

# Rahway Redevelopment Agency

MINUTES  
August 3, 2011  
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 shall then salute to the flag*

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## ROLL CALL

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

*Commissioner Deige  
Commissioner Nash  
Commissioner Saliga  
Chairman Rack*

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## APPROVAL OF MINUTES

*A motion was made by Commissioner Clarke, seconded by Commissioner Deige to accept and approve the minutes listed below:*

*July 6, 2011*

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

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## CORRESPONDENCE

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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).*

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## TREASURER'S REPORT

*A motion was made by Commissioner Nash, seconded by Commissioner Deige to accept and approve the Treasurer's Report:*

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

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## EXECUTIVE DIRECTOR'S REPORT

The Executive Director reported that the bids were opened for the Hamilton Laundry Parking Plan and the RRA was awaiting approval from NJDEP before the contract was awarded. He also reported on the expedited progress of the Meridia at Water's Edge Project.

*A motion was made by Commissioner Nash, seconded by Commissioner Deige to accept and approve the Executive Director's Report:*

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

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## LEGAL REPORT

*None*

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## UNFINISHED BUSINESS

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### NEW BUSINESS

**31-11: 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 \$5,500,000 CITY-SECURED ARTS DISTRICT EXTENSION REVENUE BONDS**

WHEREAS, the Rahway Redevelopment Agency (the "Agency"), in the County of Union, State of New Jersey, has determined to issue the 2011 Bonds (as defined herein) to (i) pay-off the \$5,000,000 in Project Notes maturing on September 15, 2011, which were originally issued for the 2008 Project (the "2008 Project"), which consisted of (a) the completion of the (i) redevelopment projects being undertaken in the City of Rahway (the "City") by the Rahway Redevelopment Agency (the "Agency"), consisting of the acquisition, development or redevelopment of certain real property, which may include but is not limited to, all real properties in the areas of the City that have been designated "Redevelopment Areas" in accordance with the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., as amended and supplemented (the "Redevelopment Law"), real properties respectively and commonly known as 370 Hamilton Street, 298 through 304 Hamilton Street, 350 Hamilton Street, 1427 through 1431 Irving Street, 1423 Irving Street, 1654 Irving Street, 1646 through 1648 Irving Street, 1646 Seminary Avenue and 258 Monroe Street and being respectively designated as Block 167, Lot 38, Block 167, Lot 45, Block 167, Lot 39, Block 316, Lot 7, Block 316, Lot 6, Block 162, Lot 6, Block 162, Lot 5, Block 162, Lot 7 and Block 379, Lot 5 on the Official Tax Map of the City, such acquisition, development and redevelopment of real property also including, but not being limited to, all engineering and design work, surveying, construction planning, preparation of plans and specifications, permits, bid documents, construction inspection and contract administration, the ability of the Agency to enter into and participate in any and all agreements and legal entities, all work, materials, equipment, labor and appurtenances necessary therefor or incidental thereto and any and all actions and omissions that the Agency is empowered to undertake or refrain from pursuant to the Redevelopment Law, (ii) working capital for the Agency to undertake redevelopment projects, and (iii) the cost of issuance for the UCIA Bonds, and (b) the undertaking of a capital project entailing the construction of an amphitheater, a black box theater, surface parking and a waterfront walkway and other associated facilities, amenities and improvements (the "Facilities"), a portion of such Facilities to be used and occupied by the City in connection with the Capital Grant Agreement (as hereinafter defined) between the City and the Agency, and (ii) pay costs of issuance associated with the 2011 Revenue Bonds ((i) and (ii) shall be collectively referred to herein as the "2011 Project"); 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 2011 Project; and

WHEREAS, to secure the payment of the principal of and interest on the 2011 Bonds, the Agency and the City have entered into a Use, Occupancy and Capital Grant Agreement (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 City's portion of the 2011 Project, and the revenue stream securing the 2011 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 2011 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 2011 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 2011 Bonds and other related costs and expenses of the Agency as reflected therein; and

WHEREAS, the Agency's ability to issue the 2011 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 2011 Bonds in an aggregate principal amount not to exceed \$5,500,000 to provide funds to undertake the 2011 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 2011 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 2011 Project;
- (b) the 2011 Project is for the health, welfare, convenience or betterment of the inhabitants of the City;
- (c) the amount to be expended for the 2011 Project is not unreasonable or exorbitant;
- (d) the 2011 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 Bond Counsel, Wilentz, Goldman & Spitzer, P.A. (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, the Agency's Auditor, Lerch, Vinci & Higgins, LLP (the "Agency Auditor") and the Agency's General Counsel, DeCotiis, 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 is hereby authorized and directed to determine all matters in connection with the 2011 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 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 2011 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.

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 August 3, 2011.

*A motion was made by Commissioner Nash, seconded by Commissioner Deige to accept and approve the Resolution:*

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

**32-11: RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH MERIDIA, WATER'S EDGE, RAHWAY LLC, THE REDEVELOPER FOR PROPERTY KNOWN AS TAX BLOCK 305, LOT 5.04 IN THE LOWER MAIN STREET URBAN RENEWAL AREA FOR THE REDEVELOPMENT OF THE PROPERTY FOR A MARKET-RATE RESIDENTIAL DEVELOPMENT**

WHEREAS, the Municipal Council of the City of Rahway designated Block 305/ Lot 5.04 (the "Property") as part of a larger urban renewal area (the "Lower Main Street Urban Renewal Area") and adopted the Lower Main Street Urban Renewal Plan on May 9, 1961 (the "Plan"), which Plan was last amended on August 13, 2001; 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 Lower Main Street Urban Renewal Area; and

WHEREAS, the Property is owned by the Agency and consists of approximately .75 acres of vacant land; and

WHEREAS, the Agency has previously considered proposals for the redevelopment of the Property and the Agency is desirous of selling the Property for redevelopment; and

WHEREAS, Capodagli Property Company, LLC recently and successfully completed a market rate residential rental project in a redevelopment area on East Grand Avenue in Rahway; and

WHEREAS, Capodagli Property Company, LLC contacted the Agency regarding other development opportunities in Rahway; and

WHEREAS, Capodagli Property Company, LLC made a presentation to the Board of Commissioners of the Agency on April 6, 2011 regarding its proposal to develop a residential project comprised of approximately one hundred and sixteen (116) market rate rental units on the Property; and

WHEREAS, the proposal has been modified, reviewed and found consistent with the City's and Agency's goals for redeveloping the area and on May 4, 2011, the Agency designated Capodagli Property Company, LLC as conditional redeveloper of the Property for a 120-day period; and

WHEREAS, Capodagli Property Company, LLC has created a new entity to act as the redeveloper for the Project known as Meridia, Water's Edge, Rahway LLC, which entity is wholly owned and controlled by Capodagli Property Company, LLC (the "Redeveloper"); and

WHEREAS, pursuant to one of the conditions of the resolution designating the Redeveloper, the Agency and Redeveloper entered into an Escrow Agreement on or about May 1st, 2011, which Escrow Agreement remains valid and binding; and

WHEREAS, on or about June 15, 2011, the Agency and Redeveloper entered into an Access Agreement for purposes of entering upon and undertaking such studies and tests, including but not limited to making soundings or test borings, conducting investigations, making surveys (including engineering, environmental or architectural studies or tests), preparing engineering, environmental, or architectural data or any other purposes, tests or activities related to the objectives of undertaking the redevelopment of the Property, which Access Agreement remains valid and binding for purposes of implementing any actions contemplated in a Memorandum of Understanding ("MOU"); and

WHEREAS, the Agency and Redeveloper are negotiating a redevelopment agreement which will, among other things, set forth the terms and conditions with respect to 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"); and

WHEREAS, in order for the Redeveloper to undertake certain actions with respect to the redevelopment of the Property prior to execution of the Redevelopment Agreement, the parties agree to enter into an MOU, which sets forth certain terms and conditions with respect to the redevelopment of the Property, the construction of the improvements and the payment of certain costs in connection therewith, which terms and conditions are anticipated to be incorporated into 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 Memorandum of Understanding with Meridia, Water's Edge, Rahway, LLC, the conditional redeveloper of Tax Block 305/ Lot 5.04, located in the Lower Main Street Urban Renewal Area, for a residential project comprised of approximately 116 market rate rental units.

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 August 3, 2011.

*A motion was made by Commissioner Deige, seconded by Commissioner Nash to accept and approve the Resolution:*

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

**33-11: RESOLUTION ADOPTING THE RAHWAY REDEVELOPMENT AGENCY'S FISCAL YEAR BUDGET 2011/2012**

*A motion was made by Commissioner Deige, seconded by Commissioner Nash to accept and approve the Resolution:*

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

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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 7:15 PM.*