

Rahway Redevelopment Agency
MINUTES
February 6, 2013
6:30 P.M.

CALL TO ORDER

The meeting shall be called to order at 6:30 P.M. at the Hamilton Stage.

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:

*William Rack, Chairman
Anthony Deige, Commissioner
Matthew Dobrowolski
Timothy Nash, Commissioner
Paul Sefranka, Commissioner*

Absent: Commissioner Staryak

APPROVAL OF MINUTES

A motion was made by Commissioner Nash and Seconded by Commissioner Deige to approve the Minutes of the January 9, 2013 Reorganization Meeting.

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

A motion was made by Commissioner Nash and Seconded by Commissioner Deige to approve the Minutes of the January 9, 2013 Regular Meeting.

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

CORRESPONDENCE

- 1. Letter Dated January 8, 2013 from Dieter P. Lerch, CPA, to Peter Pelissier, Executive Director, regarding the Report of Audit for the RRA.*
 - 2. Letter dated January 31, 2013 from Francis X. Regan to Frank Gingerelli regarding the Hamilton Stage construction.*
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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 and Seconded by Commissioner Rack to approve the Treasurer's Report.

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

EXECUTIVE DIRECTOR'S REPORT

The Executive Director reported that he held a meeting with Slokker International and the Rahway Parking Authority regarding the Main and Monroe Redevelopment Project. Parking, water and other infrastructure issues were discussed.

The issue regarding water permit from the DEP were explained and how they would affect future redevelopment.

He also discussed the Wheatena Project and the ongoing negotiations with the designated redeveloper.

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

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

LEGAL REPORT

Frank Regan, Esq. reported on A & M Industrial's complaint against the Rahway Redevelopment Agency and stated further discussion would be held in private session.

He reported on the problems with The Hamilton Stage contractor – Gingerelli Brothers.

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

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

ENGINEERING REPORT

1. Rahway Arts District Expansion Project-Hamilton Stage (Bell Bldg) - Generally, the building is complete, except for punch list items.
2. Meridia Water's Edge - The developer continues with the building construction.
3. Landmark Park Square - Finalizing As-Built requirements.
4. Meridia's Lafayette Village - Redeveloper is working to complete resolution compliance of the Planning Board's approval and to remove the remaining concrete foundations from the prior project.
5. Public Water Allocation for Future Redevelopment Projects
On behalf of the Agency, continue to monitor and consult with United Water – Rahway on their progress to satisfy NJDEP's requirements regarding public water supply and demand, and report to the Agency monthly.

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*

NEW BUSINESS

10-13: RESOLUTION EXTENDING THE CONDITIONAL DESIGNATION OF CAPODAGLI PROPERTY COMPANY, LLC AS REDEVELOPER FOR PROPERTY KNOWN AS TAX BLOCK 226, LOT 1; TAX BLOCK 227, LOTS 1 & 2; AND TAX BLOCK 228, LOT 1 IN THE ELIZABETH AVENUE (FORMER QUINN & BODEN/WHEATENA SITE) REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A MIXED USE RESIDENTIAL AND COMMERCIAL PROJECT

WHEREAS, Tax Block 226, Lot 1; Tax Block 227, Lots 1 & 2; and Block 228, Lot 1 (the "Properties") are located in the Elizabeth Avenue (Former Quinn & Boden/Wheatena Site) Redevelopment Area (the "Redevelopment Area"); and

WHEREAS, the Rahway Redevelopment Agency (the "Agency") has been promoting the redevelopment of this 6.5 acre industrial property for re-use consistent with the City's Master Plan and Planning and Redevelopment Study of the Transportation Development District, dated February 2000, prepared by Abeles

Phillips Preiss & Shapiro, Inc. and the Redevelopment Plan for the Redevelopment Area, adopted on November 8, 2004 as amended; and

WHEREAS, the Agency entered into a redevelopment agreement with M&M at Wheatena Urban Renewal, a subsidiary of K. Hovnanian on September 22, 2005 for the redevelopment of the Properties, which agreement was terminated on October 31, 2011; and

WHEREAS, the Agency has previously considered proposals for the redevelopment of the Properties and met with various redevelopers regarding same, along with representatives of the Property owner; and

WHEREAS, the Properties are privately owned and partially occupied by industrial users; and

WHEREAS, Capodagli Property Company, LLC successfully completed a market rate residential rental project in a redevelopment area on East Grand Avenue in Rahway and recently entered into redevelopment agreements with the Agency for the redevelopment of Block 305, Lot 5.04 and Block 320, Lot 1.02 for a market rate residential projects; and

WHEREAS, Capodagli Property Company, LLC made a presentation to the Board of Commissioners of the Agency on August 15, 2012 regarding its concept proposal to develop a mixed use residential and commercial project for the Property; and

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

WHEREAS, on September 5, 2012, the Agency adopted a resolution conditionally designating Capodagli Property Company, LLC as redeveloper for the Properties for 120 days; and

WHEREAS, after the conditional designation, Capodagli Property Company, LLC and the Agency enter into an escrow agreement as required; and

WHEREAS, Capodagli Property Company, LLC has made substantive progress regarding the acquisition of the Properties and additional time is required for the Agency and Capodagli Property Company, LLC to negotiate the terms and conditions of a redevelopment agreement.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby extends the conditional designation of Capodagli Property Company, LLC, 142 Route 23 North, Pompton Plains, New Jersey 07444 as redeveloper for the development of Tax Block 226, Lot 1; Tax Block 227, Lots 1 & 2; and Block 228, Lot 1, located in the Elizabeth Avenue Redevelopment Area, for a mixed use residential and commercial project, the detail of which is subject to further refinement, for the reasons set forth herein.

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

1. That the extension 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 Capodagli Property Company, LLC 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 Capodagli Property Company, LLC 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. That the City of Rahway adopt amendments to the Elizabeth Avenue Redevelopment Plan to allow for the redevelopment of the Properties as provided for in a redevelopment agreement.
5. That the Properties be acquired from the current owner by Capodagli Property Company, LLC or an affiliated entity 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 February 6, 2013

A motion was made by Commissioner Sefranka and Seconded by Commissioner Dobrowolski to approve the Resolution.

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

11-13: 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 February 6, 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 February 6, 2013.

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

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

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*

COMMISSIONER'S COMMENTS

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

ADJOURNMENT

There being no further business, the meeting shall be adjourned