

# Rahway Redevelopment Agency

## Minutes Regular Meeting April 9, 2008 6:30 P.M.

### CALL TO ORDER

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

### OPEN PUBLIC MEETINGS ACT

*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 shall then salute to the flag*

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### ROLL CALL

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

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

The following official was absent:

Courtney Clarke, Vice Chairman

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### APPROVAL OF MINUTES

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

*March 5, 2008 Regular Meeting*

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

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### CORRESPONDENCE

- 1. Letter dated February 21, 2008 from Francis X. Regan, General Counsel to Michael L. Moore, Esq. from Diversified Communities regarding 1298 Danchetz Court, Rahway, New Jersey.*
- 2. NJDEP Permit for "Riverview Manor", Lenington Street, Rahway, New Jersey.*
- 3. Letter dated March 6, 2008 from Carl Eler, Esq. regarding Matzel & Mumford at Wheatena Redevelopment Project.*
- 4. Proposal dated February 29, 2008 from Whitestone Associates regarding: Remedial Investigation Services for Essex Street Redevelopment Area*
- 5. Letter dated March 17, 2008 from Joseph Ranieri, Esq. to Frank Regan regarding Renaissance at Rahway.*
- 6. Letter dated March 10, 2008 from PNC Bank to Capodagli Properties regarding financing of Renaissance at Rahway.*
- 7. Letter dated March 28, 2008 from Joseph F. Ranieri, Esq. regarding Renaissance at Rahway.*
- 8. Proposal dated March 18, 2008 from Whitestone Associates regarding: Remedial Investigation Services for Carriage City Redevelopment Area*
- 9. Letter dated March 24, 2008 from Whitestone Associates regarding Carriage City Redevelopment Project.*
- 10. Letter dated March 26, 2008 from Francis X. Regan, General Counsel to Michael L. Moore, Esq. from Diversified Communities regarding 1375 Genovese Lane, Rahway, New Jersey.*
- 11. Letter dated April 2, 2008 from Carl Eler, Esq. regarding Matzel & Mumford at Wheatena Redevelopment Project.*

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## COMMENTS FROM THE PUBLIC

NONE

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## TREASURER'S REPORT

*A motion was made by Commissioner Nash, seconded by Commissioner Saliga, to accept and approve the Treasurer's Report.*

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

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## EXECUTIVE DIRECTOR'S REPORT

Executive Director, Peter Pelissier reported the following:

- Rahway Arts District Advisory Board (RADAB) is investigating various ways of incorporating the organization/district – a cultural land trust or a non-profit.
- DEP approved permit for Hamilton Laundry demolition and amphitheater construction. Preliminary meetings with Golden Age Towers regarding the development of Shami Apartments for seniors and artists
- Savoy – 25% of the condominiums are under contract
- Westbury – Dornoch inquired about a shared endeavor (with RRA/City) regarding the parking deck behind the project
- Inquiries about the Dri-Print Foil property for a “big box” retail space
- Intersection of Irving Street and East Milton Avenue to be completed early May.
- Town Center concept will progress slowly due to economy
- Park Square is beginning 2<sup>nd</sup> phase of project. The city will collect \$169,000.00 in sewer and water connection fees from project. PSEG will provide (at a cost to the developer) underground electrical service
- Station Place will give an update at next meeting
- The sale of two RRA properties (Augusta Street and Elizabeth Avenue) will be discussed at May meeting

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

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

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## LEGAL REPORT

Francis Regan, Legal Counsel, reported:

- RRA will enter a redevelopment agreement with Quality Auto (Monseno, LLC) regarding New Brunswick Avenue project
- M&M at Wheatena in negotiations (environmental issues) with property owners
- Renaissance at Rahway has five properties under contract; three properties may require condemnation

*A motion was made by Commissioner Nash, seconded by Commissioner Ferrell, to accept and approve the Legal report.*

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

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## NEW BUSINESS

Presentations:

*1360 US Highway Route 1, Rahway New Jersey (The Rahway Tower)*

Christopher Armstrong, Esq. introduced the applicants and explained the proposed project. The current Kings Inn Motel will be rehabilitated and a new five story structure will be constructed adjacent to motel structure. 43 rooms in new hotel and 44 rooms in existing structure – total of 87 rooms. No restaurant or

bar; tower will be removed; new landscaping provided. Hotel will be a Wyndham Franchise – Super 8. Applicants have developed 11 other Wyndham Hotel properties.

*1505-07 Main Street, Rahway, New Jersey*

Christopher Armstrong, Esq. introduced the applicants and explained the proposed project. Property manager stated the existing three-story building will remain retail space on the first floor (2 units). Second and third floors will contain two renovated residential units (1 - two bedroom, 1 – three bedroom), renting for approximately \$1,400 - \$1,600 monthly. After comments and concerns from the RRA Commissioners, the property manager said the third floor apartment will be converted to a two-bedroom unit or 2 one bedroom units. A complete renovation of the building's façade will include the removal of siding, new windows, signage, lighting and cornices with an upscale, traditional design.

**Resolutions:**

08-08 RESOLUTION AUTHORIZING AN EXTENSION FOR THE PAYMENT OF THE MORTGAGE ON PROPERTY KNOWN AS BLOCK 162, LOTS 5, 6 and 7, ALSO KNOWN AS 1646-54 IRVING STREET LOCATED IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA TO E.T. BUILDING, LLC PURSUANT TO A REDEVELOPMENT AGREEMENT BETWEEN THE RAHWAY REDEVELOPMENT AGENCY AND E.T. BUILDING, LLC

*A motion was made by Commissioner Deige, seconded by Commissioner Nash, to amend resolution 08-08.*

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

No.: 08-08 (as amended)  
RESOLUTION AUTHORIZING AN EXTENSION FOR THE PAYMENT OF THE MORTGAGE ON PROPERTY KNOWN AS BLOCK 162, LOTS 5, 6 and 7, ALSO KNOWN AS 1646-54 IRVING STREET LOCATED IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA TO E.T. BUILDING, LLC PURSUANT TO A REDEVELOPMENT AGREEMENT BETWEEN THE RAHWAY REDEVELOPMENT AGENCY AND E.T. BUILDING, LLC

WHEREAS, the Rahway Redevelopment Agency (the "Agency") acquired certain properties in the Central Business District Redevelopment Area (the "Redevelopment Area") known as Block 162, Lots 5, 6 and 7, also known as 1646-54 Irving Street (the "Property"); and

WHEREAS, the Property were acquired for the purposes of redevelopment of the Redevelopment Area; and

WHEREAS, the Agency entered into a Redevelopment Agreement (the "Agreement") with E.T. Building, LLC ("E.T. Building") for the rehabilitation and development of the Property by E. T. Building for a restaurant, lounge and jazz club; and

WHEREAS, pursuant to the Agreement, the Agency conveyed the Property to E.T. Building for development by deed dated March 31, 2006; and

WHEREAS, pursuant to the Agreement, the Agency holds a mortgage on the Property from E.T. Building in the principal amount of \$338,000.00 for the term of one (1) year at six (6%) percent interest, which mortgage was due and payable March 28, 2007 (the "Mortgage"); and

WHEREAS, pursuant to June 22, 2007 correspondence from the Agency's general counsel to counsel for E.T. Building, the Agency acknowledged the hand written changes on the Mortgage by E.T. Building, including the right to extend the note for one year, and agreed to a one year extension as requested by E.T. Building until March 28, 2008; and

WHEREAS, in the above noted June 22, 2007 correspondence, the Agency declared E.T. Building in default of the Mortgage, however, the Agency agreed to forbear with respect to its right to enforce the default by seeking immediate payment of principal and interest as required by the note and the Mortgage; and

WHEREAS, E.T. Building has requested a further extension to the due date for payment of the Mortgage with interest until June 15, 2008.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby agrees to an extension to the due date for full payment of the Mortgage with interest on the Property by E.T. Building no later than June 15, 2008.

BE IT FURTHER RESOLVED, that if E.T. Building fails to make such payment by June 15, 2008, the Agency authorizes the exercise of its rights to assert additional defaults and/or breaches of the Mortgage and note, and the Redevelopment Agreement between the Agency and E.T. Building, LLC, dated

December 15, 2005. The Agency further authorizes the exercise of its rights, remedies and defenses, including foreclosing on the Mortgage and Note for failure to pay in full.

BE IT FURTHER RESOLVED, that the Chairman and the Secretary are hereby authorized to execute any and all documents to effectuate the conveyances contemplated herein.

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 April 9, 2007.

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Assistant Secretary

*A motion was made by Commissioner Deige, seconded by Commissioner Nash, to approve amended resolution 08-08.*

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

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#### COMMISSIONER'S COMMENTS

*Commissioner Garay expressed concern about Vice-Chairman Clarke and inquired about his health status. All other Commissioners in attendance repeated the same sentiment.*

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#### ADJOURNMENT

*There being no further business, the meeting was adjourned at 8:20 PM*

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