

# Rahway Redevelopment Agency

## - MINUTES -

Regular Meeting  
March 16, 2006  
6:30p.m.

### **CALL MEETING TO ORDER**

*The meeting called to order at 6:39 p.m. in the Rahway Public Library.*

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### **SALUTE THE FLAG**

*Commissioners, officials and public attendees then saluted the flag.*

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### **OPEN PUBLIC MEETINGS ACT**

*This meeting was advertised and posted in accordance with the Open Public Meetings Act of the State of New Jersey.*

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### **ROLL CALL**

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

Courtney Clarke, Commissioner  
Paul Leso, Commissioner  
Timothy Nash, Commissioner  
Carlos Garay, Commissioner

*The following officials were absent:*

Anthony Deige, Commissioner  
Nancy Saliga, Commissioner  
William Rack, Chairman

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### **APPROVAL OF MINUTES**

*The minutes of the February 16, 2006 Regular Meeting were moved by Commissioner Nash, seconded by Commissioner Garay, and then adopted by the following vote: Ayes - Clarke, Garay, Leso and Nash; Nays - None; Abstained - None; Absent - Deige, Saliga and Rack*

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### **CORRESPONDENCE**

*The following correspondence was received:*

1. Letter dated February 28, 2006 to Rahway Redevelopment Agency from Christopher D. Armstrong, Esq. requesting a presentation pertaining to redevelopment of Block 326, Lots 5 & 6.
2. Letter dated February 16, 2006 to John J. Reilley, Esq., of Farer Fersko from Ronald Gordon, Esq. regarding Rahway Redevelopment Agency vs. Maria Cathy Karagiannis, Et. Als;
3. Letter dated February 20, 2006 to Joseph Ranieri from Glen Fishman of Dornoch Holding, LLC regarding the acquisition of 65 East cherry Street;
4. Letter dated February 23, 2006 to Barbara Manahan of Wolff & Samson, P.C. from Francis X. Regan, Esq., regarding Carriage City Properties, LLC, Rahway, NJ;
5. Letter February 27, 2006 to Peter H. Pelissier, Executive Director from Carl W. Erler, Esq., regarding status report of Wheatena redevelopment project;
6. Letter dated February 28, 2006 To Craig Feldman, Esq, Riverwalk Developers, LLC from Francis X. Regan, Esq., regarding mortgage from Riverwalk Developers, LLC to Rahway Redevelopment Agency;
7. Letter dated March 1, 2006 to Peter H. Pelissier, Executive Director, from Cheryl Hanenberg, Construction Coordinator, Diversified Communities regarding redevelopment project status report;

8. Letter dated March 1, 2006 to Craig H. Feldman, Esq., Riverwalk Developers, LLC from Francis X. Regan, Esq., regarding mortgage dated April 5, 2005 and Unit 307 Riverwalk at Rahway, 357 Essex Street, Rahway, New Jersey.
9. Letter dated March 1, 2006 to David Hacker, Esq., Alliance Defense Fund from Francis X. Regan, Esq., regarding Trinity United Methodist Church of Rahway, New Jersey
10. Letter dated February 21, 2006 to the Rahway Redevelopment Agency from Ms. Kerry L. Corcoran, regarding her resignation from the position of Recording Secretary of the Rahway Redevelopment Agency.
11. Letter dated March 3, 2006 to Mr. Peter Pelissier, Executive Director, from Heartstone Development, LLC, regarding the status report for "Station Place at Rahway" (Block 149).
12. Letter dated March 6, 2006 to Mr. Peter H. Pelissier, Executive Director, regarding the status reports for Dornoch I redevelopment (Block 320, Lots 1, 1.01, 2, 3, and 4), Dornoch II redevelopment (Block 318, Lots 1-11, 18 and 23) and Dornoch III redevelopment (Block 167) in the City of Rahway.
13. Letter dated March 2, 2006 to Mr. Peter H. Pelissier, Executive Director, from Freeholder Chester Holmes regarding pedestrian safety between the Hazelwood Avenue sidewalk and the Rahway River, northwest of the intersection of US Route 1/9 and Hazelwood Avenue.
14. Letter dated March 3, 2006 to Ronald F. Esposito, Esq. from Michael J. Ash, Esq., regarding 1646-54 Irving Street, Block 162, Lots 5,6, & 7, Rahway, New Jersey.
15. Letter dated March 6, 2006 to the New Jersey Department of Environmental Protection from Whitestone Associates, Inc., regarding the Response to NJDEP Correspondence and Project Status Summary-Former Warwick Laboratories, Inc. site.
16. Letter dated March 8, 2006 to Rahway Redevelopment Agency Director from Mona F. Phillips, Executive Director, Highland Park Redevelopment Agency, regarding redevelopers who have experience with infill redevelopment.

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## COMMENTS FROM THE PUBLIC

*No comments were made by the public.*

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## TREASURER'S REPORT

*The Treasurer's Report was moved by Commissioner Leso and seconded by Commissioner Garay and then adopted by the following vote: Ayes - Clarke, Garay, Leso and Nash; Nays - None; Abstained - None; Absent - Deige, Saliga, and Rack.*

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## EXECUTIVE DIRECTOR'S REPORT

*A report of major activity was made by the Executive Director as follows:*

1. Hamilton Laundry: Mr. Pelissier reported that he and Mayor Kennedy visited Hamilton Laundry to review the progress of the site cleanup. He further stated that the redeveloper Mr. Fishman, was close to producing a concept plan to present to the Redevelopment Agency for consideration that would include a comprehensive housing component as well as a Cultural Arts and Theatre component within the original laundry building. The Plan will depict a park like setting along the river with a bridge crossing over the river to Veterans Field.
2. Mr. Pelissier reported that he was working on a future location for Murphy's Towing in an effort to cleanup and centralize the towing businesses that consist of unsightly vehicles throughout the community.
3. The corner of St. George Avenue and Milton: Mr. Pelissier reported that he was attempting to contact the property owner of the Subway food establishment. He further stated that this particular owner has made it extremely difficult to be contacted in an effort to incorporate this particular property into the comprehensive Redevelopment Plan.
4. Bridge and Monroe Street Project: Mr. Pelissier reported that he had met with Mayor Kennedy to discuss placing Block 322, which is bordered by Bridge St., Essex St., Clarkson Place and Monroe Street into a Redevelopment Area. He further advised that he would reach out to a Redeveloper to ascertain interest in connection with the Redevelopment of this particular area.
5. Block 282, New Brunswick Avenue, former Purolator site: Mr. Pelissier advised that Mayor Kennedy directed him to review this particular site to see if Union County Vocational

Technical School is interested in expanding this area for school purposes. He further advised that the former litigation brought about by the now deceased Mr. Blitz is being revived due to the fact that the Owners of the property would like to sell this property for the development of residential housing. Mr. Pelissier stated that this should not be utilized for residential housing and will make an attempt to meet with the respective Attorneys and Redevelopers to coordinate the potential sale and redevelopment of the property.

6. Parking lot, Elizabeth and Main Street: Mr. Pelissier advised that the Town Engineer, Mr. Houston, has almost completed the specifications and plans in order to proceed with a parking lot improvement at this location. He further advised that he would request from the City Business Administrator, Mr. Gorman, cooperation for funding purposes in order to consummate the improvement of this lot.

7. The Carriage City Inn/Hotel: Mr. Pelissier reported that there are still outstanding issues in order to proceed with the construction of this particular project such as: Approval from the Union County Planning Board, acquisition of a portion of the Trinity Methodist Church, ground water cleanup issues that need to be addressed by Silcon's environmental engineer and subsequently submitted to the Department of Environmental Protection. Lastly, signalization and street re-alignment at Irving, East Milton and Fulton Street. He further advised that the parking agreement has now been settled and we are waiting for the signatures of the Parking Authority to conclude the arrangement between the parties.

8. Kelly's Bar: Mr. Pelissier reported that the closing for Kelly's Bar was eminent and that the Owners have been advised that they will need site plan approval and should proceed accordingly.

9. Block 318, known as Dornoch II: Mr. Pelissier advised that Glen Fishman has reached tentative agreements with all but one property owner and indicated that demolition of this block will take place in the early summer.

10. Dornoch I: Mr. Pelissier stated to the Redevelopment Agency that this particular project will commence first week in April. A demolition will take place from the Dock Street area.

11. City Hall Redevelopment Area: Mr. Pelissier advised that he has met with the principals from SDI as well as Diversified Planners to discuss the development potential behind City Hall including part of the SDI parking lot and the indoor soccer facility property. He further advised that this is a comprehensive project and will take full cooperation between all parties in order to reach amiable settlement as well as to incorporate and to "tie in" the downtown improvements to this particular location.

12. A&M Site: Mr. Pelissier indicated that he had been in contact with Mr. Clay Bonnie who advised that the property appraisals were under way and that a solid memorandum of understanding has been agreed to in order for this project to move forward.

13. Riverwalk: Mr. Pelissier advised that Diversified Planners is continuing to sell their townhouses and presently, 18 units have been closed. He further advised that the Redevelopment Agency was receiving three (3%) percent of each of the sales and that the City Council is continuing to receive their pro-rata share toward the monies that were contributed in connection with site acquisition.

14. Block 276, Dry Print Foils: Mr. Pelissier advised that he has met with Mayor Kennedy regarding the redevelopment of this site and will be meeting with redevelopers and the property owners in the future.

15. T&S, Corner of Main & Monroe: Mr. Pelissier advised that he had been in contact with Mike Merlis. In particular, to discuss the status of the building as well as the improvement of the sidewalk area adjacent to the building. Mr. Merlis responded explaining that the mechanical work had been completed and that they were working on the inside of the building diligently.

As a final matter, Mr. Pelissier brought to the Agency's attention, a letter directed to him from Mayor James J. Kennedy, requesting that the Redevelopment Agency designate the Rahway River Association, P.O. Box 1101, Rahway, New Jersey 07065, permission to use the space in the Agency's building at 337 East Milton Avenue, Rahway, New Jersey 07065. In a unanimous voice vote, the Commissioners voted to permit this request.

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**LEGAL REPORT**

*The General Counsel verbal report was moved by Commissioner Leso and seconded by Commissioner Garay and then adopted by the following vote: Ayes - Clarke, Garay, Leso and Nash; Nays - None; Abstained - None; Absent - Deige, Saliga and Rack.*

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**UNFINISHED BUSINESS**

*There was no unfinished business.*

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**NEW BUSINESS****Presentations:**

1. A redevelopment concept via rendering for the redevelopment of Block 326, Lots 5-7 was presented by Christopher D. Armstrong, Esq. of Law offices of Christopher D. Armstrong, and Robert J. DeStefanis, a principle of the LLC expecting to own the project;
2. A discussion was held regarding relocation of the auction house to a temporary location in the Robinson's building on Main Street.

**Resolutions:**

16-06 RESOLUTION AUTHORIZING THE EXECUTION OF AN 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 (hereinafter referred to as the "Original Agreement") with the Rahway Investments, LLC (hereinafter the "Redeveloper"), whereby the City agreed to convey Lots 3 and 4 and part of Lot 1, in Block 316; and

WHEREAS, as part of the Original Agreement, the Redeveloper also had the option of purchasing Lot 5 in Block 316 for its planned development; 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, the City authorized the conveyance of Block 316, Lots 3 and 4 to the Agency by adoption of Ordinance O-60-03 on August 11, 2003; and

WHEREAS, on October 28, 2003, the Planning Board of the City of Rahway granted the Agency minor subdivision approval to consolidate Lots 1, 3, 4, 5, 6 and 7 in Block 316 to create two (2) new Lots 1.01 and 3.01, which approved was reaffirmed by the Planning Board on July 27, 2004; and

WHEREAS, on May 25, 2004, the Planning Board of the City of Rahway granted the Agency minor subdivision approval to subdivide a portion of Block 316, Lot 2 and to consolidated with Lot 3.01 to create new Lot 3.02; and

WHEREAS, the newly created Lot 3.02 is owned by the Agency and contains the entire former Lots 3 and 4 and a portion of former lots 1, 2, 5, 6 and 7; and

WHEREAS, because the dimensions and other physical characteristics of the property to be conveyed to Redeveloper pursuant to the Original Agreement have materially changed, it was necessary to renegotiate the terms of the Original Agreement; and

WHEREAS, by way of this Agreement, the Agency and the Redeveloper have renegotiated the terms of and superseded the Original Agreement; and

WHEREAS, the Agency and the Redeveloper have agreed to the terms and conditions of an

Amended and Restated Redevelopment Agreement for the redevelopment of this property; and

WHEREAS, the Redeveloper has created a new entity to undertake the project, that entity being known as Carriage City Properties, LLC, which entity is hereby designated as the redeveloper for Block 316, Lot 3.02; and

WHEREAS, on August 17, 2004, the Agency authorized the execution of the amended Original Agreement, which was never executed by the parties due to various issues; and

WHEREAS, the Agency and Redeveloper have agreed to the terms and conditions of an Amended and Restated Redevelopment Agreement for the redevelopment of this property with approximately 102 hotel rooms, 209 residential condominium units and 25,000 square feet of commercial space; and

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

WHEREAS, in order to convey Block 316, Lot 3.02 to the Redeveloper certain contingencies needed to be satisfied and were revised in an Amendment to the Amended and Restated Redevelopment Agreement.

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 Amended and Restated Redevelopment Agreement with Carriage City Properties, LLC, 811 Bond Street, Elizabeth, N.J. 07306, 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 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 March 16, 2006.

*A motion was made to place this resolution on the agenda by Commissioner Nash and seconded by Commissioner Leso and then adopted on the following vote:  
Ayes - Clarke, Garay, Leso, Nash; Nays - None; Abstained - None; Absent - Deige, Saliga, Rack.*

*Resolution moved by: Commissioner Leso      Seconded: Commissioner Nash  
Ayes: Clarke, Garay, Leso, and Nash  
Nays: None  
Abstained: None  
Absent: Deige, Saliga and Rack*

#### 17-06 RESOLUTION AUTHORIZING THE BOARD OF COMMISSIONERS OF THE RAHWAY REDEVELOPMENT AGENCY TO HOLD A PORTION OF ITS REGULAR MEETING IN CLOSED SESSION FOR PURPOSES OF DISCUSSING CONTRACT NEGOTIATIONS

WHEREAS, pursuant to N.J.S.A.10:4-12, the Open Public Meetings Act permits the exclusion of the public from portions of a meeting at which the Board of Commissioners of the Rahway Redevelopment Agency will discuss on-going contract negotiations relative to properties on Block 316 and the settlement of on-going litigation; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that a portion of its meeting held on March 16, 2006, shall be held in closed session, thus excluding the public from portions of a meeting at which the Board of Commissioners of the Rahway Redevelopment Agency will discuss on-going contract negotiations relative to properties on Block 316; and

BE IT FURTHER RESOLVED, that the Rahway Redevelopment Agency may take action on any matters discussed in this closed session provided it discloses to the public the content of the discussions to be held in closed session at this or any future meeting at which it takes action.

*Moved: Commissioner Leso                      Seconded: Commissioner Nash*

*Ayes: Clarke, Garay, Leso, and Nash*

*Nays: None*

*Abstain: None*

*Absent: Deige, Saliga and Rack*

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**COMMISSIONERS' COMMENTS**

*There were no comments made by the Commissioners at this time.*

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**CLOSED SESSION**

*Pursuant to Resolution 17-06, the Agency went into closed session at this time.*

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**ADJOURNMENT**

*There being no further business, the meeting adjourned at 8:47 p.m.*