

# Rahway Redevelopment Agency

## MINUTES Regular Meeting March 7, 2007

### CALL TO ORDER

The meeting was called to order at 6:40 P.M. in the Council Chambers

### OPEN PUBLIC MEETINGS ACT

Vice Chairman Clarke 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

The following officials were absent:

William Rack, Chairman  
James Ferrell, Commissioner  
Timothy Nash, Commissioner

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### APPROVAL OF MINUTES

A motion was made by Commissioner Deige and seconded by Commissioner Saliga to accept and approve the minutes listed below:

February 7, 2007 Regular Meeting

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

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### CORRESPONDENCE

1. Letter dated February 6, 2007 from Francis X. Regan, Esq., General Counsel to Michael Moore, Esq., Riverwalk Developers LLC, regarding Unit No. 705, commonly known as 1459 Barnhardt Lane, Rahway, NJ.
2. Letter dated February 20, 2007 from Mr. Ronald Esposito to Peter Pelissier, Executive Director, regarding KC Jazz (Block 162, Lots 5, 6, and 7)
3. Letter dated February 23, 2007 from Peter Pelissier, Executive Director, to City Agency Members regarding a traffic study presentation scheduled for a Special Meeting of the City Council on March 13, 2007.
4. Notice dated February 26, 2007 from Schoor DePalma to the Rahway Redevelopment Agency regarding Dri-Print Foils, 329 New Brunswick Avenue.
5. Letter dated February 27, 2007 from Michael Jones to Mr. Louis Vidal, Capodagli Property Company, regarding 273-275 East Grand Avenue, Rahway, NJ.
6. Letter dated March 1, 2007 from Francis X. Regan, Esq., General Counsel, to Peter Pelissier, Executive Director regarding Final Judgment for 43 Elm Avenue, Rahway, NJ.
7. Letter dated March 1, 2007 from Francis X. Regan, Esq., General Counsel, to Radha Enterprises regarding a lease termination at 1540 Main Street, Rahway, NJ.

8. Letter from Jonathan Bondy, Wolff & Samson, to Francis X. Regan, Esq., General Counsel, regarding Carriage City Properties Remediation Agreement.
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## STATUS REPORT

1. Diversified Communities:
    - Riverwalk at Rahway, Blocks 331, 304
    - Town Center, Block 305
    - Regency Park, Block 304 / Lots 5, 6
  2. River View Manor (Lenington Street), Block 353 / Lot 2
  3. KC Jazz (rendering)
  4. M & M at Wheatena, Blocks 226, 227, 228
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## COMMENTS FROM THE PUBLIC

Lawrence Bodine, 1987 Lufberry Street, asked why a letter that he submitted last month was not included in this month's correspondence. He also stated that there was no rush to approve the Town Center Project and that he would like to see new commerce in the downtown prior to any new construction. He questioned: the value of city hall property; why the Center Circle tents were permitted years ago; HUD restrictions on the property; and if there was a conflict with Mr. Pelissier serving as the Executive Director of the RRA and the Business Administrator.

Patrick Casio, 1971 Barnett Street, said he agreed with Mr. Bodine. He also questioned the value of city hall property and why the top floors of the library were not previously rented. He praised the Dornoch presentation and said it was a good improvement for Cherry Street.

Tom Cusmano, 368 Jefferson Avenue, expressed his disapproval of the public comment format. He stated: the Town Center project will cost the taxpayers; City Hall was the first solar-powered municipal building; and that he is more concerned about property taxes than the increase in property values.

Ian Coburn, 1415 Church Street, said that the city should make a profit on the sale of the property.

Bonnie Coburn, 1415 Church Street, questioned if the redevelopment effort would lower her taxes, because she wanted to retire in her present home.

Executive Director, Peter Pelissier, answered many of the questions presented. He confirmed that the RRA was in the process of obtaining an appraisal for the city hall property, and at this point in time the value is not known. He also explained how the redevelopment effort raises property values throughout the city and will increase the tax revenues for the city. Finally, he stated that (when completed) the redevelopment projects would provide a reduction in property taxes.

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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 Deige and seconded by Commissioner Saliga to accept and approve the Treasurer's report.

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

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## EXECUTIVE DIRECTOR'S REPORT

The Executive Director gave a brief status on several issues and projects:

- DEP Water Permit process
- Landmark's steel was delivered and construction should resume quickly
- Carriage City is progressing at a rapid pace; a portion of Irving Street (from Lewis Street to East Milton Avenue) may have to close during the daytime, due to construction and equipment
- A demolition permit application was submitted for the rear portion of the Elizabethtown Gas property
- Dornoch III is in flux; visual and performing artists may soon occupy the Hamilton Laundry; a dance company may temporarily occupy the Bell building prior to the construction of a permanent dance studio.

- The City Council will hear a presentation regarding the completed traffic study for the central business district on March 13, 2007 at 6:30 PM (Special Meeting)
- KC Jazz has a rendering of the proposed restaurant/jazz club and is in the process of applying to the Planning Board for site plan approval

A motion was made by Commissioner Saliga and seconded by Commissioner Deige to accept and approve the Executive Director's report.

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

## LEGAL REPORT

None

## UNFINISHED BUSINESS

## NEW BUSINESS

Presentations:

1. *Dornoch II.5 – A mixed use redevelopment project for Block 315, Lots 18, 19, 20, 21, 38-52 East Cherry Street*

Louis Karp, Esq., Chris Stoeckman, and the architect for Dornoch II.5 presented a proposed concept plan for 38-52 East Cherry Street. The project will consist of demolishing the current structures and constructing a new building with four stories and four distinct facades. The purpose of which is to recreate the concept of the existing structures in order to harmonize with the streetscape, and yet, provide an adequate floor plan to accommodate upscale condominium units. The condominium units will be for purchase and will include loft style units on the top floor and two bedroom/two bathroom units on the other two floors. The first floor will be utilized as commercial space.

Resolutions:

***A motion was made by Commissioner Saliga and seconded by Commissioner Deige to rescind any previous action or vote regarding Resolution 23-07 : Authorizing the designation of Diversified Communities, LLC as redeveloper for the property known as tax block 305, lots 5.02, 5.04, 6.02, 7.02, and 8.03 in the Lower Main Street Redevelopment area for the development of a mixed use project known as Rahway Town Center***

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

***A motion was made by Commissioner Saliga and seconded by Commissioner Deige to place Resolution 23-07 on the March 7, 2007 Agenda: Authorizing the designation of Diversified Communities, LLC as redeveloper for the property known as tax block 305, lots 5.02, 5.04, 6.02, 7.02, and 8.03 in the Lower Main Street Redevelopment area for the development of a mixed use project known as Rahway Town Center***

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

***A motion was made by Commissioner Clarke and seconded by Commissioner Saliga to place Resolution 22-07 on the March 7, 2007 agenda: Approving and authorizing the payment of change orders for the remediation of the former gasoline station property located at 80 East Milton Avenue to Carriage City Properties, LLC***

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

***18-07: RESOLUTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO WHITESTONE ASSOCIATES FOR ENVIRONMENTAL CONSULTING SERVICES RELATIVE TO THE FORMER TIMKO KAGAN PROPERTY LOCATED AT BLOCK 319, LOTS 1, 2, 3, AND 8***

WHEREAS, there exists for the Rahway Redevelopment Agency, a need for the services of a firm specializing in Environmental Consulting Services to provide supplemental groundwater investigation and regulatory reporting services related to groundwater contamination and "hot spot" remediation activities performed in September 2004 for the property commonly referred to as the former Timko Kagan properties located on Block 319, Lots 1, 2, 3 and 8; and

WHEREAS, the General Counsel has reviewed the certification of the Treasurer and is satisfied that said certification is in proper form; and

WHEREAS, the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) requires that resolutions authorizing the award of contracts for "Professional Services" without competitive bids must be publicly advertised; and

WHEREAS, the cost of these professional services may be funded through the New Jersey Hazardous Discharge Site Remediation Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioner of the Rahway Redevelopment Agency as follows:

1. The Chairman and Executive Director are hereby authorized and directed to execute for the Agency, subject to the availability of funds, a professional services contract with Whitestone Associates, Inc., 35 Technology Drive, Warren, New Jersey 07059 to provide services in accordance with its proposal, which shall remain on file in the Agency's office and available for public inspection.
2. That this contract shall be in an amount not to exceed \$28,000.00 payable upon completion of each task as outlined in the proposal.
3. This agreement is awarded without competitive bidding as a Professional Service under the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-5) because it is a recognized profession, licensed and regulated by law and is not possible to obtain competitive bids.
4. A notice of this action shall be printed in the Legal Newspaper of the Agency as required by law within ten (10) days of its passage.
5. The vendor shall supply the Agency with the Federal Affirmative Action Plan Approval or State Certificate of Employee Information Report within the time period specified by N.J.A.C. 17:27. The contract shall contain the mandatory affirmative language for professional services contracts required by N.J.A.C. 17:27, a copy of which shall be attached to and incorporated in the professional services contract authorized herein.
6. The vendor shall agree to comply with the requirements of Title II of the Americans with Disabilities Act of 1990 and indemnify, protect and save harmless the Agency from all suits, claims, losses, demands or damages of whatever kind or nature arising out of or claimed to arise out of alleged violations of the Act. A copy of the Act shall be attached to and incorporated in the professional services agreement authorized herein.

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 March 7, 2007.

A motion was made by Commissioner Saliga and seconded by Commissioner Garay to accept and approve the Executive Director's report

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

**19-07: RESOLUTION APPOINTING ACACIA FINANCIAL GROUP AS FINANCIAL ADVISORS TO THE RAHWAY REDEVELOPMENT AGENCY**

WHEREAS, there exists for the Rahway Redevelopment Agency, a need for the services of a financial advisory firm related to public finance; and

WHEREAS, Acacia Financial Group, Inc. has extensive experience in providing such services to state, county, and local governments in New Jersey; and

WHEREAS, the designated redeveloper shall pay the cost of these services in accordance with the terms and conditions of its redeveloper designation and escrow agreement; and

WHEREAS, the Treasurer has certified in writing hereon that funds are available; and

WHEREAS, the General Counsel has reviewed the certification of the Treasurer and is satisfied that said certification is in proper form; and

NOW THEREFORE BE IT FURTHER RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby authorizes the appointment of Acacia Financial Services, Inc. as a financial advisory firm; and

BE IT FURTHER RESOLVED that Chairman and Secretary are hereby authorized to execute any and all documents related to said engagement.

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 March 7, 2007

A motion was made by Commissioner Saliga and seconded by Commissioner Deige to accept and approve the Executive Director's report

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

**20-07 RESOLUTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO PRIME APPRAISAL, LLC. FOR APPRAISAL CONSULTING SERVICES (BLOCK 326, LOT 1)**

WHEREAS, there exists for the Rahway Redevelopment Agency, a need for the services of a firm specializing in appraisal consulting services to prepare an appraisal for Block 326, Lot 1, located at East Milton Avenue and Augusta Street, which is located in the Central Business District Redevelopment Area; and

WHEREAS, the designated redeveloper for this property shall pay the cost of this appraisal in accordance with the terms and conditions of its redeveloper designation; and

WHEREAS, the Treasurer has certified in writing hereon that funds are available; and

WHEREAS, the General Counsel has reviewed the certification of the Treasurer and is satisfied that said certification is in proper form; and

WHEREAS, the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) requires that resolutions authorizing the award of contracts for "Professional Services" without competitive bids must be publicly advertised:

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioner of the Rahway Redevelopment Agency as follows:

1. The Chairman and Executive Director are hereby authorized and directed to execute for the Agency, subject to the availability of funds, a professional services contract with Prime Appraisal, L.L.C. 199 Main Street, P.O. Box 277, Woodbridge, New Jersey 07095 to provide services in accordance with its proposal, which shall remain on file in the Agency's office and available for public inspection.
2. That this contract shall be in an amount not to exceed \$2,000.00 payable upon completion of the appraisal as outlined in the proposal.
3. This agreement is awarded without competitive bidding as a "Professional Service" under the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-5) because it is a recognized profession, licensed and regulated by law and is not possible to obtain competitive bids.
4. A notice of this action shall be printed in the Legal Newspaper of the Agency as required by law within ten (10) days of its passage.
5. The vendor shall supply the Agency with the Federal Affirmative Action Plan Approval or State Certificate of Employee Information Report within the time period specified by N.J.A.C. 17:27. The contract shall contain the mandatory affirmative language for professional services contracts required by N.J.A.C. 17:27, a copy of which shall be attached to and incorporated in the professional services contract authorized herein.
6. The vendor shall agree to comply with the requirements of Title II of the Americans with Disabilities Act of 1990 and indemnify, protect and save harmless the Agency from all suits, claims, losses, demands or damages of whatever kind or nature arising out of or claimed to arise out of alleged violations of the Act. A copy of the Act shall be attached to and incorporated in the professional services agreement authorized herein.

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 March 7, 2007.

A motion was made by Commissioner Garay and seconded by Commissioner Deige to accept and approve the Executive Director's report

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

**A motion was made by Commissioner Clarke and seconded by Commissioner Saliga to place Resolution 22-07 on the March 7, 2007 agenda: Approving and authorizing the payment of change orders for the remediation of the former gasoline station property located at 80 East Milton Avenue to Carriage City Properties, LLC**

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

**22-07: RESOLUTION APPROVING AND AUTHORIZING THE PAYMENT OF CHANGE ORDERS FOR THE REMEDIATION OF THE FORMER GASOLINE STATION PROPERTY LOCATED AT 80 EAST MILTON AVENUE TO CARRIAGE CITY PROPERTIES, LLC**

WHEREAS, on June 15, 2006, the Board of Commissioners of the Rahway Redevelopment Agency authorized the execution of a remediation management agreement with Carriage City Properties, LLC for the remediation of the former gasoline station property located at 80 East Milton Avenue (the "Property"); and,

WHEREAS, the original contract amount was not to exceed \$698,691.00; and,

WHEREAS, in the course of undertaking the remediation of the Property it was determined that additional work would be needed to accomplish the remediation of the Property including the removal of underground obstructions and the removal of additional soil; and

WHEREAS, the change order was reviewed and approved by Whitestone Associates, Inc., construction manager for the Rahway Redevelopment Agency and is detailed on the attachment hereto and made a part of this resolution; and,

WHEREAS, the total project cost for the additional work for the remediation of the Property as reflected on the change orders is \$187,062.43; and

WHEREAS, on February 12, 2007, the City of Rahway adopted a Bond Ordinance (O-6-07) providing for the payment of the change orders for remediation of the Property, appropriating \$400,000.00 and authorizing the issuance of \$400,000.00 bonds or notes of the City.

NOW, THEREFORE BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency hereby finds the approval of change orders #1 and #2 necessary to complete the Property and the objectives of the redevelopment project; and

BE IT FURTHER RESOLVED that the Board of Commissioners of the Rahway Redevelopment Agency authorizes the payment of change orders #1 and #2 for the remediation of the Property which is in the amount of \$187,062.43 and is detailed on the attachment hereto and made part of this resolution from the Bond Ordinance adopted by the City of Rahway.

BE IT FURTHER RESOLVED that the total project cost for the remediation of the Property with all change orders is \$885,753.43.

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 March 7, 2007.

A motion was made by Commissioner Saliga and seconded by Commissioner Deige to accept and approve the Executive Director's report

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

***A motion was made by Commissioner Saliga and seconded by Commissioner Deige to rescind any previous action or vote regarding Resolution 23-07 : Authorizing the designation of Diversified Communities, LLC as redeveloper for the property known as tax block 305, lots 5.02, 5.04, 6.02, 7.02, and 8.03 in the Lower Main Street Redevelopment area for the development of a mixed use project known as Rahway Town Center***

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

***A motion was made by Commissioner Saliga and seconded by Commissioner Deige to place Resolution 23-07 on the March 7, 2007 agenda: Authorizing the designation of Diversified Communities, LLC as redeveloper for the property known as tax block 305, lots 5.02, 5.04, 6.02, 7.02, and 8.03 in the Lower Main Street Redevelopment area for the development of a mixed use project known as Rahway Town Center***

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

**23-07: RESOLUTION AUTHORIZING THE DESIGNATION OF DIVERSIFIED COMMUNITIES, LLC AS REDEVELOPER FOR THE PROPERTY KNOWN AS TAX BLOCK 305, LOTS 5.02, 5.04, 6.02, 7.02, AND 8.03 IN THE LOWER MAIN STREET REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A MIXED USE PROJECT KNOWN AS RAHWAY TOWN CENTER**

WHEREAS, the City of Rahway has been promoting the redevelopment of Main Street since the creation of the Lower Main Street Urban Renewal Area in 1960 and the adoption of the Lower Main Street Urban Renewal Plan on May 9, 1961, last amended on August 10, 1998; and

WHEREAS, the properties known as Block 305 Lots 5.02, 5.04, 6.02, 7.02, and 8.03 (the "Property") are located in the Lower Main Street Urban Renewal Area; 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; and

WHEREAS, Diversified Communities, LLC has a contract to acquire the property known as Block 305, Lot 5.02 and is in negotiations to acquire certain lands associated with Block 305, Lot 6.02; and

WHEREAS, on February 7, 2007, Diversified Communities, LLC made a public presentation to the Rahway Redevelopment Agency, along with invited members of the Rahway City Council, various boards and other Rahway officials and members of the public on its proposal for redeveloping the Property; and

WHEREAS, Diversified Communities, LLC is proposing to build a mixed use project consisting of retail (approximately 175,000 square feet), hotel (approximately 125 rooms) and residential units (for sale – approximately 125 units and rental – approximately 250 units) and parking structures (approximately 1,300 spaces) on the Property; and

WHEREAS, Diversified Communities, LLC is also proposing to relocate Rahway City Hall and Police Station within the Property and construct a civic square as part of the project;

WHEREAS, the proposal has been reviewed and found consistent with the requirements of the Lower Main Street Urban Renewal Plan and the City's goals for redeveloping said properties; and

WHEREAS, Diversified Communities, LLC has successfully completed the redevelopment of properties in the Essex Street Redevelopment Area including Block 304 Lots 1, 2, 3, 4, 7 & 8 and Block 331 Lots 18 through 26 and Lots 34 through 47, known as the Riverwalk Project.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby designates Diversified Communities, LLC as redeveloper for the properties known as Block 305 Lots 5.02, 5.04, 6.02, 7.02, and 8.03 located in the Lower Main Street Urban Renewal Area subject to the following conditions:

1. That the period of the designation shall be for ninety (90) days from the date of adoption of this resolution.
2. That the Agency and Diversified Communities, LLC enter into an escrow agreement and that Diversified Communities, LLC pays any and all costs incurred by the Agency, including any fees required under the Agency's fee schedule.
3. That the City Council adopts an amendment to the redevelopment plan for the Lower Main Street Urban Renewal Area.
4. That the Agency and Diversified Communities, LLC negotiate and agree upon the terms and conditions of a redevelopment agreement.
5. That Diversified Communities, LLC continues to pursue the acquisition of properties within the Lower Main Street Urban Renewal Area.

BE IT FURTHER RESOLVED, that said designation may be extended upon satisfactory demonstration that substantive progress has occurred in the negotiation of a redevelopment agreement. Any extension of the designation shall require approval by the Board of Commissioners.

BE IT FURTHER RESOLVED, that upon completion of negotiations on a redevelopment agreement the Rahway Redevelopment Agency shall be required to review and authorize execution of any and all related disposition and acquisition documents in order to effectuate the completion and implementation of this project.

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 March 7, 2007.

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## COMMISSIONER'S COMMENTS

Commissioner Garay expressed his opinion on the redevelopment process stating that presentations and redeveloper designations were just preliminary steps in the process. Prior to final approvals and agreements, the financial details and benefits would be examined.

Vice Chairman Clarke reiterated the fact that the public will have sufficient opportunities to review and comment on the Town Center Project.

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## ADJOURNMENT

*There being no further business, the meeting was adjourned at 7:59 PM*

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