

Rahway Redevelopment Agency

MINUTES

February 5, 2014

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 saluted to the flag

ROLL CALL

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

*Anthony Deige, Commissioner
Daniel Garay, Commissioner
Timothy Nash, Commissioner
Paul Sefranka, Vice-Chairman
Michael Staryak, Commissioner
William Rack, Chairman*

Absent: Vannie Parson, Commissioner

APPROVAL OF MINUTES

*The minutes of the following meetings shall be moved, seconded, and then adopted by roll call vote:
January 8, 2014 Organizational Meeting*

A motion was made by Commissioner Deige and Seconded by Commissioner Nash to approve the Minutes.

*Yes: Commissioners Deige, Garay, Nash, Sefranka, Rack
Absent: Commissioner Parson
Abstain: Commissioner Staryak*

*The minutes of the following meetings shall be moved, seconded, and then adopted by roll call vote:
January 8, 2014 Regular Meeting*

A motion was made by Commissioner Deige and Seconded by Commissioner Sefranka to approve the Minutes.

*Yes: Commissioners Deige, Garay, Nash, Sefranka, Rack
Absent: Commissioner Parson
Abstain: Commissioner Staryak*

CORRESPONDENCE

- 1. Letter dated January 27, 2014 from Marion Craig, URS Corporation to the Rahway Redevelopment Agency regarding Private Water Well Survey*
 - 2. Letter dated January 21, 2014 from Yogesh Mistry, AIA, to Francis X. Regan, Esq., regarding Meridia Lafayette Village.*
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COMMENTS FROM THE PUBLIC

None

TREASURER'S REPORT

A motion was made by Commissioner Sefranka and seconded by Commissioner Deige to approve the Treasurer's Report.

Yes: Commissioners Deige, Garay, Nash, Parson, Sefranka, Staryak, Rack
Absent: Commissioner Parson

EXECUTIVE DIRECTOR'S REPORT

Executive Director, Peter Pelissier reported the following:

1. **Water's Edge:** Henry Szwed, Executive Vice President, for project development, Capodagli Property Company reports that a temporary Certificate of Occupancy is currently being pursued for the 1st floor. The project team is addressing the City punch list consisting of numerous items.
2. **Lafayette Village:** Mr. Szwed, reports that Capodagli Properties received final zoning board approval. The project team is currently addressing resolution compliance. The engineering department for Capodagli is in the process of preparing construction documents for the building permit application.
3. **Brownstones:** The project team continues to negotiate a land purchase contract with Mr. George Bean. At the February, 2014 RRA Meeting, a resolution will be presented for consideration by the Commissioners approving and authorizing the execution of an amendment to the Redevelopment Agreement with Meridia Brownstones, Rahway LLC. This Resolution will be discussed by Mr. Frank Regan, Esq., should there be in any questions pertaining to it.
4. **Fulton Street Project:** Mr. Richard Radici, President/CEO of DMR Construction Services, reports that the Phase I Environmental Assessment Report has been completed. The report indicates that various concerns need to be looked into. The project team is in the process of finalizing/modifying their negotiations with the property owners.
5. **Actor's Fund Housing:** Mr. Scott Weiner, Managing Director, Point Prospect reported the project status updated as of January 31, 2014 for the Rahway Residences for the Arts as follows:
 - Counsel for the Rahway Redevelopment Agency is finalizing a draft of the Redevelopment Agreement to be transmitted to the Development Team the week of February 3, 2014.
 - NJMHFA is expected to release draft regulations for the 2014 Low Income Housing Tax Credit Program. Once the draft regulations are published the development team will be in a position to finalize a strategy and time table to secure financing for the project.
 - The Development Team met with representatives of the Rahway Redevelopment Agency on Wednesday, January 8, 2014. A status meeting was also held on January 24th attended by Mayor Steinman, Cindy Solomon and Redevelopment Agency Attorney Frank Regan. Among topics discussed were the timing requirements pertaining to use of HOME funds. The Development Team reviewed their anticipated schedule and contingency plans to ensure that the funds would be used in a timely manner. After the meeting the Development Team sent excerpts from the HOME regulations that provide that funds must be used within four years of commitment with the opportunity for a one year extension. In addition, based on when the funds are committed, the timeframe may be five years. For the project, the four year period expires in September, 2017 and the five year period would expire in September, 2018.
6. **Rahway Main Street:** Mr. Shane Soranno, reports that preliminary conversations with NJDEP confirms that the flood plain does not appear to extend into the development site. The Developer expects to have a letter confirming this in the next few weeks. An important component will be verifying the condition/height of the levee. Once resolved, the Project Team and make a formal submission to the DEP for the water permit.

As far as environmental, it appears the Developer has delineated the contaminated soils through the last batch of testing.
7. **Metro Rahway:** This project is moving along very well. The framers are progressing weather permitting the construction will begin to speed up. Developer reports they have received approximately 60 inquiries from prospective residents.

I will be meeting with Mayor Steinman on various matters and he has been invited to attend the Redevelopment meeting. Further, I will be reviewing the various projects and issues that will need administration, council approval that involve various projects.
I have also communicated with Frank Regan, Esq. as well as Cindy Solomon, Director of Community Development when necessary regarding all of the various matters that the Redevelopment Agency considers through email, telephone calls and meeting with Redevelopers.

A motion was made by Commissioner Nash and Seconded by Commissioner Deige to approve the Executive Director's Report.

Yes: Commissioners Deige, Garay, Nash, Parson, Sefranka, Staryak, Rack
Absent: Commissioner Parson

LEGAL REPORT

Frank Regan, Esq. informed the Commissioners that there will be three (3) redevelopment agreements and resolutions presented at the March meeting. He also stated that George Capodagli (Meridia) was very close to signing a contract on the Wheatena property.

A motion was made by Commissioner Nash and Seconded by Commissioner Deige to approve the Legal Report.

*Yes: Commissioners Deige, Garay, Nash, Parson, Sefranka, Staryak, Rack
Absent: Commissioner Parson*

ENGINEERING REPORT

James Houston, RRA Engineer, reported the following:

1. Rahway Arts District Expansion Project – Hamilton Stage (Bell Bldg.)
 - a. Regarding the completion of punch list work, Gingerelli Brothers, Inc. (GBI), has completed all punch list items except the lighting issues, and some continuing roof/ceiling leaks. GBI's subcontractor, A.J. Maglio, is working to complete the punch list work. The lights have been powered, but still must be programmed. Some of the old roof leaks have re-occurred and GBI's working with his sub-contractor, Central Jersey Roofing to resolve the leaks. We are also working with the Architect and Mr. Regan to make a recommendation to the Agency on the next course of action.
 - b. Chiller Sound Wall – The building permit is being issued and the work is being scheduled ASAP.
2. Meridia – Water's Edge
 - a. The developer continues with the building and site construction, including the repair of parking lot lighting conduit and wiring.
3. Metro-Rahway (N/F Station Place at Rahway)
Station Place at Rahway continues with site and with off-site utility construction.
4. AST Development Corp.
AST continues to prepare their site plans for submission.
5. Elizabethtown Gas Co. Property
AECOM and AGL met with the City Administration to explain the additional environmental remediation required, and AECOM is proceeding with the final phase of the environmental work along the river's edge.

A motion was made by Commissioner Sefranka and Seconded by Commissioner Deige to approve the Engineer's Report.

The Commissioners requested the RRA Attorney to send a letter to Gingerelli Brothers Bonding Company as the next course of action.

*Yes: Commissioners Deige, Garay, Nash, Parson, Sefranka, Staryak, Rack
Absent: Commissioner Parson*

UNFINISHED BUSINESS

NEW BUSINESS

11-14: RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THE REDEVELOPMENT AGREEMENT WITH MERIDIA BROWNSTONES, RAHWAY, LLC AS REDEVELOPER FOR PROPERTY KNOWN AS TAX BLOCK 226, LOT 1; TAX BLOCK 227, LOTS 1 7 2; AND TAX BLOCK 228, LOT 1 LOCATED IN THE ELIZABETH AVENUE REDEVELOPMENT AREA FOR THE REDEVELOPMENT OF THE PROPERTY FOR A MARKET-RATE RESIDENTIAL DEVELOPMENT

WHEREAS, on August 15, 2013, the Rahway Redevelopment Agency (the "Agency") and the Meridia Brownstones, Rahway, LLC (the "Redeveloper") entered into a Redevelopment Agreement for the redevelopment of Tax Block 226, Lot 1; Tax Block 227, Lots 1 & 2; and Block 228, Lot 1 (the "Properties") located in the Elizabeth Avenue Redevelopment Area (the "Redevelopment Area") for a market rate rental residential project (the "Redevelopment Agreement"); and

WHEREAS, the Redeveloper has negotiated the purchase of the Properties subject to an agreement of sale and purchase with the current owner; and

WHEREAS, pursuant to Section 5.13 of the Redevelopment Agreement, no later than six (6) months after the Effective Date (February 15, 2014), the Agency shall request that the City amend the Redevelopment Plan for the Redevelopment Area; and

WHEREAS, amendments to the Redevelopment Plan for the Redevelopment Area are anticipated to be required to facilitate the redevelopment of the Properties, the Agency is not prepared to request such amendments by February 15, 2014; and

WHEREAS, the Agency and Redeveloper have agreed to the terms and conditions of a First Amendment to the Redevelopment Agreement which addresses changes to Section 5.13 of the Redevelopment Agreement.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby approves and authorizes the execution of the First Amendment to the Redevelopment Agreement between the Agency and Meridia Brownstones, Rahway, LLC.

BE IT FURTHER RESOLVED, that the Chairman and the Secretary are hereby authorized to execute any and all documents, including the First Amendment to the Redevelopment Agreement attached hereto in substantially similar form, to effectuate the completion and implementation of this project, subject to final review by general counsel as to legal form and content.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately.

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 February 5, 2014.

A motion was made by Commissioner Nash and Seconded by Commissioner Seifranka to approve the Resolution.

*Yes: Commissioners Deige, Garay, Nash, Parson, Seifranka, Staryak, Rack
Absent: Commissioner Parson*

12-14: RESOLUTION AUTHORIZING THE EXECUTION OF A FOURTH AMENDMENT TO THE REDEVELOPMENT AGREEMENT WITH METRO RAHWAY URBAN RENEWAL, L.L.C. FOR PROPERTY KNOWN AS TAX BLOCK 149, LOTS 1, 5, 23, 24 AND 25 LOCATED IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A RESIDENTIAL PROJECT

WHEREAS, Rahway Redevelopment Agency (the "Agency") and Heartstone Development, LLC (the "Redeveloper") entered into a Redevelopment Agreement, dated August 1, 2006 ("Agreement") for the redevelopment of properties located within the Central Business District Redevelopment Area pursuant to the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.); and

WHEREAS, on April 11, 2007, the RRA and Redeveloper executed an Amendment to the Redevelopment Agreement (the "First Amendment") regarding the changing scope of the Project due to a variety of factors; and

WHEREAS, on November 14, 2012, the RRA and Redeveloper executed a Second Amendment to the Redevelopment Agreement (the "Second Amendment") regarding the assignment of the redevelopment agreement and its interests in the Project to a new entity; and

WHEREAS, on May 28, 2013, the RRA and Redeveloper executed a Third Amendment to the Redevelopment Agreement (the "Third Amendment") regarding development fees; and

WHEREAS, as additional consideration for the assistance of the RRA to the Redeveloper, the Redeveloper agrees to pay the RRA an additional development fee for the Project in the amount of \$100,000; and

WHEREAS, the Agency and Redeveloper have agreed to the terms and conditions of a Fourth Amendment to the Redevelopment Agreement which addresses the payment of an additional development fee to the Agency by the Redeveloper.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby approves and authorizes the execution of a Fourth Amendment to the Redevelopment Agreement with Metro Rahway Urban Renewal, L.L.C.

BE IT FURTHER RESOLVED, that the Chairman and the Secretary are hereby authorized to execute any and all documents, including the Fourth Amendment to the Redevelopment Agreement attached hereto in substantially similar form, 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 adopted at a regular meeting held on February 5, 2014

A motion was made by Commissioner Nash and Seconded by Commissioner Deige to approve the Resolution.

*Yes: Commissioners Deige, Garay, Nash, Parson, Seifranka, Staryak, Rack
Absent: Commissioner Parson*

13-14: RESOLUTION OF THE RAHWAY REDEVELOPMENT AGENCY, IN THE COUNTY OF UNION, STATE OF NEW JERSEY, AUTHORIZING THE MAKING OF AN APPLICATION TO THE LOCAL FINANCE BOARD PURSUANT TO N.J.S.A. 40A:5A-6 AND N.J.S.A. 40A:12A-29(a)(3) IN CONNECTION WITH THE ISSUANCE OF NOT EXCEEDING \$1,500,000 CITY-SECURED PUBLIC LIBRARY REVENUE REFUNDING BONDS

WHEREAS, the Rahway Redevelopment Agency (the "Agency"), in the County of Union, State of New Jersey, has determined to issue not to exceed \$1,500,000 aggregate principal amount of City-Secured Public Library Revenue Refunding Bonds, Series 2014 (the "2014 Bonds") (or such other year of designation when the financing is undertaken) to (i) provide debt service savings due to the low interest rate environment by refunding \$1,195,000 aggregate principal amount of City-Secured Public Library Revenue Bonds, Series 2004, of the Agency dated October 29, 2004, and (ii) pay costs of issuance associated with the 2014 Bonds ((i) and (ii) shall be collectively referred to herein as the "2014 Project") (or such other year of designation when the financing is undertaken); and

WHEREAS, the Agency is respectively authorized to issue its permanent revenue bonds pursuant to the provisions of the Local Authorities Fiscal Control Law, N.J.S.A. 40A:5A-1 et seq., as amended and supplemented, and Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., as amended and supplemented (collectively, the "Act"), and other applicable provisions of law, and to finance redevelopment projects such as the 2014 Project; and

WHEREAS, to secure the payment of the principal of and interest on the 2014 Bonds, the Agency and the City have entered into a Use, Occupancy and Capital Grant Agreement, as amended and supplemented heretofore and hereinafter in connection with the 2014 Bonds (the "Capital Grant Agreement"), whereby the City has agreed to make periodic capital grant payments to the Agency for the use and occupancy of the Public Library by the City, and the revenue stream securing the 2014 Bonds will be the capital grant payments to be made by the City to the Agency, such capital grant payments to be structured to cover the principal of and interest payments on the 2014 Bonds, plus an administrative fee for the Agency, and which capital grant payments will not be subject to the City's annual appropriation and will be a general obligation full faith and credit pledge of the City to pay the debt service on the 2014 Bonds; and

WHEREAS, under the terms of the Capital Grant Agreement, the periodic capital grant payments due thereunder from the City to the Agency shall be sufficient to pay the debt service on the 2014 Bonds and other related costs and expenses of the Agency as reflected therein; and

WHEREAS, the Agency's ability to issue the 2014 Bonds requires the authorization of certain matters and certain actions to be undertaken by the Agency officials, officers and professionals, including but not limited to, the preparation and submission of an application to the Local Finance Board, in the Division of Local Government Services, New Jersey Department of Community Affairs (the "Local Finance Board"); and

WHEREAS, the Agency desires at this time to conduct the private sale of the 2014 Bonds in an aggregate principal amount not to exceed \$1,500,000 to provide funds to undertake the 2014 Project, and desires to make application to the Local Finance Board for (i) the applicable approvals required pursuant to the provisions of the Local Authorities Fiscal Control Law, specifically N.J.S.A. 40A:5A-6, and (ii) the approval of the private sale of the 2014 Bonds pursuant to the Redevelopment Law, specifically N.J.S.A. 40A:12A-29(a)(3); and

WHEREAS, the Agency believes:

- (a) it is in the public interest to accomplish the 2014 Project;
- (b) the 2014 Project is for the health, welfare, convenience or betterment of the inhabitants of the City;
- (c) the amount to be expended for the 2014 Project is not unreasonable or exorbitant;
- (d) the 2014 Project is an efficient and feasible means of providing services for the needs of the inhabitants of the City and will not create an undue financial burden to be placed upon the City.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE RAHWAY REDEVELOPMENT AGENCY, IN THE COUNTY OF UNION, STATE OF NEW JERSEY, as follows:

SECTION 1. The preparation and submission of an application to the Local Finance Board (the "Application") is hereby authorized and directed to be made by the Agency's Auditor, Lerch, Vinci & Higgins, LLP (the "Agency Auditor") and/or Agency's Bond Counsel, Archer & Greiner P.C. (the "Bond Counsel") and other officials, officers and professionals of the Agency, including but not limited to, the Executive Director, the Chief Financial Officer, the Secretary, the Assistant Secretary and the Agency's General Counsel, DeCotilis, Fitzpatrick & Cole, LLP (the "General Counsel"). Bond Counsel, the Agency's Executive Director, Chief Financial Officer, Secretary, the Agency Auditor and the General Counsel are each hereby authorized and directed to represent the Agency in matters pertaining to such Application.

SECTION 2. The Local Finance Board is hereby respectfully requested to consider such Application and to record its findings, recommendations and/or approvals as provided by the applicable New Jersey Statutes.

SECTION 3. The Agency's Secretary or Assistant Secretary is hereby directed to file a certified copy of this resolution with the Local Finance Board and to forward a certified copy of this resolution to Bond Counsel to supplement the Application therewith.

SECTION 4. The Agency's Executive Director or Chief Financial Officer are each hereby authorized and directed to determine all matters in connection with the 2014 Project not determined by this or a subsequent resolution, all in consultation with Bond Counsel, and the manual or facsimile signature of the Agency's Executive Director or Chief Financial Officer upon any documents shall be conclusive as to all such determinations. The Agency's Chairman, Executive Director, Chief Financial Officer, Secretary, Assistant Secretary and any other Agency Representative, including but not limited to, Bond Counsel, the Agency Auditor and General Counsel, are each hereby authorized and directed to take such actions or refrain from such actions as are necessary to consummate the transaction contemplated by the Agency's undertaking of the 2014 Project and any all such actions or inactions taken by the aforesaid Agency Representatives heretofore are hereby ratified and confirmed, *nunc pro tunc*.

SECTION 5. This resolution shall take effect immediately.

A motion was made by Commissioner Nash and Seconded by Commissioner Seifranka to approve the Resolution.

*Yes: Commissioners Deige, Garay, Nash, Parson, Seifranka, Staryak, Rack
Absent: Commissioner Parson*

COMMISSIONER'S COMMENTS

ADJOURNMENT

There being no further business, the meeting was adjourned at 6:55 PM.