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### APPROVAL OF MINUTES

*A motion was made by Commissioner Clarke and seconded by Commissioner Nash to accept and approve the minutes listed below:*

*January 3, 2007 Organizational Meeting*

*Yes: Commissioners Deige, Garay, Nash, Saliga, Clarke and Rack  
Absent: Commissioner Ferrell*

*A motion was made by Commissioner Clarke and seconded by Commissioner Nash to accept and approve the minutes listed below:*

*January 3, 2007 Regular Meeting*

*Yes: Commissioners Deige, Garay, Nash, Saliga, Clarke and Rack  
Absent: Commissioner Ferrell*

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### COMMENTS FROM THE PUBLIC

Executive Director Pelissier described the procedure the Rahway Redevelopment Agency follows for all meetings and presentations, explaining the public's opportunities to comment on any presentation at the following month's RRA meeting, at the appropriate Planning Board meeting and/or City Council meeting.

Patrick Casio, 1971 Barnett Street, requested the Agency to change the format of the meeting to allow public comment after the presentation.

Lawrence Bodine, 1987 Lufberry Street stated that a letter was sent requesting a change in the agenda. He also said that he would like to see new stores in the downtown prior to any redevelopment of the City Hall property, referring to the City Hall as the "people's house".

Jim Heinz, Jaques Avenue, said that he felt this project was ludicrous.

Nellie Weber, Knapp Drive, wanted to know when the City was going to pay back monies to HUD and FEMA.

Nick Mamczak, West Lake Avenue, requested the Agency to allow the public to speak after the presentation.

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## PRESENTATIONS:

1. Town Center – A mixed use redevelopment project for Block 305, Lots 5.02, 5.04, 6.02, 7.02 and 8.03 in the Lower Main Street Urban Renewal Area

Mayor Kennedy corrected some of the comments made by the public, pointing out that Ms. Weber was mistaken on her comment regarding the repayment of HUD funds and FEMA funds.

Mayor Kennedy gave a brief history of redevelopment within the City and showed a local newspaper from 1960 with the headline "City Redevelopment Funds Sought". He described the City's accomplishments regarding redevelopment and requested the public to be open-minded to the presentation of "Town Center".

Richard Weissman, managing partner of Diversified Communities explained his company's investment in Rahway with Riverwalk Townhouses and this project. He expressed his optimism in the City's future and the proposed project, "Town Center". He introduced Tim Haas, Architect to narrate a PowerPoint Presentation.

The proposed project's objective is to develop a place for people to live, shop and play. Mr. Haas explained the planning and architectural principles used in developing this project. He stressed the importance of creating a vibrant community and connecting it to the rest of the central business district. Plans showed the progression of ideas and layouts; with the creation of over 100,000 square feet of retail space, approximately 400 residential units, parking decks, a government area, with the relocation of City Hall offices to the top floors of the Library, and the construction of a new police station.

After Mr. Haas and his associate completed their portion of the presentation, Dottie Blakeslee, the Managing Director of Acacia Financial Group, discussed the financial and tax benefits of the project. The current tax revenue generated by the property is \$228,179.00; upon completion of the project, the anticipated tax revenue would exceed \$2,100,000.00.

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## COMMISSIONER'S COMMENTS

Mr. Weissman answered the Commissioner's questions regarding the proposed timeline for development. He stated that engineering studies were being conducted and that acquisition of the necessary parcels could begin at the end of this year, with the project completing in 24 months from that time. He also re-addressed the inquiry of any costs to the taxpayers; stating that the current City Hall property would be traded for the top two floors of the Library (including the office move and build-out) and the construction of a new police headquarters - at no cost to taxpayers.

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## CORRESPONDENCE

1. Letter dated January 2, 2007 from Peter Pelissier, Executive Director, to Adam Zellner, Department of Environmental Protection, regarding 1797 Lenington Street, Rahway, NJ.
2. Letter dated January 2, 2007 from Peter Pelissier, Executive Director, to Adam Zellner, Department of Environmental Protection, regarding permits from NJDEP.
3. Letter dated January 10, 2007 from Francis X. Regan, Esq., General Counsel, to Arlene and William Piegari, regarding a parking agreement on Block 158, Lot 2.
4. Letter dated January 11, 2007 from Francis X. Regan, Esq., General Counsel to Craig H. Feldman, Riverwalk Developers LLC, regarding Unit No. 207, commonly known as 1393 Essex Street, Rahway, NJ.
5. Letter dated January 11, 2007 from Francis X. Regan, Esq., General Counsel to Craig H. Feldman, Riverwalk Developers LLC, regarding Unit No. 110, commonly known as 393 Johnson Street, Rahway, NJ.
6. Letter dated January 11, 2007 from Francis X. Regan Esq., General Counsel, to Peter Pelissier, Executive Director, regarding a Purchase Agreement for 1592 Elizabeth Avenue, Rahway, NJ.
7. Letter dated January 16, 2007 David Oster, NJDEP to Peter Pelissier regarding the submitted Remedial Action Workplan for 1839 Elizabeth Avenue, Rahway, NJ (Wheatena – Matzel & Mumford)
8. Letter dated January 17, 2007 from Peter Pelissier, Executive Director, to Mr. Ronald Esposito regarding KC Jazz (Block 162, Lots 5, 6, and 7)
9. Letter dated January 16, 2007 from Francis X. Regan, Esq., General Counsel, to Michael Merlis and John DeNoia, Esq. regarding an Amendment to the Redevelopment Agreement for Block 319, Lots 1,2,3, and 8

10. Letter dated January 18, 2007 from Francis X. Regan, Esq., General Counsel, to Anthony Pasquariello, Esq. regarding an appraisal for the Kings Inn Motel, Block 304, Lots 5 and 6
  11. Letter dated January 18, 2007 from Michael Ash, Esq., Assistant Counsel, to John J Reilly, Esq. regarding the Rahway Redevelopment Agency v Karagiannis, et al.
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## STATUS REPORTS

1. Diversified Communities:
    - Riverwalk at Rahway, Blocks 331, 304
    - Town Center, Block 305
    - Regency Park, Block 304 / Lots 5, 6
  2. M & M at Wheatena, Blocks 226, 227, 228
  3. Carriage City Hotel & Tower, Block 316 / Lot 1.01
  4. River View Manor (Lenington Street), Block 353 / Lot 2
  5. Rahway Industrial Sites, 970 New Brunswick Avenue
  6. Dornoch I, Dornoch II, Dornoch II ½, Dornoch III
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## TREASURER'S REPORT

A summary of the Treasurer's monthly activity was distributed with the meeting agenda.

*A motion was made by Commissioner Clarke, seconded by Commissioner Nash to accept and approve the Treasurer's report*

*Yes: Commissioners Deige, Garay, Nash, Saliga, Clarke and Rack*

*Absent: Commissioner Ferrell*

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## EXECUTIVE DIRECTOR'S REPORT

Executive Director Pelissier discussed that status of several projects:

1. Demolition for Dornoch II should begin within the next two months
2. Park Square submitted a status report explaining the delays in the project and construction should resume on or about 2/14/07
3. Landmark Properties purchased the old Woolworth building and is interested in redeveloping the entire block of Main/Lewis/Augusta. They will schedule a presentation in front of the RRA in the next few months
4. Kelly's Pub/KC Jazz is moving ahead on their project and submitted plans to the building department
5. Carriage City is making progress, even though an oil tank was discovered under the sidewalk
6. Hamilton Laundry is being prepared for artists' workspace. It is important to develop activity in the building
7. Dornoch I has filed permits regarding archaeological/historic findings for DEP

*A motion was made by Commissioner Clarke, seconded by Commissioner Deige to accept and approve the report*

*Yes: Commissioners Deige, Garay, Nash, Saliga, Clarke and Rack*

*Absent: Commissioner Ferrell*

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## LEGAL REPORT

None

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## UNFINISHED BUSINESS

None

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## NEW BUSINESS

Resolutions:

**08-07: RESOLUTION SUPPORTING REDEVELOPMENT STUDY AT BLOCK 228, LOTS 1-6 (FORMER WHEATENA SITE)**

WHEREAS, pursuant to N.J.S.A. 40A:12A-6, the Governing Body has authorized the Planning Board to undertake a preliminary investigation to determine whether a portion of Block 228, Lots 1-6, generally, 1905 Elizabeth Avenue (the "Property") is an area in need of redevelopment according to the criteria set forth in N.J.S.A. 40A:12A-5; and

WHEREAS, the Governing Body has determined that there has been, or it suspects that there has been, a discharge of hazardous substances or a hazardous waste on the Property; and,

WHEREAS, the Rahway Redevelopment Agency is applying from the Hazardous Discharge Site Fund for funding for the assessment and investigation of Block 228, Lots 1-6 in order to determine the extent or the existence of any hazardous substance or hazardous waste; and,

WHEREAS, the Rahway Redevelopment Agency intends to acquire the property for the purposes of redevelopment.

NOW, THEREFORE BE IT RESOLVED, by the Rahway Redevelopment Agency of the City of Rahway, County of Union, State of New Jersey, that the Rahway Redevelopment Agency is committed to the redevelopment of Block 228, Lots 1-6 for the purpose of high density residential housing and finds that a realistic opportunity exists for the redevelopment of Block 228, Lots 1-6 within a three year period after the completion of the remediation of this site either through the planned redevelopment project, Riverfront Park Project by Matzel and Mumford or through alternate redevelopment.

Certified to be a true copy of a Resolution adopted by the Board of Commissioners of the Rahway Redevelopment Agency, Rahway, New Jersey adopted at a regular meeting held on February 7, 2007.

*A motion was made by Commissioner Nash, seconded by Commissioner Clarke to approve the Resolution*

*Yes: Commissioners Deige, Garay, Nash, Saliga, Clarke and Rack*

*Absent: Commissioner Ferrell*

**09-07: RESOLUTION AUTHORIZING THE ENTERING INTO A CONSENT ORDER FOR FINAL JUDGEMENT AND OTHER CLAIMS TO SETTLE THE CONDEMNATION ACTION FOR THE ACQUISITION OF 43 ELM AVENUE, ALSO KNOWN AS BLOCK 157, LOT 7, IN THE CENTRAL BUSINESS REDEVELOPMENT AREA**

WHEREAS, pursuant to N.J.S.A. 40A:12A-8, the Rahway Redevelopment Agency is authorized to acquire property located within a designated redevelopment area by negotiation or condemnation; and

WHEREAS, pursuant to Resolution 42-04 and Resolution 55-05, the Board of Commissioners authorized the acquisition of the property known as 43 Elm Ave, Block 157, Lot 7, in the Central Business District Redevelopment Area (the "Property"), through negotiation or condemnation in furtherance of the Park Square Redevelopment Project; and

WHEREAS, the Rahway Redevelopment Agency made a formal offer to the property owner to acquire the Property for \$335,000, which is the fair market value of the Property as determined by the appraiser retained by the Agency; and

WHEREAS, the property owner has provided an appraisal which values the Property at \$525,000; and

WHEREAS, the Agency was unsuccessful in acquiring the Property through negotiation and therefore filed a Declaration of Taking filed on February 7, 2006 to acquire the Property by eminent domain pursuant to the process outlined in N.J.S.A. 20:3-1 et seq.; and

WHEREAS, upon filing the Declaration of Taking, the Agency deposited \$335,000 into an account of the Superior Court; and

WHEREAS, the parties participated in a Commissioners Hearing on August 23, 2006 after which the award of the Commissioners was \$405,000; and

WHEREAS, the condemnee appealed from the award of the Commissioners and requested a jury trial to determine the just compensation for the Property; and

WHEREAS, with the assistance of the Court, the condemnee and the Rahway Redevelopment Agency have agreed to a settlement for the acquisition of the Property for \$452,500; and

WHEREAS, this settlement is subject to the execution of a Consent Order for Final Judgment by the Presiding Judge, Union County, Superior Court of New Jersey; and

WHEREAS, the City of Rahway must adopt a bond ordinance to finance the \$117,500 balance of the settlement.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby authorizes the settlement with the condemnee in the acquisition through condemnation of Block 157, Lot 7, located in the Central Business District Redevelopment Area; and

BE IT FURTHER RESOLVED, that the settlement shall be in the amount of \$452,500 and upon the terms of the Consent Order for Final Judgment, which shall require the payment to the condemnee of \$117,500; and

BE IT FURTHER RESOLVED, that the settlement is contingent upon the adoption of a bond ordinance by the City Council of the City of Rahway, which ordinance is anticipated to be adopted at the March 2007 Council meeting and will fund the payment of the balance of the settlement amount.

BE IT FURTHER RESOLVED, that the Chairman of the Board of Commissioners is hereby authorized to execute all documents and take all actions necessary to effectuate the settlement.

Certified to be a true copy of a Resolution of the Board of Commissioners of the Rahway Redevelopment Agency, Rahway, New Jersey adopted at a regular meeting held on February 7, 2007

*A motion was made by Commissioner Clarke, seconded by Commissioner Deige to approve the Resolution*

*Yes: Commissioners Deige, Garay, Nash, Saliga, Clarke and Rack*

*Absent: Commissioner Ferrell*

**10-07: RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THE REDEVELOPMENT AGREEMENT WITH HEARTSTONE DEVELOPMENT, LLC FOR PROPERTY KNOWN AS TAX BLOCK 149, LOTS 1-10 AND 20-25 LOCATED IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A RESIDENTIAL PROJECT (A&M INDUSTRIAL)**

WHEREAS, Rahway Redevelopment Agency (the "Agency") and Heartstone Development, LLC (the "Redeveloper") entered into a Redevelopment Agreement, dated August 1, 2006 ("Agreement") for the redevelopment of properties located within the Central Business District Redevelopment Area pursuant to the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.); and

WHEREAS, on January 3, 2007, the Redeveloper made a presentation to the Agency regarding the changing scope of the project due to a variety of factors, including reducing the project area and size of the project from 174 residential unit to 80 residential units;

WHEREAS, the Agency and Redeveloper have agreed to the terms and conditions of an Amendment to the Redevelopment Agreement addressing the changes to the project requested by the Redeveloper.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby authorizes the execution of an Amendment to the Redevelopment Agreement with Heartstone Development, LLC, P.O. Box 372, East Hanover, N.J. 07936, which provides for the redevelopment of the property for the construction of a residential project, which is to be consistent with the Central Business District Redevelopment Plan for the property.

BE IT FURTHER RESOLVED, that the Chairman and the Secretary are hereby authorized to execute any and all documents, including the Amendment to the Redevelopment Agreement attached hereto in substantially similar form, to effectuate the completion and implementation of this project, subject to final review by general counsel as to legal form and content.

Certified to be a true copy of a Resolution adopted by the Board of Commissioners of the Rahway Redevelopment Agency, Rahway, New Jersey adopted at a regular meeting held on February 7, 2007.

*A motion was made by Commissioner Nash, seconded by Commissioner Clarke to approve the Resolution*

*Yes: Commissioners Deige, Garay, Nash, Saliga, Clarke and Rack*

*Absent: Commissioner Ferrell*

**11-07: RESOLUTION AUTHORIZING THE EXECUTION OF A SECOND AMENDMENT TO THE REDEVELOPMENT AGREEMENT WITH T & S DEVELOPERS, INC. FOR PROPERTY KNOWN AS TAX BLOCK 319, LOT 1.01 LOCATED IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A MIXED USE PROJECT.**

WHEREAS, Rahway Redevelopment Agency (the "Agency") and T&S Developers, Inc. (the "Redeveloper") entered into a September 19, 2001 Redevelopment Agreement ("Agreement") pursuant to which Agency agreed to sell to Redeveloper, and Redeveloper agreed to purchase from Agency and redevelop, the real property now known as Lot 1.01 in Block 319 as shown on the Tax Maps of the City of Rahway, Union County, New Jersey (the "Property") in accordance with the terms and conditions of the Agreement; and

WHEREAS, on March 20, 2003, the Agency and the Redeveloper entered into an Amendment to the Agreement, which also included the parties entering into an Environmental Indemnity Agreement, also dated March 20, 2003 relating to the environmental condition of the Property; and

WHEREAS, on November 30, 2006, the Redeveloper made a presentation to the Agency regarding the project; and

WHEREAS, the project, as built, is not entirely consistent with the stated use of the Property in the Agreement; and

WHEREAS, Agency and Redeveloper desire to clarify the intended use of the Property and have agreed to memorialize such clarifications pursuant to the terms of a Second Amendment to the Agreement; and

WHEREAS, the Agency and Redeveloper have agreed to the terms and conditions of a Second Amendment to the Redevelopment Agreement, which also includes certain action related to the environmental condition of the Property, including the extension of the term of the original Environmental Indemnity Agreement.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby authorizes the execution of a Second Amendment to the Redevelopment Agreement and an extension of the term of the original Environmental Indemnity Agreement with T&S Developer, Inc., 60 Aldrich Avenue, Edison, N.J. 08820.

BE IT FURTHER RESOLVED, that the Chairman and the Secretary are hereby authorized to execute any and all documents, including the Second Amendment to the Redevelopment Agreement attached hereto in substantially similar form, to effectuate the completion and implementation of this project, subject to final review by general counsel as to legal form and content.

Certified to be a true copy of a Resolution adopted by the Board of Commissioners of the Rahway Redevelopment Agency, Rahway, New Jersey adopted at a regular meeting held on February 7, 2007.

*A motion was made by Commissioner Clarke, seconded by Commissioner Garay to approve the Resolution*

*Yes: Commissioners Deige, Garay, Nash, Saliga, Clarke and Rack  
Absent: Commissioner Ferrell*

**12-07: RESOLUTION AUTHORIZING THE EXECUTION OF A SECOND AMENDMENT TO THE AMENDED AND RESTATED REDEVELOPMENT AGREEMENT WITH CARRIAGE CITY PROPERTIES, LLC FOR PROPERTY KNOWN AS TAX BLOCK 316, LOT 3.02 LOCATED IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A MIXED USE PROJECT.**

WHEREAS, on February 22, 2001, the City of Rahway (hereinafter referred to as the "City") entered into a Redevelopment Agreement with the Rahway Investments, LLC, now known as Carriage City Properties, LLC (hereinafter the "Redeveloper"), whereby the City agreed to convey Lots 3 and 4 and part of Lot 1, in Block 316; and

WHEREAS, the City created the Rahway Redevelopment Agency (hereinafter the "Agency") by ordinance on January 25, 2001, as an instrumentality of the City, to carry out and effectuate the purposes of the Redevelopment Law and the terms of all redevelopment plans; and

WHEREAS, on August 18, 2005, the Agency authorized the execution of an Amended and Restated Redevelopment Agreement with the Redeveloper; and

WHEREAS, on March 16, 2006, the Agency authorized the execution of an Amendment to the Amended and Restated Redevelopment Agreement with the Redeveloper; and

WHEREAS, the Redeveloper submitted an application to the Agency requesting changes to its project, including increasing the building height and number of residential units, which will require an amendment to the Central Business District Redevelopment Plan; and

WHEREAS, on November 30, 2006, the Redeveloper made a presentation to the Agency regarding the changes requested;

WHEREAS, the Agency and Redeveloper have agreed to the terms and conditions of a Second Amendment to the Amended and Restated Redevelopment Agreement addressing the changes to the project requested by the Redeveloper, as well as other consideration requested the Agency.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby authorizes the execution of a Second Amendment to the Amended and Restated Redevelopment Agreement with Carriage City Properties, LLC, 142 Broad Street, Elizabeth, N.J. 07201, which provides for the redevelopment of the property for the construction of a mixed use building to include hotel units, residential units and commercial space, which is to be consistent with the Central Business District Redevelopment Plan for the property; and

BE IT FURTHER RESOLVED, that the Chairman and the Secretary are hereby authorized to execute any and all documents, including the Second Amendment to the Amended and Restated Redevelopment Agreement attached hereto in substantially similar form, to effectuate the completion and implementation of this project, subject to final review by general counsel as to legal form and content.

Certified to be a true copy of a Resolution adopted by the Board of Commissioners of the Rahway Redevelopment Agency, Rahway, New Jersey adopted at a regular meeting held on February 7, 2007.

*A motion was made by Commissioner Saliga, seconded by Commissioner Garay to approve the Resolution*

*Yes: Commissioners Deige, Garay, Nash, Saliga, Clarke and Rack*

*Absent: Commissioner Ferrell*

**13-07: RESOLUTION AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT WITH 1527 MAIN STREET ASSOCIATES, LLC (SCARPERI) FOR PROPERTY KNOWN AS TAX BLOCK 320, LOT 7 LOCATED AT 1527 MAIN STREET IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A MIXED USE PROJECT**

WHEREAS, Peter Scarperi was designated Redeveloper of certain land known and described as Block 320, Lot 7, on the Official Tax Map of the City of Rahway located at 1527-29 Main Street, Rahway, New Jersey (the "Property");

WHEREAS, Peter Scarperi has created a limited liability company under the laws of the State of New Jersey for this project, known as 1527 Main Street Associates, LLC; and

WHEREAS, the Property is located in the Central Business District Redevelopment Area; and

WHEREAS, the Redeveloper is the owner of the Property and is proposing the use of the Property for mixed use, which may include, among other things, an upscale wine/liquor store with a food element or other commercial use on the ground floor and self-storage facility or other commercial use in the basement area and residential rental/condominium units on the second floor, (the "Project") and the intended use of the Property will require interior and exterior alterations to the Property; and

WHEREAS, the Redeveloper and the Rahway Redevelopment Agency have agreed to the terms and conditions of a Redevelopment Agreement for the redevelopment of this property.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby authorizes the execution of a redevelopment agreement with 1527 Main Street Associates, LLC (Scarperi), which provides for the redevelopment of the Property, which is consistent with the Central Business District Redevelopment Plan.

BE IT FURTHER RESOLVED, that any previous actions taken by the Board of Commissioners of the Rahway Redevelopment Agency in regards to this matter are hereby superseded by the adoption of this resolution.

BE IT FURTHER RESOLVED, that the Chairman and the Secretary are hereby authorized to execute any and all documents, including the redevelopment agreement, to effectuate the completion and implementation of this project, subject to final review by general counsel as to legal form and content.

Certified to be a true copy of a Resolution adopted by the Board of Commissioners of the Rahway Redevelopment Agency, Rahway, New Jersey adopted at a regular meeting held on February 7, 2007.

*A motion was made by Commissioner Deige, seconded by Commissioner Clarke to approve the Resolution*

*Yes: Commissioners Deige, Garay, Nash, Saliga, Clarke and Rack*

*Absent: Commissioner Ferrell*

**14:07: RESOLUTION REGARDING THE APPLICATION OF SAM GLEN, INC. FOR THE PROPERTY KNOWN AS TAX BLOCK 321, LOTS 3 & 4 IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A MIXED USE COMMERCIAL AND RESIDENTIAL PROJECT**

WHEREAS, the properties known as Block 321, Lots 3 & 4, commonly known as 125 Monroe Street, Rahway, are located in the Central Business District Redevelopment Area; and

WHEREAS, Block 312, Lots 3 & 4 are included in the Central Business District Redevelopment Plan; and

WHEREAS, upon the creation of the Rahway Redevelopment Agency by the City of Rahway, responsibility for managing the redevelopment for the City was granted to the Agency, including the review of projects that may be inconsistent with the redevelopment plan for the relevant redevelopment area; and

WHEREAS, the Rahway Redevelopment Agency has the authority, pursuant to N.J.S.A. 40A:12A-1 et seq., to make recommendations to the governing body for the redevelopment of properties in redevelopment areas, including amendments to redevelopment plans; and

WHEREAS, Sam Glen, Inc. is the current owner of Block 321, Lots 3 & 4; and

WHEREAS, Sam Glen, Inc. has made an application to the Rahway Redevelopment Agency to make additional improvements to the properties to construct a second story for residential uses and to expand the existing commercial use on Block 321, Lots 3 & 4, which proposed improvements would require an amendment to the Central Business District Redevelopment Plan; and

WHEREAS, Sam Glen, Inc. made a presentation to the Board of Commissioners of the Rahway Redevelopment Agency on November 30, 2006 in regards to its proposal for the redevelopment of Block 321, Lots 3 & 4; and

WHEREAS, pursuant to Resolution 35-06 adopted on June 15, 2006, Sam Glen, Inc. has paid fees and escrows in accordance with the fee schedule; and

WHEREAS, based on the application and presentation before the Board of Commissioners, the Board finds that the proposed development is not consistent with the goals of the Central Business District Redevelopment Plan.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency based on the application and presentation of Sam Glen, Inc. for the properties known as Block 321, Lots 3 & 4 located in the Central Business District Redevelopment Area, that it will not recommend to the Rahway City Council that an amendment to the Central Business District Redevelopment Plan be considered for this matter.

BE IT FURTHER RESOLVED, that any unspent escrow monies held by the Rahway Redevelopment Agency be returned to Sam Glen, Inc.

BE IT FURTHER RESOLVED, that since the actions of the Rahway Redevelopment Agency in regards to this matter are only advisory at this time, Sam Glen, Inc. has the right to make a request directly to the Rahway City Council for amendments to the Central Business District Redevelopment Plan.

Certified to be a true copy of a Resolution of the Board of Commissioners of the Rahway Redevelopment Agency, Rahway, New Jersey adopted at a regular meeting held on February 7, 2007

*A motion was made by Commissioner Deige, seconded by Commissioner Garay to approve the Resolution*

*Yes: Commissioners Deige, Garay, Nash, Saliga, Clarke and Rack*

*Absent: Commissioner Ferrell*

**15-07: RESOLUTION AUTHORIZING THE ACQUISITION OF, BY PURCHASE OR CONDEMNATION, CERTAIN LEASEHOLD INTERESTS WITHIN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA KNOWN AS 1540 MAIN STREET, 1554 MAIN STREET, AND 52 EAST CHERRY STREET LOCATED WITHIN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA**

WHEREAS, pursuant to N.J.S.A. 40A:12A-8, the Rahway Redevelopment Agency is authorized to acquire property located within a designated redevelopment area by negotiation or condemnation; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-5, the Central Business District Redevelopment Area was determined to be an area in need of redevelopment by the Municipal Council of the City of Rahway on March 9, 1998; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-7, the Central Business District Redevelopment Plan has been adopted by the Municipal Council of the City of Rahway; and

WHEREAS, on March 16, 2006, the Rahway Redevelopment Agency and Dornoch Rahway II, LLC entered into a redevelopment agreement (hereinafter the "Agreement") for the redevelopment of certain land known and described as Block 318, Lots 1 through 11, 18 and 23 (Main Street from East Cherry to Poplar Streets), on the Official Tax Map of the City of Rahway, New Jersey (the "Property");

WHEREAS, the redeveloper has successfully assembled the project site consisting of Block 318, Lots 1 through 11, 18 and 23; and

WHEREAS, three (3) leasehold interests remain, which the contract redeveloper, Dornoch Rahway II, LLC, has been unable to acquire and has requested that the Borough acquire said interests in accordance with the Redevelopment Agreement by and between the Agency and Dornoch Rahway II, LLC; and

WHEREAS, the Central Business District Redevelopment Plan identifies properties to be acquired and redeveloped, including the property known as 1540 Main Street 1554 Main Street and 52 East Cherry Street (together, the "Leaseholds"); and

WHEREAS, Radha Enterprises, B.A. Realty Corp. and Pradip Patel are parties identified as having interests in the Leaseholds; and

WHEREAS, the Board of Commissioners of the Rahway Redevelopment Agency has determined that it would serve the purposes of the Agency and the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.) for it to acquire the Leaseholds for redevelopment; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby authorizes the acquisition by purchase or condemnation of the Leaseholds in the properties known as 1540 Main Street 1554 Main Street and 52 East Cherry Street from Radha Enterprises, B.A. Realty Corp. and Pradip Patel, located in the Central Business District Redevelopment Area for redevelopment; and

BE IT FURTHER RESOLVED, that the contract redeveloper, Dornoch Rahway, II, LLC, in accordance with the Redevelopment Agreement by and between the Agency and Dornoch Rahway II, LLC, shall pay for the acquisition of the Leaseholds; and

BE IT FURTHER RESOLVED that the Chairman and Secretary are hereby authorized to execute any and all related documents, subject to the review of counsel, to effectuate the acquisition of the property.

Certified to be true copy of a Resolution of the Board of Commissioners of the Rahway Redevelopment Agency, Rahway, New Jersey adopted at a regular meeting held on February 7, 2007.

*A motion was made by Commissioner Nash, seconded by Commissioner Clarke to approve the Resolution*

*Yes: Commissioners Deige, Garay, Nash, Saliga, Clarke and Rack*

*Absent: Commissioner Ferrell*

**16-07: RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR THE LEASE OF THE PROPERTY KNOWN AS TAX BLOCK 326, LOT 1.01 IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA WITH CARRIAGE CITY PROPERTIES, LLC REDEVELOPER FOR USE AS A CONSTRUCTION STAGING AREA IN CONJUNCTION WITH THE DEVELOPMENT OF THE CARRIAGE CITY HOTEL AND CONDOMINIUM PROJECT**

WHEREAS, on February 22, 2001, the City of Rahway (hereinafter referred to as the "City") entered into a Redevelopment Agreement with the Rahway Investments, LLC, now known as Carriage City Properties, LLC (hereinafter the "Redeveloper"), whereby the City agreed to convey Lots 3 and 4 and part of Lot 1, in Block 316; and

WHEREAS, the City created the Rahway Redevelopment Agency (hereinafter the "Agency") by ordinance on January 25, 2001, as an instrumentality of the City, to carry out and effectuate the purposes of the Redevelopment Law and the terms of all redevelopment plans; and

WHEREAS, on August 18, 2005, the Agency authorized the execution of an Amended and Restated Redevelopment Agreement with the Redeveloper; and

WHEREAS, on March 16, 2006, the Agency authorized the execution of an Amendment to the Amended and Restated Redevelopment Agreement with the Redeveloper; and

WHEREAS, the Redeveloper received approval for the construction of 102 hotel rooms, 209 residential condominium units and 25,000 square feet of commercial space; and

WHEREAS, the Rahway Redevelopment Agency owns Block 326, Lot 1.01, which is currently a vacant lot; and

WHEREAS, Carriage City Properties, LLC proposes to use Block 326, Lot 1.01 as a staging site for materials and equipment for the construction of 102 hotel rooms, 209 residential condominium units and 25,000 square feet of commercial space known as the Carriage City Hotel and Condominium Project; and

WHEREAS, Carriage City Properties, LLC and the Rahway Redevelopment Agency have agreed to the terms and conditions of an agreement for the lease of Block 326, Lot 1.01 for a term of eighteen (18) months, for rent in the amount of \$600.00 per month.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby authorizes the execution of an agreement for the lease of Block 326, Lot 1.01 to Carriage City Properties, LLC, redeveloper, which provides for the use of the property as a construction staging area for the Carriage City Hotel and Condominium Project subject to the terms of the lease; and

BE IT FURTHER RESOLVED, that said lease shall be for a term of eighteen (18) months, for a lease payment of \$600.00 per month with the understanding that any improvements being made to Block 326, Lot 1.01 will be at no cost to the Rahway Redevelopment Agency.

BE IT FURTHER RESOLVED, that the Chairman and the Secretary are hereby authorized to execute any and all documents, including the form of lease substantial consistent with the attachment hereto, subject to final review by general counsel as to legal form and content.

Certified to be a true copy of a Resolution adopted by the Board of Commissioners of the Rahway Redevelopment Agency, Rahway, New Jersey at a regular meeting held on February 7, 2007.

*A motion was made by Commissioner Clarke, seconded by Commissioner Deige to approve the Resolution*

*Yes: Commissioners Deige, Garay, Nash, Saliga, Clarke and Rack*

*Absent: Commissioner Ferrell*

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ADJOURNMENT

There being no further business, the meeting was adjourned at 8:35 PM

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Respectfully submitted,

Cynthia Solomon  
Assistant Secretary