

# Rahway Redevelopment Agency

## MINUTES

January 9, 2013

6:30 P.M.

### CALL TO ORDER

*The meeting shall be called to order at 6:30 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 saluted to the flag*

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### ROLL CALL

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

*William Rack, Chairman  
Anthony Deige, Commissioner  
Timothy Nash, Commissioner  
Michael Staryak, Commissioner*

*Absent: Commissioners Sefranka, Dobrowolski*

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### APPROVAL OF MINUTES

*The minutes of the following meetings shall be moved, seconded, and then adopted by roll call vote:  
December 5, 2012 Special Meeting*

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

*Yes: Commissioners Deige, Nash, Staryak, Rack  
Absent: Commissioners Dobrowolski, Sefranka*

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### CORRESPONDENCE

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### COMMENTS FROM THE PUBLIC

*None*

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### TREASURER'S REPORT

*A motion was made by Commissioner Nash and Seconded by Commissioner Rack to approve the Treasurer's Report.*

*Yes: Commissioners Deige, Nash, Staryak, Rack  
Absent: Commissioners Dobrowolski, Sefranka*

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### EXECUTIVE DIRECTOR'S REPORT

1. Lafayette Village: This is a 115 unit community, 4 stories of residential over 2 levels of parking garage that received final site plan approval with conditions from the planning Board. The applicant is currently pursuing outside agency approvals including NJDEP Waterfront Permit, NJDEP TWA (Sewer) Permit, and Soil Erosion Certification.
2. Brownstones: This is the former Wheatena property located on Elizabeth Avenue. The Redevelopment Agency has designated Meridia as the redeveloper. Meridia is currently pursuing negotiations for the acquisition of the property. An offer is pending.
3. Main and Monroe Redevelopment: The Main Street Elevation will be distributed at the January 9, 2013 Redevelopment Agency meeting including Site plan showing conditions at ground level and Site Plan showing typical residential unit floor plans, dated December 4, 2012 and revised January 4, 2013. The redeveloper has advised that the geotechnical survey has been completed, which did not show any major concerns. The redeveloper will follow up with soil samples, and a proposal is in the process at this time.

An architect is being selected to take the design to the next level for submission to the Planning Board and Site Plan approval. The Redevelopment Agency will designate Slokker International as the developer and then it will be the intention of the redeveloper to meet with appropriate Parking Authority officials to discuss property issues.

4. Station Place at Rahway: The redeveloper has advised that a closing has taken place in mid-November. Mr. Young's use and occupancy runs through the end of March, 2013. If the facility is vacant by the end of March the redeveloper expects to start demolition by mid-April with completion approximately 18 months from the start of demolition or estimated completion of demo by October 2014. Building permits expected to be obtained by mid-February, 2014.
5. Actors Fund Housing, 219 Central Avenue: This project anticipates the development of approximately 60 units of affordable rental housing for artists and individuals employed in creative fields. The redeveloper is on track to apply for Low Income Housing Tax Credits at the next earliest date that the NJMHFA will accept applications. That date, originally anticipated to be May 2013 may accelerate. The Sandy Relief Bill now pending in Congress has the potential to provide an additional allocation of Low Income Housing Credits to Sandy-affected Counties in New Jersey, which could trigger the New Jersey Housing and Mortgage Finance Agency to initiate an additional tax credit application round before May 2013. The redeveloper is preparing for this by attempting to obtain the appropriate municipal approvals that should predate the tax credit application.
  - The Redeveloper has submitted an application for funding from the CDBG Program, and also anticipates funding from the Union County HOME program.
  - The Redeveloper is focusing on the acquisition of site control. Due to the nature of this transaction it requires that the redeveloper not negotiate directly with the owner of the site, Elizabethtown Gas Company, but rather with the Rahway Redevelopment Agency which will acquire the property from Elizabethtown Gas Company and then ultimately sell the property to an entity composed of their development team.
  - Scott Weiner and Steve Burns will attend the January 9, 2013 Redevelopment Agency meeting to answer any questions and present the outcome of the survey that was taken in the Fall.
6. On Monday January 14, 2013 the Rahway City Council will consider introducing Ordinance O-2-13 An Ordinance of the Municipal Council of the City of Rahway Amending the Central Business District Redevelopment Plan Relative to Block 167, Lot 1 Pursuant to N.J.S.A. 40A:12A-7 as well as Ordinance O-3-13 An Ordinance of the City of Rahway, County of Union, New Jersey, Authorizing the Mayor and City Clerk to execute a Financial Agreement by and Between the City of Rahway and the Actors Fund Housing Development Corporation or its Assignee for an Affordable Housing Project located at 219 Central Avenue, also known as Lot 1 in Block 167 as shown on the official tax map of the City of Rahway.
  - On Monday January 14, 2013 the City Council will consider a resolution determining the need for an Affordable Housing Project on the property know as Block 167, Lot 1 in the City of Rahway, New Jersey.
7. I have reviewed the Amended and Supplemented Central Business District Redevelopment Plan for the City of Rahway, New Jersey as prepared by Phillips, Preiss and Grygiel as of December 2012.
8. I have met with Mr. Capodagli to discuss various issues as they relate to the development of various properties in the City of Rahway.
9. I have met with Mr. Regan pertaining to matters that are related to litigation which will be discussed in closed session this evening.
10. The RRA will change its meeting location from Rahway City Hall to The Hamilton Stage, starting in February. The dates and times will remain the same; and notice will be filed in accordance with the State's Sunshine Law.

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

*Yes: Commissioners Deige, Nash, Staryak, Rack  
Absent: Commissioners Dobrowolski, Sefranka*

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## LEGAL REPORT

Frank Regan, Esq. commented on the Actors Fund Housing Corporation's project and time constraints regarding new funding opportunities. He also discussed the appraisal for the Elizabethtown Gas building and negotiations between the two appraisers. Other business regarding any litigation would be discussed in the Closed Session.

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

*Yes: Commissioners Deige, Nash, Staryak, Rack  
Absent: Commissioners Dobrowolski, Sefranka*

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## ENGINEERING REPORT

1. Rahway Arts District Expansion Project – Hamilton Stage (Bell Bldg)  
Generally the building is complete, except for punch list items.
2. Parking Lot B (former Westbury site)  
The Main Street fencing installation is complete.
3. Home 2 Suites Hotel  
The building construction is continuing.
4. Meridia – Water's Edge  
The developer continues with the building construction.
5. Landmark – Park Square  
Finalizing As-Built requirements.
6. Meridia's Lafayette Village  
Redeveloper is working to complete resolution compliance of the Planning Board's approval and to removing the remaining concrete foundations from the prior project.

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

*Yes: Commissioners Deige, Nash, Staryak, Rack  
Absent: Commissioners Dobrowolski, Sefranka*

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## UNFINISHED BUSINESS

Paul Grygiel presented the “*Draft of Amended and Supplemented CBD Redevelopment Plan*”. The Commissioners made several comments as to the size of dwelling units, the underlying zoning, and current project issues. Mr. Grygiel stated that he would change and/or include the Commissioners' recommendations and email a revised draft.

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## NEW BUSINESS

- ACTORS FUND HOUSING CORPORATION PROVIDED AN UPDATE ON PROPOSED PROJECT.

Scott Weiner, President and CEO, of the Actors Fund Housing Corporation distributed – “Survey of Housing and Work Space Needs and Preferences for Performing and Visual Artists and Others Associated with the Arts, Entertainment and Creative Industries”. He explained the finding to the Commissioners, noting there is a strong demand for an affordable housing development in the City of Rahway. Results of the survey are posted on The Actors Fund website.

07-13: RESOLUTION CONDITIONALLY DESIGNATING SLOKKER REAL ESTATE GROUP AS REDEVELOPER FOR PROPERTY KNOWN AS TAX BLOCK 318 LOTS 1 THROUGH 10 & 23 IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A MIXED USE RESIDENTIAL AND COMMERCIAL PROJECT

WHEREAS, Tax Block 318 Lots 1 through 10 and 23 (the “Properties”) are located in the Central Business District Redevelopment Area (the “Redevelopment Area”); and

WHEREAS, the Rahway Redevelopment Agency (the “Agency”) has been promoting the redevelopment of the Properties consistent with the Central Business Redevelopment Plan since 1998; and

WHEREAS, the Agency entered into a redevelopment agreement with Dornoch Rahway II, LP on March 16, 2006 for the redevelopment of the Properties, which agreement was terminated on or about June 30, 2011; and

WHEREAS, Block 318, Lots 1 through 10 are owned by Dornoch Rahway II, LP and Slokker Real Estate Group has an interest in this partnership; and

WHEREAS, Block 318, Lot 18 is owned by the Rahway Parking Authority; and

WHEREAS, on or about September 24, 2006, the Rahway Parking Authority and Dornoch Rahway, LP entered into a purchase and sale agreement regarding Block 318, Lot 18, which agreement remains in full force and effect; and

WHEREAS, Slokker Real Estate Group (“Slokker”) has successfully completed residential projects in the United States, Canada and the Netherlands; and

WHEREAS, Slokker made a presentation to the Board of Commissioners of the Agency on December 5, 2012 regarding its concept proposal to develop a mixed use residential and commercial project for the Properties including approximately 180 units in two buildings with approximately 4,000 square feet of ground floor retail space; and

WHEREAS, the proposal has been reviewed and found consistent with the City's and Agency's goals for redeveloping the area.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that Slokker Real Estate Group with offices in Vienna, Virginia, is hereby conditionally designated as redeveloper for the development of Tax Block 318, Lots 1 through 10 and 23, located in the Central Business District Redevelopment Area, for a mixed use residential and commercial project consisting of approximately 180 units in two buildings with approximately 4,000 square feet of ground floor retail space.

BE IT FURTHER RESOLVED, that said conditional designation is subject to the following conditions:

1. That the conditional designation is limited to a period of one hundred and twenty (120) days from the date of this Resolution at which time it will automatically expire and be of no further force and effect, and the parties will no longer have any obligation to the other, except as to final payment of any Agency costs under the Escrow Agreement required herein. The Agency may, in its sole discretion, extend and re-extend the conditional designation provided sufficient progress is being in negotiation of a redevelopment agreement, which determination is at the sole discretion of the Agency and which extension must be in the form of a duly adopted resolution of the Board of Commissioners of the Agency.
2. That Slokker or an affiliated entity and the Agency shall negotiate and agree upon the terms and conditions of a redevelopment agreement within the period of the conditional designation, as such period may be extended by the Agency in its sole discretion.
3. That Slokker agrees to pay any and all costs incurred by the Agency from the date of the conditional designation to execution of a redevelopment agreement or termination of the redeveloper designation, as set forth herein.
4. Within fourteen (14) days of the adoption of this resolution, Slokker and the Agency enter into an escrow agreement, the form of which is attached hereto and made part of this resolution.
5. That Slokker obtain title to the Properties from the current property owner, including a potential land exchange with the Rahway Parking Authority in order for the redevelopment of the Properties as provided for in a redevelopment agreement.

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

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 January 9, 2013.

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

*Yes: Commissioners Deige, Nash, Staryak, Rack*

*Absent: Commissioners Dobrowolski, Sefranka*

08-13: RESOLUTION EXTENDING THE CONDITIONAL DESIGNATION OF THE ACTORS FUND HOUSING DEVELOPMENT CORPORATION AS REDEVELOPER FOR PROPERTY LOCATED AT 219 CENTRAL AVENUE ALSO KNOWN AS TAX BLOCK 167, LOT 1 IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA FOR THE REDEVELOPMENT OF THE PROPERTY FOR A MIXED USE PROJECT CONSISTING OF AFFORDABLE RESIDENTIAL AND ARTS RELATED USES

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 by Planners Diversified/Harvey Moskowitz in 1990 and the Central Business District Redevelopment Plan adopted in April 1998, as amended; and

WHEREAS, 219 Central Avenue, Block 167, Lot 1 is located in the Central Business District Redevelopment Area and is commonly referred to as the Elizabethtown Gas property (the "Property"); 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, the Property is owned by AGL Resources, the parent company of Elizabethtown Gas, who is interested in selling the Property; and

WHEREAS, Actors Fund Housing Development Corporation submitted an application to the Agency for the redevelopment of the Property; and

WHEREAS, Actors Fund Housing Development Corporation and its development partner, Crawford Street Partners, LLC of Newark made a presentation to the Board of Commissioners of the Agency on April 4, 2012 regarding its proposal to develop a mixed use project consisting of the construction of 60 affordable rental units in a 4 story structure and reuse of the existing commercial building for community arts and education on the Property; and

WHEREAS, Actors Fund Housing Development Corporation is an affiliate of the Actors Fund and was established to develop affordable, supportive and senior housing for the performing arts and entertainment community; and

WHEREAS, the proposal has been reviewed and found consistent with the City's and Agency's goals for redeveloping the area and supporting arts related development and uses in proximity to the UCPAC and Hamilton Stage; and

WHEREAS, on May 2, 2012, the Agency adopted a resolution conditionally designating the Actors Fund Housing Development Corporation as redeveloper of the Property for a period of 120 days subject to certain conditions; and

WHEREAS, on May 15, 2012, the Agency and the Actors Fund Housing Development Corporation entered into an escrow agreement, which was a condition of the conditional designation as redeveloper (the "Escrow Agreement"); and

WHEREAS, on August 15, 2012, the Agency adopted a resolution extending the conditional designation of the Actors Fund Housing Development Corporation as redeveloper of the Property for a period of 120 days subject to certain conditions; and

WHEREAS, the Agency and the Actors Fund Housing Development Corporation have been working diligently to conduct due diligence regarding the Property, explore funding opportunities and negotiating the terms and conditions of a Redevelopment Agreement, additional time is required for the Parties to complete these tasks and a further extension of the conditional redeveloper designation is necessary.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby extends the conditional designation as redeveloper of the Actors Fund Housing Development Corporation for the development of 219 Central Avenue, also known as Tax Block 167, Lot 1, located in the Central Business District Redevelopment Area, for a mixed use project consisting of the construction of approximately 60 affordable rental units in a 4 story structure and reuse of the existing commercial building for community arts and education on the Property for the reasons set forth herein.

BE IT FURTHER RESOLVED, that said extension of the conditional designation is subject to the following conditions:

6. That the conditional designation is limited to a period of one hundred and twenty (120) days from the date of the expiration of the prior extension granted by the Agency, at which time it will automatically expire and be of no further force and effect, and the parties will no longer have any obligation to the other, except as to final payment of any Agency costs under the Escrow Agreement required herein. The Agency may, in its sole discretion, extend and re-extend the conditional designation provided sufficient progress is being in negotiation of a redevelopment agreement, which determination is at the sole discretion of the Agency and which extension must be in the form of a duly adopted resolution of the Board of Commissioners of the Agency.
7. That Actors Fund Housing Development Corporation and the Agency shall negotiate and agree upon the terms and conditions of a redevelopment agreement for the redevelopment of the Property subject to any modifications of the proposal required by the Agency, within the period of the conditional designation, as such period may be extended by the Agency in its sole discretion.
8. That Actors Fund Housing Development Corporation agrees to pay any and all costs incurred by the Agency from the date of the conditional designation to execution of a redevelopment agreement or termination of the redeveloper designation pursuant to the terms and conditions of the Escrow Agreement, in addition to any application fees required by the Agency.
9. That the City of Rahway adopts amendments to the Central Business District Redevelopment Plan to allow for the redevelopment of the Property as provided for in a redevelopment agreement.
10. That the Property be acquired from AGL Resources in order for the redevelopment of the Property as provided for in a redevelopment agreement.

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

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 January 9, 2013

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

*Yes: Commissioners Deige, Nash, Staryak, Rack  
Absent: Commissioners Dobrowolski, Sefranka*

09-13: 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 PERSONELL, POTENTIAL LITIGATION AND/OR CONTRACT NEGOTIATIONS

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 potential litigation and contract negotiations relative to properties located in the Central Business District Redevelopment Area; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that a portion of its meeting held on January 9, 2013, 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 potential litigation and contract negotiations relative to properties located in the Central Business District Redevelopment Area; 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 of the Board of Commissioners of the Rahway Redevelopment Agency, Rahway, New Jersey adopted at a regular meeting held on January 9, 2013.

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

*Yes: Commissioners Deige, Nash, Staryak, Rack*

*Absent: Commissioners Dobrowolski, Sefranka*

TO RETURN TO PUBLIC SESSION AFTER CLOSED SESSION

*A motion was made by Commissioner Deige and Seconded by Commissioner Nash to approve to return to Public Session.*

*Yes: Commissioners Deige, Nash, Staryak, Rack*

*Absent: Commissioners Dobrowolski, Sefranka*

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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 8:10 PM.*