

Rahway Redevelopment Agency

Minutes

March 5, 2014

6:30 P.M.

CALL TO ORDER

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

OPEN PUBLIC MEETINGS ACT

This meeting was 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 the flag

ROLL CALL

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

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

Absent: Commissioners Parson, Nash

APPROVAL OF MINUTES

A motion was made by Commissioner Deige and Seconded by Commissioner Sefranka to approve the Minutes of the February 5, 2014 Regular Meeting.

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

CORRESPONDENCE

COMMENTS FROM THE PUBLIC

Matthew Dobrowolski announced that tickets for The Taste of Rahway were available.

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, Sefranka, Staryak, Rack
Absent: Commissioner Parson, Nash*

EXECUTIVE DIRECTOR'S REPORT

1. Water's Edge: The Redeveloper is continuing to pursue a temporary Certificate of Occupancy. As reported by Henry Szwed, Executive Vice President, for project development, Capodagli Property Company reports that the sub codes official punch lists have been addressed. The company is addressing only the City building code officials punch list items. Upon receiving a Certificate of Occupancy or within six (6) months of issuance of a temporary Certificate of Occupancy the balance of the purchase price for the property is due and payable in the amount of Five Hundred Thousand (\$500,000) Dollars.
2. Lafayette Village: Mr. Szwed, reports that the project has received final board approval. The Development Team is addressing resolution compliance. The team is in the process of continuing to prepare construction documents for building permit application.

3. Brownstones: Mr. Henry Szwed, reports that the price and terms for the acquisition of the property has finally been negotiated. Several drafts of the contract have been submitted for legal reviews by the land seller's local area Counsel. The contract is under final review with the land seller's corporate team in California.
4. Fulton Street Project: Mr. Richard Radici, President/CEO of DMR Construction Services, reports that they have been working in trying to secure the property at lot 4.01 (Mangos site) and have not been able to do so as of yet. They are still working on securing other properties and are continuing with all other aspects of the development that can be done at this time. A resolution has been prepared for the March 5, 2014 Rahway Redevelopment Agency meeting to extend the designation of 1321 Fulton Street, LLC as Redeveloper. This Resolution will be further explained by Frank Regan, Esq. should there be any questions.
5. Actor's Fund Housing: A final draft of the Redevelopment Agreement between the Rahway Redevelopment Agency and Ingerman Development, current Redeveloper of 219 Central Avenue (Former E-Town Gas Property) has been prepared by Mr. Frank Regan, Esq. and forwarded to the Rahway Redevelopment Agency Commissioners for review, comment and consideration. A Resolution has been prepared to authorize and approve the execution of the Agreement for the March 5, 2014 Rahway Redevelopment Agency meeting should the Commissioners wish to consider. An application has been submitted to Union County by the Actor's Fund Housing Development Corporation who was then the lead Developer. The Ingerman Group is now the lead Developer and the entity that will enter into the Redevelopment Agreement with the RRA. A request to determine the terms and conditions for the use HOME funds for acquisition of the property from Pivotal Utility Holdings (E-town gas affiliate) has been made to the County of Union. The terms and conditions of the sale will be reported by Frank Regan, Esq. discussing the sale price, use of HOME funds, third party loan that will require a mortgage on the property, which would be a co-first mortgage with Union County if acceptable. The Agreement requires the RRA to close on the property acquisition on or about September, 2014. The Agreement is also subject to financing the entire project, estimated at approximately 17 million. The construction will be funded with tax credit financing NJHMFA and a schedule for funding has yet to be determined by NJHMFA. The RRA intends to proceed with the acquisition prior to financing commitments prior to construction, in order to gain full control of the property. The RRA has proposed to the Seller the possibility of acquiring the property as soon as funding is available to close on the acquisition, which is obviously dependent on HOME funding.
6. Rahway Main Street: Mr. Shane Soranno, reports that a meeting with the DEP has been set up for March 6, 2014 to continue discussing the requirements for the height of the levee. This is an extremely important component of the site development, should the height of the levee determined by the DEP to be in excess of the Developers ability to comply with, the project could be in jeopardy.
7. Block 318 Main Street: A Redevelopment Agreement has been drafted between the RRA and Dornoch II, Urban Renewal, LLC for the RRA Commissioners review and comment. A meeting will be held on Tuesday, March 4, 2014 and a few remaining issues will be addressed and reported at the Commissioners RRA March, 2014 meeting prior to any action being considered or taken. A major issue is the Redevelopers request to place a cap on the Monroe Street improvement. This matter will be discussed with the City Administration in addition to the RRA Commissioners. A Resolution is expected to be prepared to approve and authorize the execution of the Agreement for the March 5, 2014 meeting should the RRA Commissioners be prepared to consider. The City Council will be considering an Ordinance at the March, 2014 meeting for a PILOT and financial agreement with Dornoch Rahway II, Urban Renewal, LLC for development of Block 318 properties on Main Street.
8. Bridge Street/Clarkson Place: Mr. Mark Fauci of American Properties who previously toured the City looking for areas to redevelop with Peter Pelissier and Mayor, Sampson Steinman has notified the Redevelopment Agency that his company is pursuing the acquisition of the properties in the Bridge Street/Clarkson Place area for a potential residential development project.

I will be meeting with Mayor Steinman and Business Administrator, Cherron Rountree on various matters and they have 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 meetings with Redevelopers. Further, I have communicated with Frank Ruggiero, Treasurer for the Redevelopment Agency to discuss financial implications of the various projects as well as discussing the upcoming budget.

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

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

LEGAL REPORT

Discussion in Executive Session

ENGINEERING REPORT

- 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. GBI is still working to resolve the programing of the lights and the leaks.
 - b. Chiller Sound Wall- The building permit has been issued and the work is scheduled, weather permitting.
- 2. Meridia - Water's Edge
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 sort out the flood plain requirements with NJDEP regarding the building floor elevations.
- 5. Elizabethtown Gas Co. Property
AECOM continues with the final phase of the environmental work along the river's edge.

UNFINISHED BUSINESS

NEW BUSINESS

14-14: A RESOLUTION ESTABLISHING MANAGEMENT POSITIONS AND COMPENSATION FOR THE RAHWAY REDEVELOPMENT AGENCY

WHEREAS, the Commissioners of the Rahway Redevelopment Agency hereby establish the management positions and compensation as follows:

Executive Director	Peter Pelissier	\$ 143,264
Chief Financial Officer/QPA	Frank C. Ruggiero	\$ 22,508
Assistant Secretary	Cynthia Solomon	\$ 32,275

NOW, THEREFORE BE IT RESOLVED, by the Commissioners of the Rahway Redevelopment Agency the management positions and compensation established herein be effective for CY 2014.

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 March 5, 2013.

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

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

16-14: RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT WITH INGERMAN DEVELOPMENT, INC. 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 RESIDENTIAL PROJECT INCLUDING AFFORDABLE HOUSING UNITS

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 PlannersDiversified/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 Elizabethtown Gas, who has entered into an agreement of sale to sell the Property to the Agency; 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 project consisting of the construction of 60 affordable rental units in a 4 story structure and potential reuse of the existing commercial building for community arts and education on 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 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, on January 9, May 1 and September 4, 2013, the Agency extended 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, on December 6, 2014, the Agency entered into an Agreement of Sale for the purchase of Property with Pivotal Utility Holdings, Inc. (an affiliate of Elizabethtown Gas Co.); and

WHEREAS, the Actors Fund Housing Development Corporation will no longer be involved in the development of housing and has transferred its interest in the project to The Reinvestment Fund, who along with the existing partners, Ingerman Development, Inc. and Crawford Street Partners, all of whom will continue to be part of the development team, however, Ingerman Development, Inc. will be lead developer for the Project and assume the role as redeveloper (the "Redeveloper"); and

WHEREAS, on January 8, 2014, the Agency adopted a resolution extending the conditional designation of The Reinvestment Fund, Ingerman Development, Inc. and Crawford Street Partners as redeveloper of the Property for a period of 120 days subject to certain conditions; and

WHEREAS, the Agency and Redeveloper have completed negotiations on a redevelopment agreement which will, among other things, sets forth the terms and conditions with respect to the sale of the Property to the Redeveloper and the redevelopment of the Property, the construction of the improvements and the payment of certain costs in connection therewith (hereinafter referred to as 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 a Redevelopment Agreement between the Agency and Ingerman Development, Inc. 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 residential project consisting of the construction of approximately 71 affordable rental units on the Property for the reasons set forth herein.

BE IT FURTHER RESOLVED, that the Chairman and the Secretary are hereby authorized to execute any and all documents, including 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 March 5, 2014.

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

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

17-14: A RESOLUTION TO AWARD A PROFESSIONAL SERVICES CONTRACT TO WHITESTONE ASSOCIATES, INC. FOR ENVIRONMENTAL CONSULTING SERVICES RELATIVE TO PROPERTIES LOCATED ON BLOCK 318 IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA AND PART OF THE SLOKKER REDEVELOPMENT PROJECT

WHEREAS, there exists for the Rahway Redevelopment Agency (the "Agency"), a need for the services of a firm specializing in environmental consulting services relative to performing site investigation, remedial investigation and regulatory compliance services in support of the Slokker redevelopment project for the Block 318 properties (the "Properties") owned by Dornoch Rahway II, LLC, the Rahway Parking Authority and City of Rahway, located in the Central Business District Redevelopment Area; and

WHEREAS, the Agency has designated Slokker as conditional redeveloper of the Properties for purposes of developing a mixed use project and the Properties have been identified to have some level of contamination that will require remediation; and

WHEREAS, the NJDEP has designated the City as a Brownfield Development Area ("BDA") and as such the Agency is eligible for grants and loans for environmental investigations and remediation of properties identified for redevelopment and the Agency is desirous of assisting Slokker with the redevelopment of the Properties; and

WHEREAS, on October 2, 2013, the Agency awarded a professional services contract to Whitestone Associates, Inc. to provide regulatory compliance and reporting services for the Properties, which work has been completed; and a copy of which is attached hereto and made part of this Resolution; and

WHEREAS, Whitestone Associates, Inc. submitted a proposal, dated December 30, 2013 to provide the services described above for the Properties, a copy of which is attached hereto and made part of this Resolution; 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; and

WHEREAS, the cost of the services outlined in the proposal submitted by Whitestone Associates, Inc. is intended to be funded by Slokker from its escrow account with the Agency.

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 a professional services contract with Whitestone Associates, Inc., 35 Technology Drive, Warren, New Jersey 07059 to provide services in accordance with its proposal which shall remain on file in the Agency's office and available for public inspection, subject to confirmation that the cost of the services shall be funded by Slokker from its escrow account with the Agency.
2. That this contract shall be in an amount not to exceed \$297,000.00 payable upon completion of each task 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, the performance of which services requires knowledge of an advanced type pursuant to N.J.S.A. 40A:11-2 (6).
4. A notice of this action shall be printed in the Legal Newspaper of the Rahway Redevelopment Agency as required by law within ten (10) days of its passage.
5. Attached hereto is the certification of the Treasurer of the Rahway Redevelopment Agency, which states that there are legally appropriated sufficient funds to be provided by the Agency to cover the cost of this contract, which certification is required on all contracts as per regulations of the Director of Local Government Services.
6. 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.

Certified to be a true copy of a Resolution adopted by the Board of Commissioners of the Rahway Redevelopment Agency, Rahway, New Jersey at a regular meeting held on March 5, 2014.

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

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

18-14: RESOLUTION EXTENDING THE CONDITIONAL DESIGNATION OF 1321 FULTON STREET, LLC AS REDEVELOPER FOR PROPERTY KNOWN AS TAX BLOCK 312, LOTS 4.04, 23 AND A PORTION OF LOT 5 IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA FOR THE REDEVELOPMENT OF THE PROPERTIES FOR A MIXED USE DEVELOPMENT

WHEREAS, the Municipal Council of the City of Rahway designated Block 312/ Lots 4.04, 23 and a portion of Lot 5 (the "Properties") located on Fulton Street, as part of the Central Business District Redevelopment Area (the "CBD Redevelopment Area") and recently adopted the Amended and Restated Central Business District Redevelopment Plan adopted on February 13, 2013 (the "Plan"); and

WHEREAS, the City of Rahway (the "City") and the Rahway Redevelopment Agency (the "Agency") have undertaken various projects (with and without private redevelopers) within the CBD Redevelopment Area; and

WHEREAS, the Properties are privately owned and include two existing buildings and surface parking; and

WHEREAS, 1321 Fulton Street, LLC, an affiliate of DMR Construction Services, Inc. (the "Redeveloper") has contracted and is negotiating the acquisition of the Properties; and

WHEREAS, the Redeveloper made a presentation to the Board of Commissioners of the Agency in September and October 2013 regarding its proposal to develop a mixed use residential and commercial project comprised of approximately eighty-four (84) market rate rental units and 3,000 square feet of commercial space on the ground floor on the Properties; 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 November 13, 2013, the Agency adopted a resolution conditionally designating 1321 Fulton Street, LLC as redeveloper of the Properties for a period of 120 days subject to certain conditions; and

WHEREAS, subsequently, the Agency and 1321 Fulton Street, LLC entered into an escrow agreement, which was a condition of the conditional designation as redeveloper (the "Escrow Agreement"); and

WHEREAS, the Agency and the Redeveloper have been working diligently to conduct due diligence regarding the Properties, to negotiate 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 the conditional designation as redeveloper of 1321 Fulton Street, LLC, 160 Hopper Avenue, Waldwick, New Jersey 07463 for the development of Tax Block 312/ Lots 4.04, 23 and a portion of Lot 5, located in the Central Business District Redevelopment Area, for a mixed use project comprised of approximately 84 market rate rental units and 3,000 square feet of commercial space is extended for the reasons set forth herein.

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 1321 Fulton Street, LLC 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 1321 Fulton Street, 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 1321 Fulton Street, LLC acquires the Properties for redevelopment.

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 March 5, 2014.

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

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

19-14: 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 March 5, 2014, 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 March 5, 2014.

A motion was made by Commissioner Sefranka and Seconded by Commissioner Staryak to approve the resolution.

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

TO RETURN TO PUBLIC SESSION AFTER CLOSED SESSION

A motion was made by Commissioner Sefranka and Seconded by Commissioner Garay to return to Public Session.

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

COMMISSIONER'S COMMENTS

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

ADJOURNMENT

There being no further business, the meeting adjourned at 7:40 PM.