

# Rahway Redevelopment Agency

## - MINUTES -

Regular Meeting

April 20, 2006

6:30p.m.

### **CALL MEETING TO ORDER**

*The meeting was called to order at 6:35 p.m. in the Rahway Public Library.*

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### **SALUTE THE FLAG**

*Commissioners, officials and public attendees 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  
Anthony Deige, Commissioner  
Carlos Garay, Commissioner  
William Rack, Commissioner  
Nancy Saliga, Commissioner

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

Paul Leso, Commissioner  
Timothy Nash, Commissioner

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### **APPROVAL OF MINUTES**

*The minutes of the following meeting were moved, seconded, and then adopted by roll call vote:*

March 16, 2006

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### **CORRESPONDENCE**

*The following correspondence was received:*

- 1. Letter dated March 14, 2006 to Craig H. Feldman, Esq. of Riverwalk Developers from Francis X. Regan, Esq. regarding Unit #204 mortgage (1305 Essex Street) dated April 5, 2005 from Riverwalk Developers, LLC to Rahway Redevelopment Agency.*
- 2. Letter dated March 14, 2006 to Craig H. Feldman, Esq. of Riverwalk Developers from Francis X. Regan, Esq. regarding Unit #208 mortgage (1389 Essex Street) dated April 5, 2006 from Riverwalk Developers, LLD to Rahway Redevelopment Agency.*
- 3. Letter dated March 20, 2006 to Peter H. Pelissier, Executive Director from Carl W. Erler, Esq., regarding the remediation of the Wheatena Redevelopment Project.*
- 4. Letter dated March 14, 2006 to John J. Reilly, Esq., of Farer Fersko, P.A. from Michael Ash, Esq., regarding Rahway Redevelopment Agency vs Karagiannis, et al.*
- 5. Letter dated March 20, 2006 to Board of Trustees, Trinity Methodist Episcopal Church of Rahway, regarding Block 316, Portion of Lot 3.02.*

6. Letter dated March 27, 2006 to Peter Pelissier, Executive Director from Carl W. Erler, Esq., regarding the status report for the Wheatena Redevelopment Project.
7. Letter dated March 28, 2006 to Peter Pelissier, Executive Director from Sunny Grewal, Land Acquisition Manager, K. Hovnanian Homes, regarding interest in Block 282, Lot 1.01.
8. Letter dated March 28, 2006 from Bohler Engineering to Lenore Slothower, AICP/PP regarding Rahway Redevelopment Agency Parking Lot Project (Elizabeth Avenue and Main Street) Letter of Recommendation.
9. Letter dated March 30, 2006 from James J. Kennedy, Mayor to the New Jersey Department of Environmental Protection Brownfield Development Area Initiative regarding an application for grant funding from the Rahway Redevelopment Agency.
10. Letter from Peter H. Pelissier, Executive Director to Mr. Lawrence D'Andrea, USEPA Region 2, regarding the grant application for Hamilton Laundry remediation funding.
11. Letter dated April 5, 2006 from Dornoch-Rahway LLC to the Rahway Redevelopment Agency regarding a status report for Block 320. Lots 1,1.01,2,3, and 4.
12. Letter dated April 5, 2006 from Dornoch-Rahway II, LLC to the Rahway Redevelopment Agency regarding a status report for Block 318, Lots 1-11, 18 and 23.
13. Letter dated April 5, 2006 from Dornoch-Rahway III, LLC to the Rahway Redevelopment Agency requesting a 90 day extension to their redeveloper designation and a special session to unveil concept plans for a project in Block 167.
14. Letter dated April 3, 2006 from Michael J. Ash, Esq., of DeCotiis, FitzPatrick, Cole and Wisler to John J. Reilly, Esq. regarding 43 Elm Avenue, Block 157, Lot 7.
15. Letter dated April 5, 2006 from Diversified Communities to Peter Pelissier, Executive Director regarding a status report relative to their redevelopment projects within the City of Rahway. (Attachment is a newspaper article regarding Riverwalk, dated 3/26/06, brought in by Bill Gawor.)
16. Letter dated April 10, 2006 from Neil Yoskin, Esq. to Frank Pinto, Chief, Bureau of Contract and Fund Management relative to the Matzel and Mumford Hazardous Discharge Site Remediation Fund Grant Application for their Wheatena Urban Renewal site.
17. Letter dated April 12, 2006 from Todd W. Terhune, Esq., to Ms. Jamie Camargo, New Jersey Department of Environmental Protection regarding Carriage City Plaza, NJDEP Case No. 99-10-02-0245-05.
18. Letter dated April 13, 2006 from Robert A. Gorman, Business Administrator, to Mr. Nicholas Pantina, P.E., Union County Division of Engineering, regarding proposed traffic signalization at Irving Street and East Milton Avenue.
19. Letter dated April 13, 2006 from James R. Houston, P.E., City Engineer, to JR Contracting regarding the Hamilton Laundry Demolition Project, Change Order #3.
20. Letter dated April 13, 2006 from Lenore A. Slothower to Edward J. Esposito regarding the request of Peter H. Pelissier, Executive Director, to discuss the property known as Block 141, Lot 15.01.
21. Letter dated April 14, 2006 from Francis X. Regan, Esq. to John DeNoia, Esq., regarding the Redevelopment Agreement for 1797 Lenington Street, Block 353, Lot 2 between the Rahway Redevelopment Agency and GMM Associates, Inc.
22. Rendering of proposed 72-room Sleep Inn and Suites approved by Planning Board

*previously for Krishna Corporation, but is back for minor subdivision approval to subdivide the tract into two lots so the second lot can be used for an upscale 6000 square foot restaurant.*

*23. Rendering of proposed 72 unit upscale, age-restricted building to go before the Planning Board on April 25, 2006 to be constructed at Block 379 by Capodagli Property Corporation.*

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## **COMMENTS FROM THE PUBLIC**

*Kenneth Pushko, Executive Director of the Rahway Housing Authority spoke about the Capodagli proposal for Block 379. His concern was the parking spaces used by his housing facility residents on the adjacent geriatrics center property and how that arrangement would be affected by the new construction on Block 379.*

*Patrick Cassio, 1971 Barnett Street asked that Union Labor be considered in the construction of the redevelopment projects.*

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## **TREASURER'S REPORT**

*Approval of the Treasurer's report was tabled at this time, due to the Treasurer's absence from the meeting.*

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## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Pelissier requested that the Executive Director's Report for April, 2006 be incorporated under a new business section of the agenda as a slide presentation.

Slide presentation was presented by Mr. Pelissier consisting of various locations throughout the community that were current redevelopment projects and potential redevelopment projects.

- " 43 Elm Street, Removing Tenants - Park Square Redevelopment Project
- " Rahway Three - Hamilton Laundry
- " SUBWAY corner of St. George Avenue - Milton Avenue
- " Bridge Street - Essex Street, Monroe Street
- " Industrial Site, New Brunswick Avenue
- " Parking Lot Improvement, Elizabeth Street - Main Street
- " Carriage Inn Hotel
- " Kelly's Bar
- " Rahway Two, Block 318, Lots 1-11, 18 & 23
- " Rahway One, Corner of Main & Monroe
  - o Redeveloper designation February 22, 2005
  - o Redeveloper Agreement July, 2005
  - o Redevelopment Plan Approved by City Council
  - o Site Plan Approved by Planning Bd., and County of Union
  - o Demolition April, 2006
- " Rahway Center, Municipal Complex
- " Station Place at Rahway, Block 149, Lots 1,5,6,7 & 10, Lot 23 & 24
- " Riverwalk, Essex Street
- " Riverwalk, From Route 1
- " T & S Developers, Block 319, Lots 1-3, & 8
- " API Foils - New Brunswick Avenue, Block 276
- " Renaissance at Rahway, Montgomery Street
- " Best Western
- " Deluxe Inn

Mr. Pelissier gave an overview of each slide and an updated status report of which several were included within the agenda for April 2006. Mr. Pelissier further noted that all redevelopers will be requested to provide updated status reports listing those improvements that have been obtained since the last monthly status report submitted to the Agency.

Mr. Pelissier further stated that he will present future slide presentations indicating the financial data as to current taxes collected on the site as compared to build out taxes that would be collected on the site. He further mentioned that many of these projects were substantial improvements to the tax base and that the City of Rahway working with the Redevelopment

Agency was proof that redevelopment is important to the economic vitality of the community as well as to provide for an improvement to the quality of life for the residents who reside in the City of Rahway.

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## **LEGAL REPORT**

*The General Counsel, Mr. Regan, reported that the Agency had closed with ET Building, Inc. (former Kelly's Bar and Zelesnik's) and Carriage City to date. The closing with Dornoch I will take place next week. 43 Elm Street rooming house was cleared of tenants and will be conveyed to Park Square. Mr. Regan asked that Resolution 19-06 be tabled and it was requested that Clay Bonny be invited to next month's meeting to give a report and update the Agency on his progress with purchasing the properties in Block 149. The Commissioners commented that several properties should be added to the list of properties owned by the RRA which Mr. Regan provided, specifically, the former Weaver property on Irving Street and ownership of the condo unit in the library. There was a question about the lot number of the property owned by the Agency behind City Hall and Mr. Regan indicated he would provide copies of the subdivision map with the corrected lot numbers to the Commissioners. Mr. Clarke asked whether the Agency owns 116-118 Elm Avenue? Mr. Regan answered that Clay Bonny owns that property and Mr. Pelissier indicated the date that the property was conveyed to Mr. Bonny by the Agency.*

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## **UNFINISHED BUSINESS**

*Mr. Pelissier discussed last month's presentation by a potential redeveloper for Block 326, Lots 5-7. Mr. Pelissier related to the Commissioners that the redeveloper has asked to be designated, however, it is believed that the current owner of one of the properties in question has decided not to sell, which would negate the ability to develop the property as described in the presentation. The request to designate this redeveloper was tabled.*

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## **NEW BUSINESS**

### **Presentations:**

*A slide presentation was made by Mr. Pelissier as an update of redevelopment activity within the City of Rahway. The presentation was made in conjunction with the Executive Director's report.*

### **Resolutions:**

18-06 RESOLUTION AUTHORIZING THE PAYMENT OF ADDITIONAL CHANGE ORDER FOR THE DEMOLITION AND CLEAN OUT OF CERTAIN BUILDINGS AT THE FORMER HAMILTON LAUNDRY PROPERTY TO J.R. CONTRACT AND ENVIRONMENTAL CONSULTING, INC.

WHEREAS, on January 19, 2006, the Board of Commissioners of the Rahway Redevelopment Agency awarded a bid to J.R. Contract and Environmental Consulting, Inc. for the purpose of demolition and clean out of certain buildings at the former Hamilton Laundry property; and,

WHEREAS, the original bid amount was \$210,127.00; and,

WHEREAS, on March 16, 2006, the Board of Commissioners of the Rahway Redevelopment Agency approved change order #2 for the Hamilton Laundry property project in the amount of \$1475.50; and,

WHEREAS, the change order was reviewed and approved by Bohler Engineering, City Engineers, and is detailed on the attachment hereto and made a part of this resolution; and,

WHEREAS, the total project cost for the demolition and cleanout of certain buildings at the former Hamilton Laundry property with all additional change orders is \$221,230.90.

NOW, THEREFORE BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby authorizes the payment of change order #2 for the demolition and cleanout of certain buildings at the former Hamilton Laundry property which is in the amount of \$1475.90 and is detailed on the attachment hereto and made part of this



WHEREAS, the City of Rahway has been promoting the redevelopment of the Central Business District of Rahway since the preparation of the Central Business District Plan prepared by Planners Diversified/Harvey Moskowitz in 1990 and in the Central Business District Redevelopment Plan adopted in April 1998 and as amended; and

WHEREAS, the properties known as Block 167, Lots 37 through 45 (Hamilton Street) are located in the Central Business District Redevelopment Area; and

WHEREAS, Block 167, Lots 37 through 45 (Hamilton Street) are designated for acquisition 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; and

WHEREAS, the Rahway Redevelopment Agency has been evaluating the feasibility of redeveloping portions of Block 167, part of which is owned by the Rahway Redevelopment Agency (Lots 38, 39 and 45) consistent with the Central Business District Redevelopment Plan and the City's Master Plan; and

WHEREAS, the Rahway Redevelopment Agency previously solicited proposals for the redevelopment of a mixed-use project on Block 167, Lots 37 through 45 (Hamilton Street) and designated a number of redevelopers, whose designations have since expired or have been terminated; and

WHEREAS, Dornoch Rahway, LLC made a presentation to the Board of Commissioners of the Rahway Redevelopment Agency on December 15, 2005 in regards to its proposal for the redevelopment of Block 167, Lots 37 through 45; and

WHEREAS, the proposal has been reviewed and found consistent with the requirements of the Central Business District Redevelopment Plan, the City's goals for redeveloping said properties and is consistent with the City's goals for arts district; and

WHEREAS, Dornoch Rahway, LLC has recently entered into redevelopment agreements with the Rahway Redevelopment Agency on two other projects in the Central Business Redevelopment Area; and

WHEREAS, Dornoch Rahway, LLC was designated as redeveloper by the Rahway Redevelopment Agency for a period of ninety (90) days on December 15, 2005 and has made substantive progress in negotiating a redevelopment agreement with the Rahway Redevelopment Agency for the redevelopment of Block 167, Lots 37 through 45.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby extends and conditionally designates Dornoch Rahway, LLC as redeveloper for the properties known as Block 167, Lots 37 through 45 (Hamilton Street) located in the Central Business District Redevelopment Area for an additional period of ninety (90) days from expiration of the initial designation, during which time negotiations on a redevelopment agreement with the Rahway Redevelopment Agency for the project shall be completed.

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.

*Moved: Commissioner Deige*

*Seconded: Commissioner Clarke*

*Ayes: Deige, Garay, Saliga, Clarke and Nash*

*Nays: None*

*Abstain: None*

*Absent: Leso and Nash*

22-06 RESOLUTION AUTHORIZING CHANGE ORDER NUMBER 3 TO THE APPROVED  
BID FOR THE HAMILTON LAUNDRY DEMOLITION PROJECT

*This resolution was tabled pending a review of the Public Contracts Law regulations regarding maximum percentage over the bid amount for change order authorization.*

*Moved: Commissioner Saliga           Seconded: Commissioner Deige  
Ayes: Deige, Garay, Saliga, Clarke and Rack  
Nays: None  
Abstain: None  
Absent: Leso and Nash*

**Discussion:**

*Proposed application to the Rahway Redevelopment Agency for the purpose of requesting to make a presentation and required fees and escrow*

*The Commissioners discussed the application format and fees/escrow. Commissioner Garay asked what the basis was for the proposed fees, to which Executive Director Pelissier answered that the proposed fees were based on the required fees to apply to the Planning Board of the City of Rahway. Commissioner Deige asked whether a component of the fee could be directed specifically toward the Arts District in downtown Rahway. It was determined that a fee for the Arts District would be better served coming from an overall charge to all affected parties, rather than directing part of a fee for a specific developer to the Arts District.*

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**COMMISSIONERS' COMMENTS**

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

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**ADJOURNMENT**

*There being no further business, the meeting was adjourned at 8:15 P.M..*

*Adopted on May 18, 2006:*

*Moved: Commissioner Nash           Seconded: Commissioner Deige  
Aye: Deige, Garay, Saliga, Clarke and Rack           Nay: None  
Abstain: Nash                           Absent: None*

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*Peter H. Pelissier, Secretary*