

Rahway Redevelopment Agency

MINUTES Regular Meeting August 15, 2007 6:30 P.M.

CALL TO ORDER

The meeting was called to order at 6:33 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

PLEDGE OF ALLEGIANCE

Commissioners, officials, and public attendees saluted the flag

ROLL CALL

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

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

The following officials were absent:

*Commissioner Garay
Commissioner Ferrell*

APPROVAL OF MINUTES

*The minutes of the following meeting were adopted:
July 11, 2007 Regular Meeting*

*Motion to approve: Commissioner Clarke
Second: Commissioner Saliga
Ayes: Commissioners Nash, Saliga and Clarke
Nays: None
Abstain: Commissioners Deige and Rack
Absent: Commissioners Garay and Ferrell*

CORRESPONDENCE

- 1. Letter dated July 2, 2007 from Ronald F. Esposito, Esq., to Frank Regan, Esq., regarding 1646-54 Irving Street, Rahway, NJ / KC Jazz*
- 2. Letter dated May 31, 2007 from Francis X. Regan, Esq., General Counsel to Scott A. Telson, Esq., regarding Irving Street Tavern, Inc. petition to State ABC for Liquor License.*
- 3. Letter dated July 20, 2007 from Francis X. Regan, Esq., General Counsel, to Joseph Weiss regarding 258 Monroe Street, Triangle Redevelopment Area.*
- 4. Letter dated July 23, 2007 from Francis X. Regan, Esq., General Counsel to Louis Karp, Esq., Dornoch Rahway 2 and 2.5.*
- 5. Letter dated July 25, 2007 from Philip j. Morin III, esq., to Peter Pelissier, Executive Director regarding the extension of a redevelopment agreement for Rahway Industrial Sites.*
- 6. Letter July 27, 2007 from Francis X. Regan, Esq., General Counsel to Ronald Esposito, Esq., regarding 1646-54 Irving Street (KC Jazz) and Irving Street Tavern, INC. Liquor License.*
- 7. Letter Dated August 7, 2007 from Francis X. Regan, Esq., General Counsel, to John DeNoia, Esq., regarding Ray-Lor, LLC, 1592 Elizabeth Avenue, Rahway, NJ.*

STATUS REPORTS

1. *Diversified Communities:*
 - *Riverwalk at Rahway, Blocks 331, 304*
 - *Town Center, Block 305*
 - *Regency Park, Block 304 / Lots 5, 6*
 2. *M & M at Wheatena*
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COMMENTS FROM THE PUBLIC

Chairman Rack opened the meeting to the public for comment.

Jim Pekarofski of 1169 Jefferson Avenue, Rahway, encouraged the Agency to consider other proposals for the Towne Square project. He stated that he wanted to reiterate his comments from the July meeting.

Lawrence Bodine of 1987 Lufberry Street, Rahway encouraged the Agency to consider other proposals for the Towne Square project. He also had comments relating to the appraisal of the City Hall property.

There being no further comments, Chairman Rack closed the public portion.

TREASURER'S REPORT

Treasurer Ruggiero stated that the June and July reports were given to each Commissioner and asked if anyone had questions or comments. There being none, the June Treasurer's Report was adopted on the following vote:

*Motion to approve: Commissioner Deige
Second: Commissioner Nash
Ayes: Commissioners Nash, Saliga, Clarke and Rack
Nays: None
Abstain: None
Absent: Commissioners Garay and Ferrell*

The July Treasurer's Report was adopted on the following vote:

*Motion to approve: Commissioner Clarke
Second: Commissioner Deige
Ayes: Commissioners Nash, Saliga, Clarke and Rack
Nays: None
Abstain: None
Absent: Commissioners Garay and Ferrell*

EXECUTIVE DIRECTOR'S REPORT

Executive Director Peter Pelissier stated that Mayor James Kennedy and City Engineer James Hosten were present this evening to describe the conceptual layout of the plan for the former Hamilton Laundry property. He asked that the Agency take this presentation out of order (on the agenda) since Mr. Hosten has to leave to attend to a family emergency. The Commissioners voted to take this presentation out of order on the following vote:

*Motion to approve: Commissioner Clarke
Second: Commissioner Deige
Ayes: Commissioners Deige, Nash, Saliga, Clarke and Rack
Nays: None
Abstain: None
Absent: Commissioners Garay and Ferrell*

Mr. Pelissier stated that the same plan will be presented to the City Council once the Redevelopment Agency endorses it. Mr. Pelissier will also be petitioning the City Council to participate in financing the project and endorsing applications for other sources of grant funding. The Executive Director asked the Agency whether they wanted to endorse the plan this evening or wait until next month's meeting. The Commissioners agreed to endorse the project now, on the following vote:

Motion to accept: Commissioner Clarke
Second: Commissioner Nash
Ayes: Commissioners Deige, Nash, Saliga, Clarke and Rack
Nays: None
Abstain: None
Absent: Commissioners Garay and Ferrell

Mayor James Kennedy stated that he was happy to be at the meeting, and it was a pleasure to see all the Commissioners. Mayor Kennedy started his presentation by saying that initially, the Hamilton Laundry site was a mix of industrial projects which now are antiquated. This is understandable since the site was developed in the 1800s. He continued to say that flooding issues deteriorated the previous business. The Redevelopment Agency moved in to clean up the neighborhood. In the early stages of Rahway's downtown, there was an "institutional" core, consisting of banks, the YMCA, and uses like the laundry. The economic development of this core was further divided into an area where cultural arts was used as a stimulus. The Union County Arts Center was a reasonable center focal point. Thus was established the Cultural Arts District in the City of Rahway. A magnet school for the performing arts was considered here. A jazz club in the former Kelly's Pub has received approval from the Rahway Planning Board. Jazz is a required component in a cultural arts district. Regarding the Hamilton Laundry, several developers have looked at the property and were expecting to be able to off-set the cost of creating the performing and visual arts space by building approximately 60-130 residential units. In the event that this was able to be constructed, the City would have recouped about \$2 ½ million to develop the visual and performing art space. If the Redevelopment Agency undertakes the development of the site, between \$10-12 million will be able to be recouped. Part of the issues facing the redevelopment of the site relate to the location of the flood plain. The existing housing that fronts on Hamilton Street would be able to be rehabilitated, but, due to the flood elevation, new construction would never be approved by the State. It was considered that the housing be put in the location where the "Bell" building is now, but demolishing this sturdy structure didn't make sense. Rehabilitating and fitting out the "Bell" building for arts-related uses did make sense. As to the laundry building itself, attempts to reuse that building (since, due to the flood elevation it wouldn't be able to be rebuilt if destroyed) the last flood, which left 6 ½ feet of water in the first floor made the decision to demolish the building easier. Mayor Kennedy said he noticed an open air theater, where movies and other entertainment were projected on a wall outside in another town and it looked like an interesting concept. The Hamilton site would lend itself nicely to this concept, and perhaps also an amphitheater for outdoor programs. There is a dance company interested in this site, and a portion of the "Bell" building will be appropriate to accommodate them. Whether we end up owning the building is not important, but the right amenity is. While, many times, arts-related uses have occupied less expensive space in other towns, and were pushed out as these older buildings were redeveloped, we in Rahway are going the other way, to redevelop to provide space for such uses in order to bring in the Arts. In other areas of redevelopment in the City, Mayor Kennedy stated that two of the largest developers in the United States are partnering with the current redeveloper on the Towne Center project, one of whom is DeBartolo Developers, the largest mall owner in the United States. Many, many proposals have been considered for this property, with the consensus that the current proposal is the best. Financial partners in the deal will be conference calling each other Friday, August 17, 2007 at 10:00 a.m. This call will most likely generate an announcement regarding the final arrangements for the project. The Mayor continued to say that the article that was in the New York Times Real Estate section featuring Rahway generated a lot of interest in our City for real estate investors. We now have an Intercontinental Hotel, one of the largest chains in the world, being built in Rahway. Two other large hotel operators are competing over a location within the Towne Center site.

City Engineer, James Houston, was introduced and proceeded to describe the site amenities specifically proposed for the former Hamilton Laundry site. He provided conceptual sketches of the proposal to the Agency and described how the amphitheater, open space, buffer, new streetscape, and rehabilitated "Bell" building would work together in proper locations on the site to create a beautiful and practical layout.

Chairman Rack thanked the Mayor and City Engineer for their presentations and returned the floor to the Executive Director for the remainder of his report.

Executive Director Pelissier stated that status reports on their projects were received from Diversified Developers regarding the three projects they are constructing within the City, Matzel and Mumford submitted a report regarding their Carriage Park project on Elizabeth Avenue, and commented that the Mayor discussed the status of KC Jazz, the former Kelly's Bar.

For Dornoch I, the footing is constructed for the building and the developer is waiting for comments to be returned from the City Construction Official. Regarding the Dornoch II site, the remaining Subway sandwich tenant will be moving shortly and the Greek-American Deli will be demolished as soon as the tenants are relocated. The adjacent building, formerly housing the Latino Travel Agency, will be demolished at the same time because the two buildings have a common wall.

Silcon's Carriage City Hotel and Tower project is on schedule and 2/3s of the residential units have already been spoken for.

At the Essex Street Riverfront Park, work is progressing nicely. A small retaining wall on the westerly side of Essex Street, near East Milton will be removed shortly so final grading can be accomplished.

Executive Director Pelissier mentioned that the Agency's budget proposal is on this evening's agenda, as well as several resolutions. An Open Public Records request was received for the appraisal of the City Hall site which has been referred to Attorney Regan for disposition.

The Executive Director's report was accepted on the following vote:

<i>Motion to approve:</i>	<i>Commissioner Clarke</i>
<i>Second:</i>	<i>Commissioner Nash</i>
<i>Ayes:</i>	<i>Commissioners Deige, Nash, Saliga, Clarke and Rack</i>
<i>Nays:</i>	<i>None</i>
<i>Abstain:</i>	<i>None</i>
<i>Absent:</i>	<i>Commissioners Garay and Ferrell</i>

LEGAL REPORT

Counsel Francis Regan stated that there was no business to report this period.

UNFINISHED BUSINESS

Chairman Rack stated that there was no unfinished business to discuss.

NEW BUSINESS

Presentations:

Mayor Jim Kennedy and City Engineer Jim Houston presented the concept plan for the redevelopment of the Hamilton Laundry property, Block 167, Lots 38 and 45, as described earlier in the meeting.

Resolutions:

38-07: 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, Rahway Industrial Sites, Inc is required to file an amended site plan application to the City Planning Board and the Union County Planning Board which will delay the completion of the Project in conformance with the schedule in the Redevelopment Agreement; and

WHEREAS, the Agency and Rahway Industrial Sites, Inc have agreed to an extension for the deadline of completion of the Project, consistent with the terms of the Redevelopment Agreement.

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 Rahway Industrial Sites, Inc for the redevelopment of property known as Block 282, Lot 1.01 located in a Redevelopment Area.

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.

Prior to the motion to adopt the resolution, Commissioner Nash commented that there was no time frame mentioned in the resolution and asked whether the intent was to grant the 8-month extension to June 30, 2008, as requested? The Commissioners present unanimously agreed that the extension to June 30, 2008 was reasonable.

Motion to approve: Commissioner Clarke
Second: Commissioner Nash
Ayes: Commissioners Deige, Nash, Saliga, Clarke and Rack
Nays: None
Abstain: None
Absent: Commissioners Garay and Ferrell

39-07: RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR THE LEASE OF THE BUILDING ON PROPERTY KNOWN AS TAX BLOCK 330, LOT 2 IN THE ESSEX STREET REDEVELOPMENT AREA WITH THE RAHWAY RIVER ASSOCIATION FOR USE AS AN OFFICE AND MEETING PLACE FOR THE NON-PROFIT ENTITY DEDICATED TO THE PRESERVATION AND ENHANCEMENT OF THE RAHWAY RIVER

WHEREAS, the Rahway River Association is a non-profit entity dedicated to the preservation and enhancement of the Rahway River engaged in activities for the promotion of the health, safety, morals and general welfare of the community; and

WHEREAS, the Rahway Redevelopment Agency owns the property known as Block 330, Lot 2, which was conveyed to the Agency by the City for use in conjunction with the Essex Street Redevelopment Plan; and

WHEREAS, the Rahway Redevelopment Agency has previously leased a portion of the building located on the property to the Rahway River Association, which lease expired on August, 2005; and

WHEREAS, the Rahway River Association desires to continue to lease the building located on the property; and

WHEREAS, the Rahway River Association and the Rahway Redevelopment Agency have agreed to the terms and conditions of an agreement for the lease of a portion of the building located on Block 330, Lot 2 for a three year period, with mutual options to extend until such time as the building is needed for other uses contemplated in the Essex Street Redevelopment Plan.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby authorizes the execution of an agreement for the lease of a portion of the building located on Block 330, Lot 2 to the Rahway River Association for use as an office and meeting place.

BE IT FURTHER RESOLVED, that said lease shall be for a term of three years, with a mutual option to extend until such time as the needed for other uses contemplated in the Essex Street Redevelopment Plan.

BE IT FURTHER RESOLVED, that the President of the Rahway River Association shall submit an annual report to the Executive Director of the Agency setting out the use to which the leasehold was put during each year, the activities of the lessee undertaken in furtherance of the public purpose for which the leasehold was granted; the approximate value or cost, if any, of such activities in furtherance of such purpose; and an affirmation of the continued tax-exempt status of the Rahway River Association pursuant to both State and Federal law.

BE IT FURTHER RESOLVED, that the Chairman and the Secretary are hereby authorized to execute any and all documents, including the 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 at a regular meeting held on August 15, 2007.

Discussion preceded the vote: Commissioner Nash asked if there would be a lease agreement or any charge for this user. Attorney Regan answered that there will be a lease agreement. Commissioner Deige stated that the water damage in the building has not been fixed and is still in the hands of the insurance adjusters. Executive Director Pelissier said that the insurance company will repair the water damage, but not the boiler. He went on to say that the Rahway River Association has grant money and needs the Redevelopment Agency's resolution to satisfy the grant source that they have a firm commitment for a place to set up offices.

Motion to approve: Commissioner Clarke
Second: Commissioner Nash
Ayes: Commissioners Deige, Nash, Saliga, Clarke and Rack
Nays: None
Abstain: None
Absent: Commissioners Garay and Ferrell

40-07: 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 AND ON-GOING LITIGATION

Resolution 40-04 was withdrawn on the following vote:

Motion to withdraw: Commissioner Deige
Second: Commissioner Nash
Ayes: Commissioners Deige, Nash, Saliga, Clarke, and Rack
Nays: None
Abstain: None
Absent: Commissioners Garay and Ferrell

41-07: RESOLUTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO WHITESTONE ASSOCIATES FOR SUPPLEMENTAL ENVIRONMENTAL CONSULTING SERVICES RELATIVE TO THE HAMILTON LAUNDRY SITE, BLOCK 167, LOTS 38 & 45

WHEREAS, there exists for the Rahway Redevelopment Agency, a need for the services of a firm specializing in Environmental Consulting Services to provide supplemental environmental consulting services for the purpose of preparing a *Memorandum of Agreement* (MOA) application for NJDEP oversight, review of technical submittals, and ultimately to secure a site-wide No Further Action (NFA) determination for the property commonly referred to as the former Hamilton Laundry property located at 276 Hamilton Street, Block 167, Lots 38 & 45; 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 Commissioners 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, 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 \$9,100.00, 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 bby 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 hold 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 adopted at a Regular Meeting held on August 15, 2007.

Motion to approve: Commissioner Clarke
 Second: Commissioner Nash
 Ayes: Commissioners Deige, Nash, Saliga, Clarke and Rack
 Nays: None
 Abstain: None
 Absent: Commissioners Garay and Ferrell

PUBLIC HEARING ON THE FOLLOWING, prior to adoption:

Chairman Rack opened the meeting to the public. No member of the public had any comment. Chairman Rack closed the public portion

42-07: 2007/2008 ADOPTED BUDGET RESOLUTION FOR THE RAHWAY REDEVELOPMENT AGENCY- FISCAL YEAR: FROM JULY 1, 2007 TO JUNE 30, 2008

Motion to approve: Commissioner Nash
 Second: Commissioner Clarke
 Ayes: Commissioners Deige, Nash, Saliga, Clarke and Rack
 Nays: None
 Abstain: None
 Absent: Commissioners Garay and Ferrell

COMMISSIONER'S COMMENTS

There were no Commissioner comments.

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:33 p.m. on the following vote: A motion to adjourn was made by Commissioner Deige, seconded by Commissioner Clarke and unanimously approved by voice vote.