

Rahway Redevelopment Agency

MINUTES Regular Meeting November 30, 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

PLEDGE OF ALLEGIANCE

Commissioners, officials, and public attendees saluted to the flag

ROLL CALL

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

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

APPROVAL OF MINUTES

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

October 19, 2006 Regular Meeting

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

Abstain: Commissioner Deige

Chairman Rack declared the motion carried.

CORRESPONDENCE

The following correspondence was received:

1. Letter dated October 17, 2006 from Francis X. Regan, General Counsel to Rosario Presti, Jr., Esq., Capodagli Property Company regarding Renaissance at Rahway, LLC and property acquisition procedures.
2. Letter dated October 20, 2006 from Louis Vidal, Capodagli Property Company to Mr. Rick Tucker regarding revised contract for 275 East Grand Avenue.
3. Letter dated October 20, 2006 from Louis Vidal, Capodagli Property Company to Alvertis Adams regarding the acquisition of 239 East Grand Avenue.
4. Letter dated October 26, 2006 from Louis Vidal, Capodagli Property Company to Mr. Michael Jones regarding 273 East Grand Avenue.
5. Letter dated October 25, 2006 from Alvertis Adams to Louis Vidal, Capodagli Property Company regarding the acquisition of 239 East Grand Avenue
6. Letter dated October 31, 2006 from Michael Jones to Louis Vidal, Capodagli Property Company regarding the acquisition of 273-275 East Grand Avenue
7. Letter dated November 14, 2006 from Francis X. Regan, Esq., General Counsel, to Craig H. Feldman, Riverwalk Developers LLC, regarding Unit No. 807, commonly known as 1324 Danchetz Court, Rahway, NJ
8. Letter dated November 16, 2006 from Cynthia Solomon, Recording Secretary, to Ronald F. Esposito, Esq., regarding Irving Street Tavern Liquor License transfer

9. Letter dated November 20, 2006 from Francis X. Regan, Esq., General Counsel, to Kenneth I. Schwartz, Diversified Communities regarding Regency Park Commons redevelopment agreement property appraisals.
 10. Letter dated November 21, 2006 from Michael J. Caccavelli Esq., Decotiis, FitzPatrick, Cole & Wisler, LLP, regarding a trial date of January 16, 2007 for RRA v. Maria Karagiannis
 11. Letter dated November 27, 2006 from Francis X. Regan, Esq., General Counsel, to Craig H. Feldman, Riverwalk Developers LLC, regarding Unit No. 803, commonly known as 1340 Danchetz Court, Rahway, NJ
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STATUS REPORTS

1. M & M at Wheatena, Blocks 226, 227, 228
 2. Carriage City Hotel & Tower, Block 316 / Lot 1
 3. Dornoch – Rahway I, Block 320 / Lots 1, 1.01, 2, 3, 4
Dornoch – Rahway II, Block 381 / Lots 1-11, 18, 23
Dornoch – Rahway II.V, Block 317 / Lot 15, Block 318 / Lots 20-22, Block 320 / Lot 10
Dornoch – Rahway III, Block 167 / Lots 37-45
 4. G.M.M. Associates, Inc., River View Manor (Lenington Street) Block 353 / Lot 2
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COMMENTS FROM THE PUBLIC

There were no comments from the public.

TREASURER'S REPORT

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

Yes: Commissioners Garay, Ferrell, Nash, Saliga, Deige, Clarke, and Rack
No: None

Chairman Rack declared the motion carried.

EXECUTIVE DIRECTOR'S REPORT

Executive Director, Peter Pelissier, discussed the status report that was given to the Commissioners.

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.

Executive Director Pelissier commented on Dornoch I, stating a delay in construction was caused by additional reviews from the Department of Environmental Protection regarding historical review. In addition, Dornoch II ½ will be revised and a presentation will be made before the Agency in the future.

An update was also given on KC Jazz regarding the transfer of the liquor license and Executive Director Pelissier stated the redevelopers were planning to move on this project.

See Attachment.

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

Yes: Commissioners Garay, Ferrell, Nash, Saliga, Deige, Clarke, and Rack
No: None

Chairman Rack declared the motion carried.

LEGAL REPORT

No Report

UNFINISHED BUSINESS

NEW BUSINESS

Presentations:

1. *Sam Glen, Inc., 125 Monroe Street, Block 321 / Lots 3 & 4: Applicant seeks to construct a second story for residential units and to expand the current commercial use (auto parts store).*

Mr. John DeNoia presented a plan for Norwood Auto Parts requesting an expansion of the commercial use to include an auto repair garage and a loft apartment for the second floor. He stated that Norwood Auto Parts had two additional locations with similar uses.

Chairman Rack commented on the auto repair garage, stating that this was an expansion of a non-conforming use and would be detrimental to the neighboring residential area. He also explained that the Redevelopment Agency was charged with creating a comprehensive redevelopment strategy for the City.

Commissioner Clarke expressed concern over the parking and storage of disabled or junked cars waiting for repair.

The owner of Sam Glen, Inc. articulated the history of his business in Rahway and his desire to upgrade the property. He requested guidance with an alternative plan that would be acceptable to the Agency.

Executive Director Pelissier reiterated the comments expressed by other Commissioners explaining the mission of the Rahway Redevelopment Agency and the lack of cohesion with the presented plan, specifically citing the second floor apartment over an auto repair garage. He suggested that the Commissioners visit the site to further evaluate the proposed plan in order to discuss the redevelopment of the property.

2. *Main & Monroe Redevelopment Project, Block 319 / Lots 1 – 8: Applicant seeks additional habitable space, amending existing site plan and approvals.*

Michael Merlis presented the “as-built” plans for Block 319 / Lots 1-8 stating that former storage space was constructed as office space. He assured the Commissioners that these two offices would not be rented and would only be used by the property owners as private offices.

A consensus of the Commissioners approved the plans and directed the zoning overlay be amended to include a height adjustment of the building, and site plan review is required by the Planning Board. In addition, the existing redevelopment agreement will be amended by Frank Regan, General Counsel.

3. *Carriage City Hotel & Towers, Irving Street and East Milton Avenue, Block 316 / Lot 3.02: Applicant is seeking an additional story on building and additional residential units, amending existing redevelopment overlay and site plan approval.*

Arturo Palumbo, the architect for Carriage City made a presentation for the proposed hotel and condominiums. He explained the adjusted plans were a result of changes in the driveway configuration and the elimination of the basement. The original plans proposed a 15 story building with a height of 160'; the proposed plans included an additional floor and expanded height of 178'. Mr. Palumbo also said that the exterior of the building was changed from a stucco surface to a complete masonry building with a full brick façade.

Executive Director Pelissier expressed apprehension over the exterior look of the structure, stating the lack of detail and character was a concern of the Agency. He also requested the addresses of similar buildings in area that might be similar to the proposed Carriage City Hotel and Towers, suggesting that Agency members visit these sites.

Commissioner Nash was disappointed in the proposed façade and called it a big box that did not conform to the historical nature of Rahway.

Commissioner Garay approved of the design, stating that it is a modern concept similar to the construction that is taking place in New Brunswick.

Carlos Silva, from Silcon Inc., said the new structure was superior to the previous façade and more costly to build. He also stated that the hotel management had been upgraded from a Holiday Inn Express to an InterContinental Hotel.

Chairman Rack suggested that the Agency propose an amendment to the existing zoning overlay. The amendment would include the additional units and height requested.

A final recommendation for the building's façade was postponed.

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.

A motion was made by Commissioner Nash and seconded by Commissioner Clarke to approve the resolution.

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

No: None

Chairman Rack declared the motion carried.

51-06: RESOLUTION EXTENDING THE CONDITIONAL DESIGNATION OF DORNOCH RAHWAY AS REDEVELOPER FOR THE PROPERTY KNOWN AS TAX BLOCK 167, LOTS 1, 37 - 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 1 and 37 through 45 (Hamilton Street) are located in the Central Business District Redevelopment Area; and

WHEREAS, Block 167, Lots 1 and 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 1 and 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 1 and 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 1 and 37 through 45; and

WHEREAS, the designation of Dornoch Rahway, LLC as redeveloper for the redevelopment of Block 167, Lots 1 and 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 1 and 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 1 and 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 1 and 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 1 and 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.

A motion was made by Commissioner Deige and seconded by Commissioner Nash to approve the resolution.

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

No: None

Chairman Rack declared the motion carried.

53-06: RESOLUTION FOR THE REDEVELOPMENT OF THE FORMER WARWICK LABORATORIES, INC. SITE IN THE EAST UNMAN AVENUE REDEVELOPMENT AREA (Resolution supporting application to Hazardous Discharge Remediation Fund)

WHEREAS, pursuant to N.J.S.A. 40A:12A-6, the Municipal Council of the City of Rahway has authorized the Planning Board to undertake a preliminary investigation to determine whether a portion of Former Warwick Laboratories, Inc. Site including Block 277, Lot 22, 391 East Inman Avenue, Rahway, Union County, New Jersey (the "Property") is an area in need of redevelopment according to the criteria set forth in N.J.S.A.40A:12A-5; and

WHEREAS, following an investigation conducted by the Planning Board of the City of Rahway and a public hearing, the Municipal Council did declare that the Redevelopment Properties constituted an area in need of redevelopment, pursuant to Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq.; and

WHEREAS, the City of Rahway created the Rahway Redevelopment Agency by ordinance on January 25, 2001, as an instrumentality of the City of Rahway, to carry out and effectuate the purposes of N.J.S.A. 40A:12A-1 et seq. and the terms of all redevelopment plans; and

WHEREAS, the City of Rahway and the Rahway Redevelopment Agency have determined that there has been, or it suspects that there has been, a discharge of hazardous substances or a hazardous waste on the Property; and

WHEREAS, the Rahway Redevelopment Agency owns the Property and has entered into a lease agreement with a redeveloper for the purposes of pursuing the redevelopment of the Property; and

WHEREAS, the Rahway Redevelopment Agency and the City of Rahway are applying from the Hazardous Discharge Site Remediation Fund (HDSRF) for funding for the assessment and investigation of former Warwick Laboratories, Inc. Site in order to determine the extent or the existence of any hazardous substance or hazardous waste.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency, City of Rahway, County of Union, State of New Jersey, that the Rahway Redevelopment Agency is committed to the redevelopment of Former Warwick Laboratories, Inc. Site for the purpose of an automobile parts recycling facility and finds that a realistic opportunity exists for the redevelopment of Former Warwick Laboratories, Inc. Site within a three year period after the completion of the remediation of this site either through the planned redevelopment project, Leesville Auto facility, or through alternate redevelopment.

A motion was made by Commissioner Deige and seconded by Commissioner Nash to approve the resolution.

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

No: None

Chairman Rack declared the motion carried.

54-06: RESOLUTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO STACK, COOLAHAN & STACK, LLC FOR APPRAISAL CONSULTING SERVICES FOR BLOCK 304, LOTS 5 & 6

WHEREAS, there exists for the Rahway Redevelopment Agency, a need for the services of a firm specializing in appraisal consulting services to prepare an appraisal for Block 304, Lots 5 & 6, located at 1360 Route 1, which is located in the Essex Street Riverfront Redevelopment Area; and

WHEREAS, the designated redeveloper for these properties, Regency Commons, LLC, shall pay the cost of this appraisal in accordance with the terms and conditions of its redeveloper designation; and

WHEREAS, the Treasurer has certified in writing hereon that funds are available; 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:

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 Stack, Coolahan & Stack, L.L.C., 90 Hudson Street, P.O. Box 731, Hoboken, New Jersey 07030 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 \$7,500.00 payable upon completion of the appraisal 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.

A motion was made by Commissioner Nash and seconded by Commissioner Deige to approve the resolution.

Yes: Commissioners Garay, Ferrell, Nash, Saliga, Deige, Clarke, and Rack
No: None

Chairman Rack declared the motion carried.

DISCUSSIONS

Rahway Redevelopment Agency Meeting Schedule for 2007.

A motion was made by Commissioner Clarke and seconded by Commissioner Nash to approve the meeting schedule for 2007 and to cancel the meeting on December 21, 2006. Meetings in 2007 will be held the first Wednesday of each month in the Municipal Council Chambers at 6:30 P.M.

Yes: Commissioners Garay, Ferrell, Nash, Saliga, Deige, Clarke, and Rack
No: None

Chairman Rack declared the motion carried.

COMMISSIONER'S COMMENTS

There were no Commissioner's comments at this time

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:55 P.M.
