

Rahway Redevelopment Agency

MINUTES

August 7, 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 shall then salute to the flag

ROLL CALL

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

*Matthew Dobrowolski, Commissioner
Timothy Nash, Commissioner
Michael Staryak Commissioner
Paul Sefranka, Commissioner
William Rack, Chairman*

Absent: Commissioner Deige

APPROVAL OF MINUTES

A motion was made by Commissioner Nash and Seconded by Commissioner Drobrowolski to approve the Minutes of the June 19, 2013 Regular Meeting.

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

CORRESPONDENCE

- 1. Letter dated July 29, 2013 from Karen Cassidy, Assignment Judge, to John Stone, Esq. regarding Arnold Young v Rahway Redevelopment Agency*
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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 Dobrowolski to approve the Treasurer's Report.

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

EXECUTIVE DIRECTOR'S REPORT

1. **Main and Monroe Redevelopment:** A meeting was held this month to review architectural plans as presented by Joel Schwartz and prepared by the firm of Minno and Wasko from Lambert New Jersey. The meeting was attended by Chairman Rack, Frank Regan, Esq. Len Bier of the Rahway parking Authority, Cindy Solomon Director of Planning for the City, Bob Goldsmith, Esq for the developer, Samson Steinman City Council President, Nils Berten, Oscar Moninex, developers, and Jim Kennedy former Mayor. This was a comprehensive meeting discussing the following:

- Number of units proposed 196
- Number of parking spaces 208 under the buildings
- Number Of spaces on RPA land approx. 19
- Number of spaces on Monroe St approx. 21

- RRA fee
- Sewer and Water Fees
- Extension of Monroe Street to Cherry Street.
- Removal of Historical Fill
- Environmental clean up
- PILOT with the City
- Construction Official to review plans for compliance with building codes.
- Acquisition of land from Amtrak

This is potentially the best project that has been proposed in the Central Business District. The elevations are in my opinion as good as they get and will make a tremendous impact on the downtown. This project may consist of a roof top pool on one of the building as well as a roof top sitting area on top of another building. At the October meeting the developer has been requested to present the conceptual plans to the RRA. Further, the extension of Monroe to Cherry creates opportunity for walkers to connect from one part of the downtown to another. Especially, with the RPA efforts to acquire land on Cherry creating a pleasant walk through area to the parking deck and train station.

2. **Metro Rahway:** The demolition of the site has now been completed and the redeveloper's reports the foundation work will commence in approximately two weeks. The Redevelopment Agency has received \$145,000 or Y, of the redevelopment fee. This project will be a tremendous improvement over the old A&M building that was on the site.

3. **Actors Fund Housing:** A meeting was held this month to discuss the continuation of the process to develop the site. The following issues were discussed and some will be further elaborated in closed session.

- Application for tax credits 4% which must be submitted by October 3, 2013
- Potential short fall of monies even with the Sandy money and \$600,000 from the County as well as the tax credit monies per unit of construction.
- Site controls still the most important aspect for the application deadline.
- Discounted purchase price for a fast sale from AGL (closed session)
- Designation of developers
- Feasibility of property acquisition of property by RRA (closed session)
- September 15, 2013, deadline for all documents and contracts to be executed for application submission.
- PILOT with the City of Rahway
- Parking Fee requirement from the Rahway Parking Authority

This project is very important as it relates to the needs of the Artist community and will reflect on the City and Redevelopment Agency efforts to create a destination for residents and patrons of the various shows and events. We need to strive to assist with the continuance of the acquisition and development of the site

4. **A&M Litigation:** This matter is to be discussed in closed session with John A. Stone, Esq.

5. **Meridia Waters Edge:** This project is continuing to proceed and is still on schedule to be completed according to the developer by late December 2013. Developers owes the RRA \$500,000 to be paid at the issuance of the final CO. The developer has not yet completed the parking improvements but will do so in a timely matter when all documents regarding same have been fully executed.

6. **Meridia Brownstones:** The RRA has on its agenda this evening a resolution designating a redeveloper; Meridia Brownstones Rahway, LLC resolution 33-13. This resolution was discussed at the July meeting and comments have been answered and the resolution revised accordingly.

7. **Rahway Main Street:** Presentation at the August 7, 2013 meeting. I am sure the Commissioners will find this project to be a tremendous improvement to the City Hall Complex. It consists of approx. 248 units of residential housing with additional parking improvements and most notably a thoroughfare that traverses from Milton to Main.

8. **DMR Construction:** this project will be presented to the RRA Commissioners and is located on Fulton Street and incorporates the Mangos restaurant property. A four story over parking is proposed. This is a very important location and the Commissioners need review this proposal with due diligence.

I have met with the Council President on various matters and have invited him to meetings to review and discuss issues that will eventually come before the City Council that involve Redevelopment Projects, including RRA fees, PILOTS, Redevelopment Plan amendments.

I have also communicated with Frank Regan, Esq regarding all of the various matters that the Redevelopment Agency considers through e-mails and telephone calls as well as meetings with redevelopers. Further, I would like to advise and keep you up to date as to the RRA fees:

- \$500,000 due from Meridia Waters Edge for sale of property
- \$145,000 paid and \$145,000 due from Metro Rahway
- \$100,000 due and to be paid over five years from Metro Rahway
- \$75,000 due from Lafayette Village
- \$196,000 due from Main and Monroe development
- \$248,000 due from AST (City Hall site)
- \$110,000 due from Meridia Brownstones (nonrefundable)

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

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

LEGAL REPORT

Frank Regan, Esq. stated that most of his report would be given in closed session. He also stated the Steve Patel, from the King's Inn/Super 8 would make a request later on the agenda.

ENGINEERING REPORT

1. Rahway Arts District Expansion Project-Hamilton Stage (Bell Bldg)
 - a. Regarding the final building inspection and completion of punch list work, GBJ continues working to complete all outstanding items before the September 4th Agency meeting.
 - b. Chiller Sound Wall-- we are working with the Architect to solicit new prices, since the original low bidder did not exercise his contract award, and the second lowest bidder's price is over the Bid Threshold.
 - c. The HVAC Maintenance Agreement with Automated Building Controls (ABC) has been finalized and prepared for the Agency's signature.
2. Meridia- Water's Edge
 - a. The developer continues with the building and site construction.
 - b. DEP Water Main Extension Permit application-see item 4 below.
3. Meridia's Lafayette Village
The redeveloper continues working to comply with the NJDEP's Waterfront Development Permit requirements.
4. Public Water Allocation for Future Redevelopment Projects
On behalf of the Agency and the City, we have continued to work with NJDEP for the issuance of the Water Main Extension Permits for Station Place, Water's Edge and Lafayette Village projects. Specifically, today we worked with the City Attorney, Ryan Scerbo and United Water, et als. to finalize the DRAFT Special Conditions that will appear in each of the project permits. We expect to return the DRAFT Special Conditions back to NJDEP this week so the Permits can be issued asap. Please note that the Special Conditions relate to the City's obligation to upgrade the Water Treatment Plant, which is currently before the City Council for funding consideration.
5. Station Place at Rahway
Station Place at Rahway has completed demolition and continues to prepare for construction.

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

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

UNFINISHED BUSINESS

NEW BUSINESS

Presentations:

- *Rahway Main Street, LLC – Application for a residential rental community on the Center Circle Site. AST and Heartstone Development gave a presentation regarding the Center Circle property which included 248 residential (rental) units, 248 parking spaces, and a revised circulation plan for City Hall Plaza. The developers' attorney, architect, traffic planner and principals were in attendance for the presentation*
- *Richard Radici, President of DMR Construction made an informal presentation for the redevelopment of Block 312, Lot 4.04 (Fulton Street). He was advised to return to the RRA when he had a more definite proposal.*
- *James Kennedy requested that the RRA participate in the purchase and development of street art and sculptures in the Central Business District Redevelopment Area.*
- *Steve Patel requested permission from the RRA to remove the pyramid from his hotel site (King's Inn) and make minor adjustments to his site plan approval. The commissioners agreed that the request was consistent with the redevelopment of the property.*

Resolutions:

32-13: RESOLUTION RESCINDING AN AWARD OF A CONTRACT TO KDP DEVELOPERS, INC. FOR THE CONSTRUCTION OF A CHILLER WALL AT THE HAMILTON STAGE DUE TO ITS FAILURE/REFUSAL TO EXECUTE A CONTRACT AND COMMENCE CONSTRUCTION AND AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR THE CONSTRUCTION OF THE CHILLER WALL

WHEREAS, on or about March 6, 2012, the Rahway Redevelopment Agency (the "Agency") adopted a resolution awarding a contract to KDP Developers, Inc. for the construction of a chiller wall at the Hamilton Stage; and

WHEREAS, KDP Developers, Inc. was advised of the contract award, provided with a form of contract and has not responded to written and telephone requests to execute the contract and commence construction of the chiller wall; and

WHEREAS, due to the failure and refusal of KDP Developers, Inc. to execute a contract and commence construction of the chiller wall, the Agency must rescind the award of the contract to KDP Developers, Inc. and authorize issuance of a new request for proposals for construction of the chiller wall

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby rescinds the award of the contract made on March 6, 2013 to KDP Developers, Inc. for construction of a chiller wall at the Hamilton Stage.

BE IT FURTHER RESOLVED, that the Board of Commissioners of the Rahway Redevelopment Agency that it hereby authorizes the issuance of a request for proposals for the construction of a chiller wall at the Hamilton Stage.

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 7, 2013.

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

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

33-13: RESOLUTION AFFIRMING THE APPROVAL OF A REDEVELOPMENT AGREEMENT WITH MERIDIA BROWNSTONES, RAHWAY, 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 RESIDENTIAL PROJECT

WHEREAS, the Rahway Redevelopment Agency, in its capacity as the redevelopment agency for the City of Rahway, municipal Agency (hereinafter referred to as the "Agency") shall be responsible for implementing redevelopment plans and carrying out redevelopment projects pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (hereinafter referred to as the "Redevelopment Law"); and

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, on June 19, 2013, the Agency adopted Resolution #27-13 approving and authorizing the execution of a redevelopment agreement with Meridia Brownstones Urban Renewal, Rahway, LLC for the Properties; and

WHEREAS, the redevelopment agreement has been revised to address inconsistencies and conflicting provisions, as well as other corrections, though such revisions are not substantive in nature, the Agency intends to affirm the redevelopment agreement as revised in the form attached hereto.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby affirms its prior approval of the redevelopment agreement with Meridia Brownstones, Rahway, LLC, 6035 Park Avenue, West New York, New Jersey 07093 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 residential project.

BE IT FURTHER RESOLVED, that the Chairman and the Secretary are hereby authorized to execute any and all documents, including the redevelopment agreement substantially consistent with the form of agreement attached hereto, 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 August 7, 2013.

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

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

34-13: 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 August 7, 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 August 7, 2013

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

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

TO RETURN TO PUBLIC SESSION AFTER CLOSED SESSION

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

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

COMMISSIONER'S COMMENTS

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

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:35 PM