

# Rahway Redevelopment Agency

## Minutes Regular Meeting July 2, 2008 6:30 P.M.

### CALL TO ORDER

*The meeting was called to order at 6:35 P.M. in the Council Chambers*

### 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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### 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:*

*Timothy Nash, Commissioner  
Nancy Saliga, Commissioner  
Courtney Clarke, Vice Chairman  
William Rack, Chairman*

*The following official were absent:*

*Commissioners: Carlos Garay, James Ferrell, Anthony Deige*

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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:*

*June 2, 2008 Regular Meeting*

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

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### CORRESPONDENCE

- 1. Letter dated June 2, 2008 from Philip J. Morin to Francis X. Regan, Esq., General Counsel, regarding Rahway Industrial Sites, 970 New Brunswick Avenue.*
  - 2. Letter dated June 27, 2008 from Francis X. Regan, Esq., General Counsel, to Richard Bello regarding Carriage City Properties.*
  - 3. Letter dated June 17, 2008 from Edward Nehmad, SD Capital, LLC, to Peter Pelissier, Executive Director of the Rahway Redevelopment Agency regarding Unit # 2 of the Rahway River Condominium.*
  - 4. Letter dated June 23, 2008 from Francis X. Regan, Esq., General Counsel, to Michael Moore, Esq., regarding 1367 Genovese Lane, Rahway, New Jersey.*
  - 5. Letter dated June 23, 2008 from Francis X. Regan, Esq., General Counsel, to Michael Moore, Esq., regarding 1367 Genovese Lane, Rahway, New Jersey.*
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### COMMENTS FROM THE PUBLIC

*This portion of the meeting shall be opened to the public for comments (two minute maximum per person).*

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## TREASURER'S REPORT

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

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

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## EXECUTIVE DIRECTOR'S REPORT

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### LEGAL REPORT

General Counsel Frank Regan discussed a project status memo that was prepared for the Executive Director, Peter Pelissier:

- Carriage City Properties - The Redeveloper paid water connection fees in the amount of \$331,194 to the City of Rahway on June 30, 2008. The Agency is to consider a resolution agreeing to defer a portion of the development fees required to be paid by the Redeveloper at each real estate closing for the condominiums until such time as the amount of the water connection fee payment to the City has been reached at which point the Redeveloper shall repay the deferred amount. The Redeveloper anticipates initial closings on condominiums early July. Approximately 80 units are under contract and expected to close over the next 90 days. The City has repaid a loan from NJ Redevelopment Authority in the amount of \$187,500 for remediation of 80 East Milton Avenue property and obtained a release of the mortgage on the property, which will facilitate the real estate closings.
- KC Jazz – The Redeveloper closed on it's financing for the property purchase and improvements to the buildings on June 25, 2008 and paid off the mortgage of \$338,000 plus interest to the Agency. The Redeveloper has received most, if not all permits for construction and will be bidding the work shortly.
- Dornoch –
  - Savoy – Under construction and awaiting delivery of steel.
  - Westbury – Agency and Rahway Parking Authority representatives met with Redeveloper to discuss the project status, including soil removal, property acquisition, demolition and parking. Redeveloper is currently analyzing feasibility of developing project in light of current market conditions. The parties discussed a land swap to create two separate parcels, one for the project development and the other for construction of a parking deck to support downtown development and the project. The Agency and RPA had a subsequent meeting with a parking designer, who will review the feasibility and options for construction of a parking deck on existing Lot B, as well as a parking demand study for entire CBD.
  - Cherry Street Properties – Irving Street property is awaiting TCOs and is currently being marketed. Redeveloper is currently analyzing feasibility of developing the other project in light of current market conditions.
- Rahway Town Center – DeBartolo has provided Peter Pelissier with a letter of intent for the purchase of the Agency property and he will discuss next month.
- Monseno – An agreement has been executed with the Redeveloper of the New Brunswick Avenue property. Awaiting payment due under the agreement. Redeveloper has 60 days to submit an application for site plan approval.
- Park Square – Awaiting comments from Redeveloper on amendments to redevelopment agreement regarding payments by Agency for project costs and improvements.
- Triangle – Redeveloper is attempting to acquire Block 379, Lots 5 & 8 for use in the construction of a second building for project. Block 379, Lot 1 will not be acquired. Agency staff has indicated to Redeveloper that one building should be constructed on entire block, excluding Lot 1 and not two buildings as Redeveloper has proposed due to issues related to financing.
- 1505 Main, LLC – Agency will consider resolution authorizing execution of redevelopment agreement for project consisting of conversion of two upper floors for residential use.
- Kings Inn – Agency will consider amended resolution designating Redeveloper for property to renovate existing motel.
- Hamilton Laundry – Agency has provided the Rahway Senior Housing Corp with a proposal for the acquisition and renovation and/or construction of an affordable housing project on Lot 37 in Block 167. RSHC has indicated a willingness to assist the Agency in funding this project.

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

*Yes: Commissioners Clarke, Nash, Saliga, Rack*

*Absent: Commissioners Garay, Deige, Ferrell*

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## UNFINISHED BUSINESS

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## NEW BUSINESS

### Presentations:

- 80 East Milton Avenue, Rahway New Jersey (Carriage City Cleaners)

*A dry-cleaning business is proposed to occupy one of the first floor retail spaces at Carriage City Hotel and Condominiums. It was conveyed that this was an upscale dry- cleaning establishment to primarily service Hotel Indigo guests and Carriage City residents. It was stated that it is a self-contained facility in compliance with strict DEP standards.*

*A motion was made by Commissioner Nash, seconded by Commissioner Clarke, to approve the presented concept.*

*Yes: Commissioners Clarke, Nash, Saliga, Rack*

*Absent: Commissioners Garay, Deige, Ferrell*

### Resolutions:

**15-08 RESOLUTION AUTHORIZING AN AMENDMENT TO A REDEVELOPMENT AGREEMENT WITH RAHWAY INDUSTRIAL SITES, INC AS REDEVELOPER FOR THE PROPERTY LOCATED AT 970 NEW BRUNSWICK AVENUE ALSO KNOWN AS TAX BLOCK 282, LOT 1.01 IN THE NEW BRUNSWICK AVENUE REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A MIXED USE LIGHT INDUSTRIAL AND RETAIL PROJECT**

WHEREAS, Block 282, Lot 1.01 is located in a Redevelopment Area and subject to the provisions of a duly adopted Redevelopment Plan; and

WHEREAS, Rahway Industrial Sites, Inc is the current owner of Block 282, Lot 1.01 and has proposed make certain improvements to the property to bring it into compliance with applicable local ordinances and to improve the appearance of the property; and

WHEREAS, Rahway Industrial Sites, Inc made a presentation to the Board of Commissioners of the Rahway Redevelopment Agency on June 15, 2006 in regards to its proposal for the redevelopment of Block 282, Lot 1.01; and

WHEREAS, pursuant to Resolution 36-06, adopted on June 15, 2006, the Rahway Redevelopment Agency designated Rahway Industrial Sites, Inc as redeveloper of the property known as Block 282, Lot 1.01, commonly referred to as 970 New Brunswick Avenue, Rahway; and

WHEREAS, on December 15, 2006, Rahway Industrial Sites, Inc and the Rahway Redevelopment Agency executed a Redevelopment Agreement for the redevelopment of Block 282, Lot 1.01; and

WHEREAS, pursuant to the terms of the Redevelopment Agreement, Rahway Industrial Sites, Inc received final site plan approval from the Rahway Planning Board in October, 2006; and

WHEREAS, on August 15, 2007, the Agency approved an extension for the deadline of completion of the Project, consistent with the terms of the Redevelopment Agreement, until June 30, 2008; and

WHEREAS, as a result of revisions to the site plan required by the Rahway City Engineer and the Union County Division of Planning and Community Development and the Union County Division of Engineering, Rahway Industrial Sites, Inc. has requested an extension for the deadline of completion of the Project, consistent with the terms of the Redevelopment Agreement, until June 30, 2009.

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 Rahway Industrial Sites, Inc. for the redevelopment of property known as Block 282, Lot 1.01 located in a Redevelopment Area for an extension for the deadline of completion of the Project until June 30, 2009.

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, to effectuate the completion and implementation of the Project, subject to final review by General Counsel as to legal form and content.

Certified to be true copy of a Resolution of the Board of Commissioners of the Rahway Redevelopment Agency, Rahway, New Jersey at a regular meeting held on July 2, 2008.

*A motion was made by Commissioner Clarke, seconded by Commissioner Nash, to accept and approve Resolution 15-08.*

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

**16-08: RESOLUTION OF THE RAHWAY REDEVELOPMENT AGENCY AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT WITH 1505 MAIN, LLC AS CONDITIONAL REDEVELOPER FOR THE PROPERTY LOCATED AT 1505-07 MAIN STREET ALSO KNOWN AS TAX BLOCK 320, LOT 11 IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A MIXED USE PROJECT**

WHEREAS, Block 320, Lot 11 (the "Property") are located in the Central Business District Redevelopment Area (the "Redevelopment Area"); and

WHEREAS, the Property contains an existing three story building with commercial on the ground floor and uninhabitable space on the upper floors; and

WHEREAS, 1505 Main, LLC (the "Redeveloper") submitted a redevelopment application to the Rahway Redevelopment Agency (the "Agency") for a proposal to renovate/rehabilitate the second and third floors of the Property for residential use with the ground floor to remain commercial; and

WHEREAS, the Redeveloper made a presentation to the Agency on April 9, 2008; and

WHEREAS, the proposal from the Redeveloper has been reviewed and found consistent with the Agency's and City's goals for redeveloping the Central Business District Redevelopment Area; and

WHEREAS, on May 7, 2008, the Agency conditionally designated 1505 Main, LLC as redeveloper of the Property consistent with its proposal; and

WHEREAS, the Redeveloper and the Agency have agreed to the terms and conditions of a redevelopment agreement for the redevelopment of the Property located in the Redevelopment Area.

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 1505 Main, LLC, which provides for the redevelopment of property known 1505-1507 Main Street, also known as Block 320, Lot 11, which is consistent with the Central Business District Redevelopment Plan.

BE IT FURTHER RESOLVED, that the Chairman and the Secretary are hereby authorized to execute any and all documents, including the redevelopment agreement substantially consistent with the form of agreement attached hereto, 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 of the Board of Commissioners of the Rahway Redevelopment Agency, Rahway, New Jersey adopted at a regular meeting held on July 2, 2008.

*A motion was made by Commissioner Clarke, seconded by Commissioner Nash, to accept and approve Resolution 16-08.*

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

**17-08: RESOLUTION AUTHORIZING THE EXECUTION OF A THIRD 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 September 30, 2005, the Agency and the Redeveloper entered into an Amended and Restated Redevelopment Agreement; and

WHEREAS, on March 17, 2006, the Agency and the Redeveloper entered into an Amendment to the Amended and Restated Redevelopment Agreement; and

WHEREAS, on February 7, 2007, the Agency and the Redeveloper entered into a Second Amendment to the Amended and Restated Redevelopment Agreement; and

WHEREAS, the Redeveloper is preparing for the completion of the project and the closing on the sale of condominium units, which includes a requirement for the Redeveloper to make payments to the Agency for the purchase price and development fees in accordance with the various agreements, as amended; and

WHEREAS, the Redeveloper has agreed to pay the City water connection fees for the condominiums no later than June 30, 2008 and in consideration for the Redeveloper making such payments at that time, the Agency has agreed to defer \$5,000.00 of the \$10,000.00 development fee payment required by the Redeveloper at each closing until such time the amount deferred has reached the amount of payment made by the Redeveloper to the City for water connection fees for the condominiums, which is expected to be \$331,194; and

WHEREAS, the Redeveloper is also obligated to make an escrow deposit in the amount of \$10,000.00 to the Agency for payment of the Agency's reasonable professional costs related to the Project; and

WHEREAS, the Agency and Redeveloper have agreed to the terms and conditions of a Third Amendment to the Amended and Restated Redevelopment Agreement for the revised payment schedule for the payment of development fees by the Redeveloper to 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 Third Amendment to the Amended and Restated Redevelopment Agreement with Carriage City Properties, LLC, 142 Broad Street, Elizabeth, N.J. 07201, which provides for the deferment of \$5,000.00 of the \$10,000.00 development fee payment required by the Redeveloper at each closing until such time the amount deferred has reached the amount of payment made by the Redeveloper to the City for water connection fees for the condominiums, which is expected to be \$331,194.

BE IT FURTHER RESOLVED, that the Chairman and the Secretary are hereby authorized to execute any and all documents, including the Third Amendment to the Amended and Restated 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 July 2, 2008.

*A motion was made by Commissioner Clarke, seconded by Commissioner Nash, to accept and approve Resolution 17-08.*

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

**18-08: RESOLUTION OF THE RAHWAY REDEVELOPMENT AGENCY  
AMENDING THE DESIGNATION OF MAHESH RATANJI AND HARISH SURATI  
AS CONDITIONAL REDEVELOPER FOR THE PROPERTY KNOWN 1360  
ROUTE 1 ALSO KNOWN AS TAX BLOCK 304, LOTS 5 AND 6 IN THE ESSEX  
STREET REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A  
COMMERCIAL PROJECT**

*A motion was made by Commissioner Clarke, seconded by Commissioner Nash, to **withdraw** Resolution 18-08 (per General Counsel's direction).*

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

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COMMISSIONER'S COMMENTS

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ADJOURNMENT

*There being no further business, the meeting was adjourned at 7:00 PM.*

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