

Rahway Redevelopment Agency

MINUTES Regular Meeting December 3, 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

PLEDGE OF ALLEGIANCE

Commissioners, officials, and public attendees shall then salute to the flag

ROLL CALL

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

*Anthony Deige, Commissioner
James Ferrell, Commissioner
Timothy Nash, Commissioner
William Rack, Chairman*

The following officials were absent:

Commissioners: Clarke, Saliga, Garay

APPROVAL OF MINUTES

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

November 12, 2008 Regular Meeting

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

CORRESPONDENCE

- 1. Letter dated October 30, 2008, from Teri Dunlop, NJEDA, to Peter Pelissier, Executive Director, regarding Wheatena Redevelopment Project HDSRF Grant Award.*
 - 2. Letter dated November 18, 2008 from Francis X. Regan Esq., General Counsel, to Michael Moore, Esq. regarding 1318 Danchetz Court.*
 - 3. Letter dated October 13, 2008 from Francis X. Regan Esq., General Counsel, to Raymond Londa, Esq. regarding Monseno, LLC.*
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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).

TREASURER'S REPORT

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

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

EXECUTIVE DIRECTOR'S REPORT

Peter H. Pelissier reported on the following:

- The Mayor wants the Commissioners to identify new areas or projects for the future
- The intersection of Central Avenue, Hamilton Street, Irving Street, and West Main Street will be improved with a traffic light
- The amphitheater at Hamilton Laundry is the final design stages
- DeBartolo must negotiate parking with SDI or the new owners of the top two floors of the library
- Matzel & Mumford is committed to the Wheatena Project
- Renaissance at Rahway's site plan was approved by the Planning Board
- A new parking deck is needed, possibly on Lot B
- The poor economic conditions are slowing the progress of some projects
- The Executive Director stated, since the economic down-turn he has needed to spend less time on Redevelopment issues and will discuss a reduction in the Executive Director's salary with the Mayor

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

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

**Commissioners Garay and Saliga arrived prior to the Executive Director's report*

LEGAL REPORT

General Counsel, Frank Regan, suggested that the Agency consider sending out Requests for Qualifications (RFQ) for future projects. He also stated that the RRA will be closing on the house on Hamilton Street and the two parking lots (Elizabeth Avenue, Augusta Street) in the near future.

A motion was made by Commissioner Nash, seconded by Commissioner Ferrell, to accept and approve the Legal report.

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

UNFINISHED BUSINESS

NEW BUSINESS

Resolutions:

43-08: RESOLUTION ADOPTING A MEETING SCHEDULE FOR THE YEAR 2009 FOR THE RAHWAY REDEVELOPMENT AGENCY

WHEREAS, the Board of Commissioners of the Rahway Redevelopment Agency will meet regularly on the first (1) Wednesday of each month, unless otherwise noted below, at 6:30 p.m. in the Municipal Council Chambers.

WHEREAS, the following scheduled dates have been established for the year 2009:

WEDNESDAY	JANUARY 7, 2009 (Organization Meeting)
WEDNESDAY	JANUARY 7, 2009 (Regular Meeting)
WEDNESDAY	FEBRUARY 4, 2009
WEDNESDAY	MARCH 4, 2009
WEDNESDAY	APRIL 1, 2009
WEDNESDAY	MAY 6, 2009
MONDAY	JUNE 1, 2009
WEDNESDAY	JULY 1, 2009
WEDNESDAY	AUGUST 5, 2009
WEDNESDAY	SEPTEMBER 2, 2009
WEDNESDAY	OCTOBER 7, 2009
MONDAY	NOVEMBER 2, 2009
WEDNESDAY	DECEMBER 2, 2009

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that the above meeting schedule has been established for the year 2009 for the Rahway Redevelopment Agency; and

BE IT FURTHER RESOLVED, that the Rahway Redevelopment Agency meetings for the year 2009 will be held at 6:30 p.m. in the in the Municipal Council Chambers.

Certified to be a true copy of a Resolution of the Board of Commissioners of the Rahway Redevelopment Agency, Rahway, New Jersey adopted at the regular meeting held on December 3, 2008.

A motion was made by Commissioner Ferrell, seconded by Commissioner Nash, to accept and approve the Resolution 43-08.

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

44-08: RESOLUTION AUTHORIZING AN EXTENSION OF THE CONDITIONAL DESIGNATION OF DEBARTOLO DEVELOPMENT, LLC OR ITS ASSIGNS FOR THE PROPERTY KNOWN AS TAX BLOCK 305, LOTS 5.02 AND A PORTION OF LOT 8.03 IN THE LOWER MAIN STREET URBAN RENEWAL AREA FOR THE DEVELOPMENT OF A MIXED USE PROJECT

WHEREAS, the City of Rahway has been promoting the redevelopment of Main Street since the creation of the Lower Main Street Urban Renewal Area in 1960 and the adoption of the Lower Main Street Urban Renewal Plan on May 9, 1961, last amended on August 10, 1998 (the "Redevelopment Plan"); and

WHEREAS, the properties known as Block 305 Lots 5.02 (owned by the Center Circle), 5.04 (vacant land owned by the Rahway Redevelopment Agency), and a portion of Lot 8.03 (part of the property owned by the Rahway River Condominium Association) (hereinafter collectively referred to as the "Property") are located in the Lower Main Street Urban Renewal Area; and

WHEREAS, upon the creation of the Rahway Redevelopment Agency (the "Agency") by the City of Rahway, responsibility for managing the redevelopment for the City was granted to the Agency; and

WHEREAS, DeBartolo Development, LLC has a letter of intent to acquire the property known as Block 305, Lot 5.02 and previously forwarded a letter of intent to the Agency for the purchase of Block 305, Lot 5.04 and a portion of Block 305, Lot 8.03, which letter of intent is being revised to reflect certain changes in ownership of these properties; and

WHEREAS, DeBartolo Development, LLC is proposing to build a mixed use project consisting of commercial space (approximately 14,000 square feet), residential units (approximately 370 units) and a parking structure (approximately 520 spaces) on the Property; and

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

WHEREAS, on September 3, 2008, the Agency adopted a resolution conditionally designating DeBartolo Development, LLC as redeveloper for the Property; and

WHEREAS, due to current economic conditions, DeBartolo Development, LLC requires additional time to define the scope of the project, negotiate the purchase of the Property and finalize a redevelopment agreement with the Agency.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby extends the conditional designation of DeBartolo Development, LLC or its assigns as redeveloper for the properties known as Block 305 Lots 5.02, 5.04 and a portion of Lot 8.03 located in the Lower Main Street Urban Renewal Area subject to 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 Agency and DeBartolo Development, LLC enter into an escrow agreement and that DeBartolo Development, LLC pays any and all costs incurred by the Agency, including any fees required under the Agency's fee schedule.
3. That the City Council adopt an amendment to the redevelopment plan for the Lower Main Street Urban Renewal Area.
4. That the Agency and DeBartolo Development, LLC negotiate and agree upon the terms and conditions of a redevelopment agreement.
5. That Diversified Communities, LLC continues to pursue the acquisition of properties within the Lower Main Street Urban Renewal Area.

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.

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 December 3, 2008.

A motion was made by Commissioner Ferrell, seconded by Commissioner Nash, to accept and approve the Resolution 44-08.

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

45-08: RESOLUTION OF THE RAHWAY REDEVELOPMENT AGENCY AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT WITH 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, on November 12, 2008, the Board of Commissioners adopted Resolution No. 39-08, the Agency de-designated Krishna Corporation as redeveloper for the Property and terminated the redevelopment agreement between Krishna Corporation and the Agency dated January 14, 2004; 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

WHEREAS, on November 12, 2008, the Agency conditionally designated Family Hospitality, 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 Family Hospitality, LLC, 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.

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 December 3, 2008.

A motion was made by Commissioner Deige, seconded by Commissioner Garay, to accept and approve the Resolution 45-08.

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

COMMISSIONER'S COMMENTS

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

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:25 P.M.

Respectfully submitted,

A handwritten signature in black ink that reads "C M Solomon". The initials "C M" are written in a large, stylized cursive font, followed by the name "Solomon" in a smaller, more legible cursive script.

Cynthia Solomon
Recording Secretary