

# Rahway Redevelopment Agency

## MINUTES

September 5, 2012

6:30 P.M.

### CALL TO ORDER

*The meeting was called to order at 6:30 P.M. in the Council Chambers*

### OPEN PUBLIC MEETINGS ACT

*This meeting was 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  
Matthew Dobrowolski, Commissioner  
Michael Staryak, Commissioner*

*Absent: Commissioners Clarke, Nash, Sefranka*

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### APPROVAL OF MINUTES

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

*August 15, 2012 Regular Meeting*

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

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### CORRESPONDENCE

- 1. Letter dated May 1, 2012 to William Rack, Chairman, from Rick Proctor, Mayor, regarding the Rahway Redevelopment Agency.*
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### COMMENTS FROM THE PUBLIC

*None*

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### TREASURER'S REPORT

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

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

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### EXECUTIVE DIRECTOR'S REPORT

The Executive Director reported on the following activities:

- 1. Met with Joel Schwartz to discuss the payment of Elm Avenue improvements. The City is responsible for the payment of costs for the street construction of Elm Avenue as they relate to the development of the Park Square project. The final number will be reviewed by the City engineer and submitted to Mr. Frank Regan. Frank Ruggiero will request the city Council approve a bond ordinance in October for final adoption in November 2012 to provide for the funding.*
- 2. Met with Frank Ruggiero to discuss the financial condition of the Rahway Redevelopment*

Agency. I have been advised the RRA has over \$ 1,000,000 in our accounts.

3. Reviewed Frank Regan's correspondence to Clay Bonnie regarding the change to the redevelopment agreement to revise the 2<sup>nd</sup> amendment which includes a new section# 5 regarding payment of development fees now that the project is rental instead of condominiums.
4. Reviewed e-mail from Frank Regan dated August 22, 2012 to M Weiss regarding signage on Library building to include on the name plate "Rahway Public Library" and to coordinate the installation as not to conflict with the existing or similar signs now in place.
5. Met with Rich Watkins to discuss the outstanding requested submittals and inspections pertaining to Park Square. Once the delinquent items have been satisfied and abated the CO can be issued with payment of penalty.
6. Met with Frank Ruggiero to discuss the status of providing funding and the respective timing of that funding for Elm Avenue improvements.
7. Reviewed e-mail to Frank Regan from Scott Weiner dated August 15, 2012 regarding written estimate of costs for remediation of contaminated soils, material management and reporting as they pertain to the PSE&G site. The costs should be deducted from the appraisal. These costs as enumerated are approximately \$325,000.
8. Plans are developing for the New Jersey League of Municipalities Convention to have a booth for the promotion of the Rahway Redevelopment Agency to showcase the improvements through a video and brochures. Volunteers will be appreciated to help out in the booth.
9. Will be meeting with Terry Kenney of WCB commercial brokerage firm with potential tenant or buyer of the top floors of library to discuss various issues regarding the development of 40,000 square feet of space.

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

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

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## LEGAL REPORT

*None*

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## ENGINEERING REPORT

### PROJECT/STATUS

- Rahway Arts District Expansion Project – Interim Parking Lot  
Contractor completed improvements except for planting a few trees along the streetscape porous concrete walkway and miscellaneous punch list items, which generally are for replacing certain plant material.
- Rahway Arts District Expansion Project – Hamilton Stage (Bell Bldg)  
Generally, the building is complete, except for two (2) remaining items relative to the stage and house lighting. We understand that both items will be completed by the Grand Opening on 9/22/12
- Parking Lot B (former Westbury site)  
DPW has completed the parking lot lighting installation and the Main Street fencing installation is pending.
- Home 2 Suites Hotel  
The construction is continuing.
- Meridia – Water's Edge  
The developer continues with the building construction and is now constructing the site drainage system.
- Landmark – Park Square  
Remedial concrete sidewalk repairs relative to street lights are pending.
- Meridia's Lafayette Village  
A second reading of Ordinance O-24-12 will be considered by the City Council on 9/10/12 for the financial agreement between the City and Meridia.
- Redevelopment of Lots 5, 6 & 7/Block 162 – 1646-1654 Irving Street  
I have been contacted by Richard Radici of DMR Construction, Inc., regarding a potential redevelopment for the former KC Jazz site.

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

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

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## UNFINISHED BUSINESS

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## NEW BUSINESS

Resolutions:

29-12: RESOLUTION CONDITIONALLY DESIGNATING 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.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that Capodagli Property Company, LLC, 142 Route 23 North, Pompton Plains, New Jersey 07444, is hereby conditionally designated 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 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 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. Within fourteen (14) days of the adoption of this resolution, Capodagli Property Company, LLC and the Agency enter into an escrow agreement, the form of which is attached hereto and made part of this resolution.
5. 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.

6. 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 September 5, 2012.

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

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

**30-12: RESOLUTION AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO THE REDEVELOPMENT AGREEMENT WITH 1527 MAIN STREET ASSOCIATES, LLC FOR PROPERTY KNOWN AS TAX BLOCK 320, LOTS 5 AND 7 LOCATED IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA FOR THE DEVELOPMENT OF A COMMERCIAL PROJECT**

WHEREAS, Rahway Redevelopment Agency (the "Agency") and 1527 Main Street Associates, LLC (the "Redeveloper") entered into a Redevelopment Agreement, dated May 21, 2007 ("Agreement") for the redevelopment of property located within the Central Business District Redevelopment Area pursuant to the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.); and

WHEREAS, the Project as defined in the Agreement is not proposed to change, except that the Redeveloper proposes to change the location of the upscale wine/liquor store from 1527-1529 Main Street, which the Redeveloper owns to 1537 Main Street, which the Redeveloper proposes to lease; and

WHEREAS, the change is prompted by the Redeveloper's current negotiations with a prospective tenant to lease the first floor of 1527-1529 Main Street for a business that is currently located downtown and is looking to expand; and

WHEREAS, in order for the Redeveloper to finalize the leases for the properties, the Agency must approve the change of location for the upscale wine/liquor store since such use is not currently permitted in the Redevelopment Area and the Agency must request an amendment to the Redevelopment Plan for the Redevelopment Area by the City of Rahway; and

WHEREAS, the Agency and Redeveloper have agreed to the terms and conditions of a First Amendment to the Redevelopment Agreement which addresses the changes to the project requested by the Redeveloper.

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 First Amendment to the Redevelopment Agreement with 1527 Main Street Associates, LLC, 1527 Main Street, Rahway, N.J. 07065.

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

Certified to be a true copy of a Resolution adopted by the Board of Commissioners of the Rahway Redevelopment Agency, Rahway, New Jersey adopted at a regular meeting held on September 5, 2012.

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

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

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**COMMISSIONER'S COMMENTS**

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**ADJOURNMENT**

*There being no further business, the meeting was adjourned at 6:55 PM*