

# Rahway Redevelopment Agency

## MINUTES Regular Meeting November 12, 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 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:*

*Anthony Deige, Commissioner  
James Ferrell, Commissioner  
Carlos Garay, Commissioner  
Timothy Nash, Commissioner  
Courtney Clarke, Vice Chairman  
William Rack, Chairman*

*The following official was absent:*

*Commissioner: Nancy Saliga*

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### APPROVAL OF MINUTES

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

*October 1, 2008 Regular Meeting*

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

*Absent: Commissioner Saliga*

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### CORRESPONDENCE

- 1. Letter dated October 1, 2008, from Carl Eler, Esq., to Peter Pelissier, Executive Director, regarding Wheatena Redevelopment Project.*
  - 2. Letter dated October 10, 2008 from Francis X. Regan Esq., General Counsel, to John DeNoia, Esq. regarding T & S Developers.*
  - 3. Letter dated October 13, 2008 from Francis X. Regan Esq., General Counsel, to Holly Collins-Garcia. regarding Rahway Town Center.*
  - 4. Letter dated October 14, 2008 from David Bressler, Esq. to Michael J. Ash, Esq., regarding 213-214 Hamilton Street.*
  - 5. Letter dated October 29, 2008, from Carl Eler, Esq., to Peter Pelissier, Executive Director, regarding Wheatena Redevelopment Project.*
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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 Nash, seconded by Commissioner Ferrell, to accept and approve the Treasurer's Report.*

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

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## EXECUTIVE DIRECTOR'S REPORT

Peter H. Pelissier reported on the following redevelopment projects:

- River Walk – issues with the contractor regarding street resurfacing, parking, garbage and recycling pick-up. Attorney involved, possible release of “letter of credit” from bank to pay for improvements
- Essex Street Park is under construction
- Silcon – Hotel Indigo requesting new appraisal
- Elizabeth Avenue lot is completed and being sold to Parking Authority for additional parking
- Augusta Street and E Milton Avenue lot being sold to Landmark and will temporarily be used for additional parking
- Matzel & Mumford is moving ahead on their project (Wheatena); requesting a new evaluation of redevelopment designation in anticipation of condemnation.
- Dornoch – no contact. Projects on hold.
- Hamilton Laundry - amphitheater plans are being revised, completion in 18 months. House on Hamilton Street to be purchased by RRA and Senior Housing Corporation proposing to purchase Shami Apartments
- Station Place is moving forward and the redeveloper waiting for the relocation of A & M Industrial Supply.
- Town Center – DeBartalo to purchase Center Circle and 1 ½ acres behind City Hall. Must negotiate with new owners (top floors of library) regarding parking and possible deck.

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

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

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## LEGAL REPORT

No Report

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## UNFINISHED BUSINESS

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## NEW BUSINESS

Resolutions:

**37-08 RESOLUTION AUTHORIZING THE ACQUISITION OF PROPERTY KNOWN AS 312-314 HAMILTON STREET, ALSO KNOWN AS BLOCK 167, LOT 44 LOCATED IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA BY NEGOTIATION**

WHEREAS, pursuant to N.J.S.A. 40A:12A-8, the Rahway Redevelopment Agency is authorized to acquire property located within a designated redevelopment area by negotiation or condemnation; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-5, the Central Business District Redevelopment Area was determined to be an area in need of redevelopment by the Municipal Council of the City of Rahway; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-7, the Central Business District Redevelopment Plan has been adopted and amended by the Municipal Council of the City of Rahway; and

WHEREAS, the Central Business District Plan identifies certain properties to be acquired and redeveloped, including 312-314 Hamilton Street, also known as Block 167, Lot 44 (the “Property”); and

WHEREAS, the Board of Commissioners of the Rahway Redevelopment Agency has determined that it would serve the purposes of the Agency and the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.) for it to acquire the Property for redevelopment with the intention of including the property as part of the redevelopment of the former Hamilton Laundry property to support the Rahway Arts District; and

WHEREAS, by resolution dated August 6, 2008, the Board of Commissioners authorized the acquisition of the Property by condemnation or negotiation; and

WHEREAS, the Agency offered the owner \$310,000.00 for the purchase of the Property; and

WHEREAS, the Agency has negotiated with the owners of the Property to deliver the Property free of tenants for the purchase price of \$340,000.00.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby authorizes the acquisition by contract, property located at 312-314 Hamilton Street, also known as Block 167, Lot 44 in the Central Business District Redevelopment Area for redevelopment with the intention of redeveloping in conjunction with the former Hamilton Laundry property to support the Rahway Arts District.

BE IT FURTHER RESOLVED that the Chairman, Executive Director and Secretary are hereby authorized to execute any and all related documents including, contract of purchase and closing documents, subject to the review of counsel, to effectuate the acquisition of the Property.

Certified to be 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 November 12, 2008

*A motion was made by Commissioner Nash, seconded by Commissioner Clarke, to accept and approve the Resolution 37-08.*

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

**38-08 RESOLUTION AUTHORIZING THE SALE AND CONVEYANCE OF PROPERTY KNOWN AS BLOCK 158, LOT 3 LOCATED IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA TO THE RAHWAY PARKING AUTHORITY**

WHEREAS, the Rahway Redevelopment Agency (the "Agency") acquired certain properties located in the Central Business District Redevelopment Area (the "Redevelopment Area") known as Block 158, Lot 3 (the "Property"); and

WHEREAS, the Property is currently used for surface parking; and

WHEREAS, the Agency and the Rahway Parking Authority have agreed to the sale of the Property for \$250,000.00; and

WHEREAS, the sale of the Property is based on an intent by the Rahway Parking Authority to maintain the surface parking on the Property; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby authorizes the sale and conveyance of Block 158 Lot 3 to the Rahway Parking Authority, for \$250,000.00.

BE IT FURTHER RESOLVED, that the Chairman and the Secretary are hereby authorized to execute any and all documents, including a contract for sale of real estate and all closing 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 November 12, 2008.

*A motion was made by Commissioner Nash, seconded by Commissioner Clarke, to accept and approve the Resolution 35-08.*

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

**39-08 RESOLUTION OF THE RAHWAY REDEVELOPMENT AGENCY DE-DESIGNATING KRISHNA CORPORATION AS REDEVELOPER AND TERMINATING THE REDEVELOPMENT AGREEMENT WITH KRISHNA CORPORATION, DATED JANUARY 14, 2004, FOR THE PROPERTY KNOWN 1054 ROUTE 1 NORTH ALSO KNOWN AS TAX BLOCK 338, LOTS 3.01 AND 3.02 IN THE ROUTE 1 & 9 REDEVELOPMENT AREA**

WHEREAS, Block 338, Lots 3.01 and 3.02 (the "Property"), formerly Lot 3, are located in the Route 1&9 Redevelopment Area (the "Redevelopment Area"); and

WHEREAS, on April 23, 2003, the Rahway Redevelopment Agency (the "Agency") designated Krishna Corporation as redeveloper of the Property; and

WHEREAS, on January 14, 2004, the Agency entered into a redevelopment agreement with Krishna Corporation for the development of an approximate 72 unit (room) hotel, 190 seat restaurant and a 5,000 square foot commercial building on the Property (the "Redevelopment Agreement"); and

WHEREAS, Krishna Corporation obtained site plan approval for the development subject to the redevelopment agreement above, but never undertook the development; and

WHEREAS, the Family Hospitality, LLC has acquired the Property from Krishna Corporation; and

WHEREAS, Family Hospitality, LLC submitted a redevelopment application to the for a proposal to construct a four story motel with approximately 93 units (rooms) with amenities for a national hotel/motel chain on the Property and a potential 8,000 square foot restaurant in a free standing building; and

WHEREAS, Krishna Corporation failed to complete the project in accordance with the schedule, conveyed the Property without prior approval of the Agency and defaulted under other terms and conditions of the Redevelopment Agreement.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that since Krishna Corporation failed to complete the project in accordance with the schedule set forth in the Redevelopment Agreement, conveyed the Property without prior approval of the Agency and defaulted under other terms and conditions of the Redevelopment Agreement for property known as Block 338, Lots 3.01 and 3.02, formerly Lot 3, located in the Route 1&9 Redevelopment Area, Krishna Corporation is hereby de-designated as redeveloper and the Redevelopment Agreement is hereby terminated.

BE IT FURTHER RESOLVED, that the Executive Director and General Counsel are hereby authorized to provide notice to Krishna Corporation of such de-designation and termination in accordance herewith.

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 November 12, 2008.

*A motion was made by Commissioner Ferrell, seconded by Commissioner Clarke, to accept and approve the Resolution 39-08.*

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

**40-08 RESOLUTION OF THE RAHWAY REDEVELOPMENT AGENCY DESIGNATING FAMILY HOSPITALITY, LLC AS CONDITIONAL REDEVELOPER FOR THE PROPERTY KNOWN 1054 ROUTE 1 NORTH ALSO KNOWN AS TAX BLOCK 338, LOTS 3.01 AND 3.02 IN THE ROUTE 1 & 9 REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A COMMERCIAL PROJECT**

WHEREAS, Block 338, Lots 3.01 and 3.02 (the "Property") are located in the Route 1&9 Redevelopment Area (the "Redevelopment Area"); and

WHEREAS, the Property is vacant; and

WHEREAS, Family Hospitality, LLC (the "Redeveloper") submitted a redevelopment application to the Rahway Redevelopment Agency (the "Agency") for a proposal to construct a four story motel with approximately 93 units (rooms) with amenities for a national hotel/motel chain on the Property and a potential 8,000 square foot restaurant in a free standing building; and

WHEREAS, the Redeveloper acquired the Property from Krishna Corporation, who had entered into a redevelopment agreement with the Agency on January 14, 2004 for the development of an approximate 72 unit (room) hotel, 190 seat restaurant and a 5,000 square foot commercial building; and

WHEREAS, Krishna Corporation had obtained site plan approval for the development subject to the redevelopment agreement above, it never undertook the development; and

WHEREAS, the Redeveloper made a presentation to the Agency on October 1, 2008; and

WHEREAS, the Redeveloper agreed to restrictions on the length of stays in the motel, making improvements to the property that may include the potential 8,000 square foot restaurant in a free standing building and the pre-payment of sewer and/or water connection fees for the motel to the City of Rahway no later than June 30, 2009; and

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

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that Family Hospitality, LLC is hereby conditionally designated as Redeveloper for property known as Block 338, Lots 3.01 and 3.02, located in the Route 1&9 Redevelopment Area, for a commercial project consisting of a four story motel with approximately 93 units (rooms) with additional amenities for a national hotel/motel chain and a potential 8,000 square foot restaurant in a free standing building in accordance with the following conditions:

1. That the period of the designation shall be for one hundred and twenty (120) days from the date of adoption of this resolution;

2. That the Route 1&9 Redevelopment Plan be amended by the City of Rahway for the Property located in the Route 1&9 Redevelopment Area;
3. That the Agency and the Redeveloper negotiate and agree upon the terms and conditions of a redevelopment agreement; and
4. That the Redeveloper pays any and all costs incurred by the Agency, including any fees required under the Agency's fee schedule pursuant to Resolution No. 35-06.

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 and that said extension shall require the approval of the Board of Commissioners, otherwise the conditional designation shall terminate.

BE IT FURTHER RESOLVED, that upon completion of negotiations on a redevelopment agreement, the Rahway Redevelopment Agency will be required to review and authorize execution of any and all related documents in order to effectuate the completion and implementation of this project.

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 November 12, 2008.

*A motion was made by Commissioner Nash, seconded by Commissioner Ferrell, to accept and approve the Resolution 40-08.*

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

**41-08 RESOLUTION REGARDING THE APPLICATION OF LISA A. KING FOR THE PROPERTY LOCATED AT 1642-45 IRVING STREET, ALSO KNOWN AS TAX BLOCK 161, LOT 17 IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A FULL SERVICE BEAUTY SALON**

WHEREAS, the property known as Block 161, Lot 17, commonly known as 1642-45 Irving Street, Rahway, is located in the Central Business District Redevelopment Area (the "Property"); and

WHEREAS, the Property is included in the Central Business District Redevelopment Plan and subject to certain requirements under the zoning ordinance; 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, including the review of projects that may be inconsistent with the redevelopment plan for the relevant redevelopment area; and

WHEREAS, the Rahway Redevelopment Agency has the authority, pursuant to N.J.S.A. 40A:12A-1 et seq., to make recommendations to the governing body for the redevelopment of properties in redevelopment areas, including amendments to redevelopment plans; and

WHEREAS, Lisa A King signed a lease for the Property; and

WHEREAS, Lisa A. King has made an application to the Rahway Redevelopment Agency to use the Property for a full service beauty salon, which proposed use would require an amendment to the Central Business District Redevelopment Plan because of the certain restrictions in the zoning ordinance that prohibit the location of personal service uses within 1,000 feet of the same type of use; and

WHEREAS, Lisa A. King made a presentation to the Board of Commissioners of the Rahway Redevelopment Agency on September 3, 2008 in regards to her proposal for the redevelopment and use of the Property; and

WHEREAS, pursuant to Resolution 35-06 adopted on June 15, 2006, Lisa A. King has paid fees and escrows in accordance with the fee schedule; and

WHEREAS, based on the application and presentation before the Board of Commissioners, the Board finds that the proposed development is not consistent with the goals of the Central Business District Redevelopment Plan or the zoning ordinance.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency based on the application and presentation of Lisa A. King for the property located at 1642-45 Irving Street, also known as Block 161, Lot 17 located in the Central Business District Redevelopment Area, that it will not recommend to the Rahway City Council that an amendment to the Central Business District Redevelopment Plan be considered for this matter.

BE IT FURTHER RESOLVED, that any unspent escrow monies held by the Rahway Redevelopment Agency be returned to Lisa A. King.

BE IT FURTHER RESOLVED, that since the actions of the Rahway Redevelopment Agency in regards to this matter are only advisory at this time, Lisa A. King has the right to make a request directly to the Rahway City Council for amendments to the Central Business District Redevelopment Plan.

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 November 12, 2008

*A motion was made by Commissioner Nash, seconded by Commissioner Deige, to accept and approve the Resolution 41-08.*

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

**42-08 A RESOLUTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO WHITESTONE ASSOCIATES, INC. FOR ENVIRONMENTAL CONSULTING SERVICES RELATIVE TO THE FORMER HAMILTON LAUNDRY SITE, 276 HAMILTON STREET, BLOCK 167, LOTS 38, 39 & 45 LOCATED IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA**

WHEREAS, there exists for the Rahway Redevelopment Agency, a need for the services of a firm specializing in Environmental Consulting Services to conduct underground storage tank ("UST") closure and regulatory compliance management services relative to the UST discovered under Building F during demolition of the building slab for the property commonly referred to as the former Hamilton Laundry located at 276 Hamilton Street, Block 167, Lots 38, 39 & 45 (the "Property"); and

WHEREAS, Whitestone Associates, Inc. has submitted a proposal, dated October 1, 2008 to conduct UST closure and compliance management services for the Property, a copy of which is attached hereto and made part of this Resolution; 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

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioner 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, Inc., 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 \$11,400.00 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 by 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 save 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 at a regular meeting held on November 12, 2008.

*A motion was made by Commissioner Nash, seconded by Commissioner Ferrell, to accept and approve the Resolution 42-08.*

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

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**COMMISSIONER'S COMMENTS**

*Any Commissioner who wishes to provide comments shall do at this time*

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ADJOURNMENT

*There being no further business, the meeting was adjourned at 7:20 P.M.*

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Respectfully submitted,

A handwritten signature in black ink that reads "C M Solomon". The letters are cursive and connected.

Cynthia Solomon  
Recording Secretary