

	<b>Redevelopment Agency Meeting</b> <b>Regular Meeting</b> Thursday, October 3, 2013 7:00 p.m. City of Passaic Mayor's Conference Room
--	--

**Commissioners Present:** David Spector, William Diaz, Chaim Munk and Robert Koltai

**Commissioners Absent:** Arthur Soto, Peter Cedeno-Castro and Delis P. Santana

**Staff Present:** Ricardo Fernandez, Executive Director, Louis Rago, Esq. Redevelopment Attorney, and Joe Buga, Project Manager

**Other Present:** Representatives of 220 Passaic Street Associates and Representatives of the River Stone Development 125 South Street

**Proper Notice:** Adequate notice of the meeting was provided by notice to the Herald & News and Bergen Record, and by posting on the City Clerk's bulletin board specifying the time, place and known agenda.

I. Roll Call

II. Pledge of Allegiance

III. RESOLUTIONS PART 1

**PASSAIC REDEVELOPMENT AGENCY  
RESOLUTION NUMBER 14-09**

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PASSAIC  
REDEVELOPMENT AGENCY DESIGNATING 220 PASSAIC STREET ASSOCIATES,  
CORP. AS THE REDEVELOPER FOR PROPERTY MORE SPECIFICALLY SET  
FORTH IN THIS RESOLUTION.**

**WHEREAS**, 220 Passaic Street Associates, Corp. (hereinafter referred to as the "Redeveloper") submitted a proposal to the City of Passaic Redevelopment Agency (hereinafter referred to as the "Agency") for the construction of a mixed-use development which will be substantially consistent with the Redevelopment Plan of the City of Passaic (hereinafter referred to as the "City"); and

**WHEREAS**, the Property which is the subject of this Redevelopment Agreement is as follows;

- a. Block 1077, Lot 1, which is owned by the Redeveloper.
- b. Block 1076, Lots 1, 8, 12, 18, 37, 39, 55, which are owned by the Redeveloper.
- c. Block 1038, Lots 1, 33, which are owned by the Redeveloper.
- d. Block 1038, Lot 40, which is Canal Street, which is assumed to have been vacated by City Ordinance.
- e. Block 1038, Lot 50, which is the Dundee Canal.
- f. Block 1038, Lots 2 and 5, which are owned by the City
- g. An unknown property identification being a portion of the Dundee Canal located on the western side of First Street and the southern side of Jefferson Street running from the southwest corner of the First Street – Jefferson Street intersection south along First Street for approximately 322.22 ft. (hereinafter "Unidentified Portion of Dundee Canal")

and;

**WHEREAS**, the Redeveloper intends to construct a project substantially consistent with the City's Redevelopment Plan and envisions a new retail/commercial space of approximately 320,000 square feet. The subject property has been occupied as a furniture business/assembly/light industrial use in the City, which has successfully operated at the subject site since 1992. The lower level of the existing main structure is proposed to be occupied by the Redevelopers affiliates; and

**WHEREAS**, a Committee of the Agency's Board of Commissioners has reviewed the proposal submitted and found same to be consistent with the requirements of the Redevelopment Plan envisioned for this area; and

**WHEREAS**, the Redeveloper has agreed to comply with design and construction requirements as set forth in the Redevelopment Plan for this area, and that may be reasonably required by the Agency and by the City of Passaic Planning Board;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Commissioners of the Passaic Redevelopment Agency that:

1. The above recitations are incorporated herein as if set forth at length.
2. 220 Passaic Street Associates, Corp. is hereby designated the Redeveloper for the properties set forth within this Resolution and may engage in negotiating a Redevelopment Agreement with the Agency for said project, with specific terms and conditions, which shall be the subject of final review and such approval by the Agency.
3. This designation is expressly contingent upon the Redevelopment Plan for the subject property/area allowing the uses proposed by the Redeveloper Project.

4. This designation is expressly contingent upon payment by the Redeveloper to the City of Passaic Redevelopment Agency of an Application Fee of \$1,000.00 Dollars, such Application Fee to be paid within ten (10) days of the adoption of this Resolution.
5. This designation is expressly contingent upon the Redeveloper being responsible for, and assuming all costs incurred by, the Agency including, but not limited to, appraisals, title searches, environmental, financial, legal, and the like, and is further expressly contingent upon the Redeveloper providing all funds for the acquisition, relocation, property maintenance and demolition of property comprising the proposed project.
6. The Interim Costs Agreement between the City of Passaic Redevelopment Agency and the Redeveloper is approved for signature upon final approval of the Agency's General Counsel.
7. The designation herein is for a 60 day period commencing upon the adoption of this Resolution, in order for the Parties to negotiate and execute a formal Redeveloper Agreement confirming the status of 220 Passaic Street Associates Corp. as Redeveloper. This 60 day period may be extended if necessary at the sole discretion of the Agency's Executive Director if said formal Redeveloper Agreement is not completed.

**BE IT FURTHER RESOLVED**, that the Chairman, Vice Chairman and/or Secretary are hereby authorized to execute any and all documents necessary to effectuate this Resolution subject to the review and approval of the Agency's General Counsel.

INTRODUCED BY: Robert Koltai

SECONDED BY: Chaim Munk

Commissioner	For	Against	Abstain	Absent
Chairman David Spector	X			
Vice Chairman Peter Cedeno-Castro				X
William Diaz	X			
Robert Koltai	X			
Chaim Munk	X			
Delis P. Santana				X
Arthur Soto				X

Adopted on: October 3, 2013

Original Signature on File  
 Ricardo Fernandez, Executive Director

**IV. Riverstone Development Project Presentation - 125 South Street**

In attendance where Anthony Mehran, Managing Member of Contempo Acquisitions, LLC/Charles Dietz, Managing Partner of Dietz Partnership Architects located in East Hanover, NJ/ Michael Giudice, Project Manager for Contempo Acquisitions, LLC/

The presentation discussed in detail the proposed project of 46 units of housing 15,000 square feet of retail and 40,000 square feet of warehouse space. The renovation of 125

South Street will consist of converting the existing warehouse into residential units and demolish a portion of the existing warehouse in the rear to create a green space or open space in the rear for the residential units. Then they would take the clearance and office areas and move them to the front in the new addition of the property that will be built onto the existing structure. There is an easement and a shared driveway with the neighbor that would be maintained and continue its existing use. The development will also house commercial space and a redesigned warehouse and showroom for the existing user Huffman Koos Furniture. The redevelopment construction hard cost is approximately \$3,900,000. Union Center National Bank will be the financing source with additional equity input from the developer.

Commissioner Munk showed some concerns about the property being mixed with the warehouse component would lessen the value of the residential properties and the entire area. Mr. Mehran the managing member is suggesting the following proposition in order to accommodate his need for the warehouse and clearing center at this time and continue to provide jobs for approximately 20 employees. The project will have to be completed in two phases. He is requesting to complete Phase I of the project which will be the residential followed by phase II which is the addition on the clearing center and warehouse. He will move the existing clearing center and office space into the existing building, get the residential units built and marketed. At that time they will revisit with the commissioners and decide collectively the idea of making the project entirely residential and he will be able to move his warehouse to another building in Passaic. The warehouse component is an option that would require an ordinance change in the redevelopment plan. The warehouse came into play because of the need of the developer but will need final approval.

Concerns were also raised about the units not being luxury rentals. The executive director explained that they are market rate and that in the process there will be an ability through the HOME and or CDBG Program to obtain grant monies or funding for a certain amount of the units. Concentration of poverty is the direction that everyone is going against at this point in time. We want to maintain the trend of two or three stories integrated complexes that have an integration of incomes.

A subcommittee was formed to review the different possibilities that for this project. Chairman of Subcommittee will be Commissioner Munk and along with Commissioner Diaz and Commissioner Soto.

V. The minutes of June 27, 2013 and July 25, 2013 meetings were reviewed and approved.

Moved: Robert Koltai  
Seconded: David Spector  
For: 4 Against: 0 Abstain: 0 Not Present: 3

VI. The bill list for October 3, 2013 in the amount of \$1,417.13 was reviewed and approved.

Moved: Robert Koltai  
Second: William Diaz  
For: 4 Against: 0 Abstain: 0 Not Present: 3

**VII. Resolutions Part II**

**Passaic Redevelopment Agency  
Resolution Number 14-08**

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE  
PASSAIC REDEVELOPMENT AGENCY EXTENDING THE  
DESIGNATION OF PENNROSE PROPERTIES, LLC AS THE  
REDEVELOPER FOR PROPERTY LOCATED IN BLOCKS 1030 AND  
1036 IN THE EASTSIDE REDEVELOPMENT AREA**

WHEREAS, Pennrose Properties, LLC (hereinafter referred to as the "Redeveloper") was designated as the Redeveloper for Property Located in Blocks 1030 and 1036 in the Eastside Redevelopment Area by the Passaic Redevelopment Agency (the "Agency") for the construction of a mixed use development within the Eastside Redevelopment Area; and,

WHEREAS, the Redeveloper was designated at the February 7, 2013 meeting of Agency; and

WHEREAS, the designation anticipated an Interim Agreement and Redeveloper Agreement executed within four months of the approval; and,

**WHEREAS**, an Interim Agreement was entered into on March 4, 2013; and,

**WHEREAS**, a Redeveloper Agreement is still under negotiation.

**NOW, THEREFORE BE IT RESOLVED** that the Agency agrees to extend the time for the execution of a Redeveloper Agreement until December 15, 2013.

**BE IT FURTHER RESOLVED**, that the Chairman, Vice Chairman and/or Secretary are hereby authorized to execute any and all documents necessary to effectuate this Resolution subject to the review and approval of the Agency's General Counsel.

INTRODUCED BY: Willie Diaz

SECONDED BY: Robert Koltai

Commissioner	For	Against	Abstain	Absent
Chairman David Spector	X			
Vice Chairman Peter Cedeno-Castro				X
William Diaz	X			
Robert Koltai	X			
Chaim Munk	X			
Delis P. Santana				X
Arthur Soto				X

Adopted on: October 3, 2013

Original Signature on file  
 Ricardo Fernandez, Executive Director

**IX. UPDATES BY Ricardo Fernandez, Executive Director**

Pantasote

The owner will be meeting with the City about a proposed plan for a Mexican Costco type distributor with three outlying buildings, perhaps a pharmacy, a bank and one other options which will have their own internal drive thru within the site. It appears the property owner of Pantasote are adverse to working with the group which proposes a Rodeo/ Entertainment venue at the site..

Old Beth Israel Hospital

This property is owned by the State and is suppose to be a multi school complex with a middle school, elementary school and a early childhood center. We tried to get the State to give us the property but they refused. Upon the finalization of the master plan, this area was included as an area in need of redevelopment. We have made several attempts to the State School Development Authority to request that the Old Beth Israel Hospital site and the Main Avenue site where the former Montauk Theatre was located be given to the City. We are asking for at least the frontage on the Main Avenue/Montauk Theatre site for store front use.

663 Main Avenue

We negotiated with the owners for the tax abatement which will be presented to the City Council. They have given us a timeline which puts them completing the project in 2015. There are some deliverables that we are waiting for. All taxes are up to date. They are working with the EDA to move the project along. The abatement agreement would double the current taxes with the building unoccupied. The agreements are all 20 to 30 years, the city is negotiation a different rate from the recently enacted State Economic Incentive bill. They will be seeking planning board approval and additional building permits, Some construction has occurred inside the building. The windows are special custom made windows and the developer reported a delay in delivery. Another short term goal involved maintenance to the exterior of the building weather permitted.

**X. Adjournment**

Moved: Robert Koltai  
Seconded: David Spector  
For: 4 Against: 0 Abstain: 0 Not Present: 3

Redevelopment Agency Meeting Minutes  
October 3, 2013  
Page #10

Respectfully Submitted,

A handwritten signature in blue ink that reads "Asenett Martin". The signature is written in a cursive, flowing style.

Asenett Martin  
Secretary