

# Rahway Redevelopment Agency

## MINUTES

June 3, 2015

6:30 P.M.

### CALL TO ORDER

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

### 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 to the flag*

### ROLL CALL

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

*Egon Behrmann, Commissioner  
Rodney Farrar, Commissioner  
Timothy Nash, Commissioner  
Armando Sanchez, Commissioner  
Paul Sefranka, Commissioner  
Ann Marie Williams, Commissioner*

### APPROVAL OF MINUTES

*A motion was made by Commissioner Nash and Seconded by Commissioner Farrar to approve the Minutes of the May 6, 2015 Regular Meeting*

*Yes: Commissioners Behrmann, Farrar, Sanchez, Sefranka, Williams  
Abstain: Commissioners Sanchez, Williams*

### CORRESPONDENCE

1. Letter dated May 6, 2015 from Jeanne Ann McManus to Leonard Bier regarding Hamilton Stage.
2. Letter dated May 18, 2015 from Robert S. Goldsmith to Leonard Bier regarding Rahway Brownstones.
3. Letter dated May 21, 2015 from Jeanne Ann McManus to Leonard Bier regarding RRA.

### 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 Sanchez to approve the Treasurer's Report.*

*Yes: Commissioners Behrmann, Farrar, Nash, Sanchez, Sefranka, Williams*

### EXECUTIVE DIRECTOR'S REPORT

*Executive Director, Len Bier, reported on meetings that were held with developers and gave updates on progress. He also discussed the Hamilton Stage and repairs that were completed. Mr. Bier, also informed the commissioners of the sale and development of the of the Vito Bellino property (corner of East Cherry and Irving Streets). He also reported on efforts to resolve the future parking situation at Luciano's; and the amended redevelopment agreement and revised PILOT with Meridia Brownstones.*

*A motion was made by Commissioner Sanchez and Seconded by Commissioner Williams to approve the Executive Report.*

*Yes: Commissioners Behrmann, Farrar, Nash, Sanchez, Sefranka, Williams*

## LEGAL REPORT

Legal Counsel, Jeanne McManus, reported on the Hamilton Stage, the retainage and performance bond. She also discussed the Center Circle property and the recommendation of extending AST's redeveloper's agreement. A resolution will be presented at July's meeting to memorialize the extension.

*A motion was made by Commissioner Nash and Seconded by Commissioner Sefranka to approve the Executive Report.*

*Yes: Commissioners Behrmann, Farrar, Nash, Sanchez, Sefranka, Williams*

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## ENGINEERING REPORT

Jacqueline Dirmann presented the following report to the Commissioners:

1. Slokker International – The Developer was approved at the March Planning Board meeting and continues to revise his Plans for Resolution compliance.
2. Artist Housing/Elizabethtown Gas Company Property – The Developer was approved for Preliminary Site Plan and Minor Subdivision approval at the May Planning Board meeting. They expect to return for final approval in September.
3. Meridia Brownstones – The Developer has submitted Plans to the various outside agencies and will be submitting revised Plans to our office for Resolution compliance. They have submitted their revised Minor Subdivision Plan, which has been reviewed and will need to be revised prior to obtaining the City's final approval.
4. Hamilton Stage – see Bohler memo dated May 15 and 20, 2015 regarding repair to the Kalwall and building membrane roofing. Boiler flue pipe replacement is scheduled for June 9.
5. Meridia Water's Edge – The construction of an ADA ramp was completed and the developer is requesting release of their Performance Bond. However, the City is awaiting the Maintenance Bond prior to release of their Performance Bond.
6. Meridia Lafayette Village – Construction is on-going.

*A motion was made by Commissioner Sefranka and Seconded by Commissioner Nash to approve the Executive Report.*

*Yes: Commissioners Behrmann, Farrar, Nash, Sanchez, Sefranka, Williams*

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## OLD BUSINESS

### NEW BUSINESS

Resolutions

18-15: RESOLUTION APPROVING AND AUTHORIZING A SECOND AMENDMENT TO THE 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, LOCATED IN THE ELIZABETH AVENUE REDEVELOPMENT AREA FOR THE REDEVELOPMENT OF THE PROPERTY FOR A MARKET-RATE RESIDENTIAL DEVELOPMENT.

WHEREAS, on August 15, 2013 the Rahway Redevelopment Agency (the "Agency") and Meridia Brownstones, Rahway, LLC (the "Redeveloper") entered into a Redevelopment Agreement for the redevelopment of Tax Block 226, Lot 1; Tax Block 227, Lots 1&2; and Tax Block 228, Lot 1 (the "Properties") located in the Elizabeth Avenue Redevelopment Area (the "Redevelopment Area") for a market-rate residential project (the "Redevelopment Agreement"); and

WHEREAS, on February 5, 2014 a First Amendment to the Redevelopment Agreement (the "First Amendment") was entered into by the Agency and the Redeveloper in which Section 5.13 of the Redevelopment Agreement was amended to extend the timeframe for the Agency to request amendments to the Redevelopment Plan for the Redevelopment Area from six (6) months to twelve (12) months from the Effective Date; and

WHEREAS, pursuant to Section 2.24 of the Redevelopment Agreement, the Redeveloper is obligated to pay development fees to the Agency; and  
WHEREAS, due to an increase in costs of demolition, asbestos abatement and environmental remediation of the Properties (hereinafter "Extraordinary Costs") the Redeveloper has requested that the Agency consider a reduction in the amount of development fees to be paid to the Agency; and

WHEREAS, the Agency is agreeable to a reduction in the amount of the development fees to facilitate the financial feasibility of the project due to the Redeveloper's projected increase in Extraordinary Costs of the Project; and  
WHEREAS, the Agency agrees that any reduction in development fees shall be a maximum of 50% of the previously agreed upon per unit fee of \$1,000 as set forth in Section 2.24 of the Redevelopment Agreement; thus reducing the

fee to \$500 per unit. This reduction is subject to the Redeveloper certifying to the actual Extraordinary Costs of the Project; and

WHEREAS, if Developer cannot establish the increased Extraordinary Costs of the Project pursuant to Paragraph 3 herein, the Developer may have to pay the full amount of the Redevelopment Fee as set forth in the August 15, 2013 Redevelopment Agreement and Paragraph 3 and 4 herein; and

WHEREAS, the Agency's agreement to a reduction is subject to the Redeveloper paying the Agency the initial 25% development fee payment as required by Section 2.24 of the Redevelopment Agreement upon the execution of this Amendment to the Redevelopment Agreement, which amount is \$121,750 and subsequent fees as set forth in Paragraph 2 of this Agreement; and

WHEREAS, the Agency's agreement to a contingent reduction is also subject to the Redeveloper paying the Agency the full amount of the balance of the development fees originally agreed to in Section 2.24 of the Redevelopment Agreement dated August 15, 2013 upon the sale of the Properties and Project by the Redeveloper; and

WHEREAS, the Agency and Redeveloper have generally agreed to the terms and conditions of a Second Amendment to the Redevelopment Agreement which address modifications to amount and payment of development fees required under Section 2.24 of the Redevelopment Agreement and which has been codified in Agency Resolution 52-14.

NOW THEREFORE BE IT RESOLVED, by the Board of Commissioners of the Rahway Redevelopment Agency that it hereby approves and authorizes the execution of the Second Amendment to the Redevelopment Agreement between the Agency and Meridia Brownstones, Rahway, LLC.

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

BE IT FURTHER RESOLVED, that 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 June 3, 2015.

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

*Yes: Commissioners Behrmann, Farrar, Nash, Sanchez, Sefranka, Williams*

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#### COMMISSIONER'S COMMENTS

#### ADJOURNMENT

*There being no further business, the meeting was adjourned at 7:00 PM*