

# Rahway Redevelopment Agency

## MINUTES Regular Meeting October 19, 2006 6:30 P.M.

### CALL TO ORDER

The meeting was called to order at 6:35 P.M. in the Rahway Public Library

### OPEN PUBLIC MEETINGS ACT

Chairman Rack noted that 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:

Carlos Garay, Commissioner  
James Ferrell, Commissioner  
Timothy Nash, Commissioner  
Nancy Saliga, Commissioner  
Courtney Clarke, Vice Chairman  
William Rack, Chairman

The following official was absent:

Anthony Deige, Commissioner

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### APPROVAL OF MINUTES

A motion was made by Commissioner Clarke, seconded by Commissioner Garay, to accept and approve the minutes listed below:

September 21, 2006 Regular Meeting

Yes: Commissioners Garay, Ferrell, Nash, Clarke, and Rack

No: None

Abstain: Commissioner Saliga

Absent: Commissioner Deige

Chairman Rack declared the motion carried.

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### CORRESPONDENCE

The following correspondence was received:

1. Letter dated September 28, 2006 from Francis X. Regan, Esq., General Counsel to Craig H. Feldman, Riverwalk Developers LLC, regarding Unit No. 602, commonly known as 1443 Barnhart Lane, Rahway, NJ.
2. Letter dated September 28, 2006 from Francis X. Regan, Esq., General Counsel to Craig H. Feldman, Riverwalk Developers LLC, regarding Unit No. 501, commonly known as 1431 Barnhart Lane, Rahway, NJ.
3. Letter dated September 22, 2006 from Robert F. Cox to the Hon. Walter R. Baritone, J.S.C. regarding Rahway Redevelopment Agency v. Karagiannis, et al.
4. Letter dated October 4, 2006 from John J. Reilly to Deputy Clerk, Superior Court of New Jersey regarding Rahway Redevelopment Agency v. Maria C. Karagiannis et al.
5. Letter dated October 10, 2006 from Keith D'Ambrosio to Peter Pelissier regarding Carriage City Hotel and Tower Project

6. Letter dated October 11, 2006 from Francis X. Regan, Esq., General Counsel to Craig H. Feldman, Riverwalk Developers LLC, regarding Unit No. 604, commonly known as 1435 Barnhardt Lane, Rahway, NJ.
  7. Letter dated October 4, 2006 from Francis X. Regan Esq., General Counsel to Lerch, Vinci & Higgins, regarding Rahway Redevelopment Agency Audit of Financial Statements.
  8. Letter dated October 11, 2006 from Francis X. Regan Esq., General Counsel to Frank Ruggiero, Chief Financial Officer, regarding Carriage City Hotel and Riverwalk Redevelopment Projects.
  9. Letter dated October 13, 2006 from Philip J. Morin III, Esq., to Francis X. Regan, Esq., regarding Rahway Industrial Sites, Inc. Redevelopment Agreement.
  10. Letter dated October 13, 2006 from Louis Vidal, The Capodagli Property Company, to Mr. Michael Jones regarding 273 East Grand Avenue, Rahway, New Jersey.
  11. Letter dated October 12, 2006 from Gail Miller, Library Director to Peter Pelissier regarding HVAC damage and part replacement.
  12. Letter dated October 17, 2006 from Michael Jones to Louis Vidal, Capodagli Property Company regarding 273-275 East Grand Avenue, Rahway, New Jersey.
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## **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, Blocks 226, 227, 228
  3. Carriage City Hotel & Tower, Block 316 / Lot 1.01
  4. Station Place at Rahway, Block 149
  5. River View Manor (Lenington Street), Block 353 / Lot 2
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## **COMMENTS FROM THE PUBLIC**

There were no comments from the public.

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## **TREASURER'S REPORT**

A summary of the Treasurer's monthly activity was distributed. A motion was made by Commissioner Nash and seconded by Commissioner Clarke to approve the Treasurer's report.

Yes: Commissioners Garay, Ferrell, Nash, Saliga, Clarke, and Rack

No: None

Abstain: None

Absent: Commissioner Deige

Chairman Rack declared the motion carried.

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## **EXECUTIVE DIRECTOR'S REPORT**

Executive Director, Peter Pelissier, discussed two reports that were given to the Commissioners.

A five page report explained the additional revenues that will be generated from the current redevelopment projects and a summary of each project that included: the original assessed value of the property, the original tax revenues, the estimated assessed values (upon completion), and the additional revenues that will be generated by each project.

In addition, Executive Director Pelissier stated that a status report will be distributed each month to include all pertinent information and any updated activity regarding each project.

See Attachments.

A motion was made by Commissioner Nash and seconded by Commissioner Clarke to approve the Executive Director's report.

Yes: Commissioners Garay, Ferrell, Nash, Saliga, Clarke, and Rack

No: None

Abstain: None

Absent: Commissioner Deige

Chairman Rack declared the motion carried.

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## LEGAL REPORT

Assistant General Counsel, Michael Ash, Esq. reported that litigation is ongoing regarding 43 Elm Avenue and indicated that Mrs. Karagiannis is requesting a Jury Trial to determine the selling price of her rooming house. However, he also expressed the Courts desire to settle this case without going to trial and stated that a court conference would be held on Friday, October 27, 2006.

A motion was made by Commissioner Clarke and seconded by Commissioner Ferrell to approve the Legal report.

Yes: Commissioners Garay, Ferrell, Nash, Saliga, Clarke, and Rack

No: None

Abstain: None

Absent: Commissioner Deige

Chairman Rack declared the motion carried.

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## UNFINISHED BUSINESS

### NEW BUSINESS

Presentations:

1. Dornoch II, Block 318 / Lots 1-11, 18, 23: Proposed Billboards

Steve Carlson, representing Dornoch – Rahway, made a presentation requesting the Agency's approval to include seven (7) billboards on the proposed parking deck (facing the train elevation). Each billboard would measure 12' x 24' and would only advertise "high-tech" interests, i.e., Verizon, Intel, etc. It was also stated that any signage along the train tracks would need approval from N.J. D.O.T.

A resolution regarding the billboard proposal would be presented at next month's meeting.

2. Jackson Hewitt Tax Services, 1417 Main Street, Block 326 / Lot 4: Requesting permission to have an office at grade in the B5 Central Business District Zone

A presentation was made by Edwin Rodriguez from Jackson Hewitt and Harshad Patel, the property owner, requesting the Agency's approval to permit a tax service office at grade. Mr. Rodriguez stated that he currently has two (2) Jackson Hewitt franchises in operation and this will be his third. He also stated that during tax season the office will have between 10 – 12 employees and they would utilize the parking deck for employee parking. Commissioner Garay inquired about the office hours after tax season and Mr. Rodriguez said that the office would remain open, at a minimum, three days a week.

Executive Director Pelissier expressed support for this presentation and requested a resolution be drafted to recommend to the Planning Board and City Council of the City of Rahway a zoning overlay to permit the use of business offices at grade in the B5 zone.

Resolutions:

50-06: RESOLUTION EXTENDING THE DESIGNATION OF REGENCY PARK COMMONS, LLC AS REDEVELOPER FOR THE PROPERTY KNOWN AS TAX BLOCK 304, LOTS 5 AND 6 IN THE ESSEX STREET REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A RESIDENTIAL PROJECT

WHEREAS, the City of Rahway has been promoting the redevelopment of the Essex Street Redevelopment Area since the submission of a funding application to Green Acres in 1992 for the acquisition and improvement of the area for a river front park and since the adoption of the Essex Street Redevelopment Plan in September 1999 and amended May 2001; and

WHEREAS, the properties known as Block 304, Lots 5 and 6 are located in the Essex Street Redevelopment Area; 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, Regency Park Commons, LLC currently owns the properties known as Block 304, Lots 5 and 6 in the Essex Street Redevelopment Area; and

WHEREAS, Regency Park Commons, LLC is proposing to build 40 condominium residential units above parking on the property; and

WHEREAS, the proposal has been reviewed and found consistent with the requirements of the Essex Street Redevelopment Plan and the City's goals for redeveloping said properties; and

WHEREAS, Diversified Communities, LLC is affiliated with Regency Park Commons, LLC and has successfully completed the redevelopment of other properties in the Essex Street Redevelopment Area including Block 304 Lots 1, 2, 3, 4, 7 & 8 and Block 331 Lots 18 through 26 and Lots 34 through 47, known as the Riverwalk Project; and

WHEREAS, Regency Park Commons, LLC was designated as redeveloper of the Essex Street Redevelopment Area by the Rahway Redevelopment Agency on June 15, 2006 for a period of ninety (90) days; and

WHEREAS, the designation of Regency Park Commons, LLC as redeveloper of the Essex Street Redevelopment Area expired on September 15, 2006; and

WHEREAS, further progress has been made in negotiating a redevelopment agreement with Regency Park Commons, LLC and the designation of the redeveloper for the Essex Street Redevelopment Area should be extended for an additional one hundred and twenty (120) days retro-active to the expiration of the original designation period on September 15, 2006;

WHEREAS, upon extending the designation for an additional one hundred and twenty (120) day period, Regency Park Commons, LLC shall pay \$2,500 to the Agency in accordance with the fee schedule adopted by Resolution 35-06.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby designates Regency Park Common, LLC as redeveloper for the properties known as Block 304, Lots 5 and 6 located in the Essex Street Redevelopment Area for an additional period of one hundred and twenty (120) days, 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.

*\*\* This resolution was submitted for review only. No vote was taken.*

51-06: RESOLUTION EXTENDING THE CONDITIONAL DESIGNATION OF DORNOCH RAHWAY AS REDEVELOPER FOR THE PROPERTY KNOWN AS TAX BLOCK 167, LOTS 37 THROUGH 45 IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A MIXED USE ARTS RELATED PROJECT

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; and

WHEREAS, the designation of Dornoch Rahway, LLC as redeveloper for the redevelopment of Block 167, Lots 37 through 45 was extended on April 20, 2006 for sixty (60) days retro-active to the expiration of the original designation on March 15, 2006; and

WHEREAS, the designation of Dornoch Rahway, LLC as redeveloper for the redevelopment of Block 167, Lots 37 through 45 was extended on May 18, 2006 for an additional ninety (90) days; and

WHEREAS, the designation of Dornoch Rahway, LLC as redeveloper for the redevelopment of Block 167, Lots 37 through 45 expired on August 18, 2006; and

WHEREAS, further progress has been made in negotiating a redevelopment agreement with Dornoch Rahway, LLC and the designation of redeveloper for the redevelopment of Block 167, Lots 37 through 45 should be extended for an additional one hundred and twenty (120) days retro-active to the expiration of the May 18, 2006 ninety (90) day extension on August 18, 2006; and

WHEREAS, upon extending the designation for an additional one hundred and twenty (120) day period, Dornoch Rahway, LLC shall pay \$2,500 to the Agency in accordance with the fee schedule adopted by Resolution 35-06.

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 one hundred twenty (120) days from expiration of the designation, as extended, 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.

*\*\* This resolution was submitted for review only. No vote was taken.*

**49-06: 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 ON-GOING LITIGATION**

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 Regency Park, Dornoch III, and Carriage City; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that a portion of its regular meeting held on October 19, 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 and/or on-going litigation; 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.

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 October 19, 2006.

A motion was made by Commissioner Nash and seconded by Commissioner Clarke to hold this portion of the meeting in closed session.

Yes: Commissioners Garay, Ferrell, Nash, Saliga, Clarke, and Rack

No: None

Abstain: None

Absent: Commissioner Deige

Chairman Rack declared the motion carried.

#### TO RETURN TO PUBLIC SESSION AFTER CLOSED SESSION

A motion was made by Commissioner Clarke and seconded by Commissioner Nash to return to public session.

Yes: Commissioners Garay, Ferrell, Nash, Saliga, Clarke, and Rack

No: None

Abstain: None

Absent: Commissioner Deige

Chairman Rack declared the motion carried.

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## **DISCUSSIONS**

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## **COMMISSIONER'S COMMENTS**

There were no Commissioner's comments at this time

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## **ADJOURNMENT**

There being no further business, the meeting was adjourned at 8:20 P.M.

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