

Redevelopment Agency Meeting

Regular Meeting

Thursday, November 12, 2015

7:00 p.m.

City of Passaic, Mayor's Conference Room

Commissioners Present: David Spector, Peter Cedeno-Castro, William Diaz, Chaim Munk and Delis P. Santana

Commissioners Absent: Arthur Soto

Staff Present: Ricardo Fernandez/Executive Director, Christine Faustini/Attorney and Joe Buga/Project Manager

Other Present: No members from the public were present

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. Presentation from The Hanini Group that represents 663 Main Avenue LLC

Thafer Hanini and Brendan Pytka introduced themselves to the board and provided the board with a synopsis of their company and previous experiences with similar projects. They explained the details of the project for 663 Main Avenue. They showed some of the renderings for the building and explained their goal is to rehabilitate the building for use as an office building. They are contemplating the idea of putting a rooftop restaurant. They are considering the idea of making the basement into a gym. They answered some of the commissioner's questions with regards to rental price, parking accommodations, restaurant capacity and potential tenants for the retail space. They discussed their plans to request funding through the UEZ office for assistance with the

facade of the building. They also talked about the historical tax credit program which they would qualify for.

IV. Public Session

No members present

**PASSAIC REDEVELOPMENT AGENCY
RESOLUTION NUMBER 16-14**

Resolution De-Designating Trinity Partners LLC as the Redeveloper for Property located at 663 Main Avenue a/k/a Block 2155, Lot 1

WHEREAS, Trinity Partners, LLC (the “Redeveloper”) became the owner of properties located at 663 Main Avenue, Block 2155, Lot 1 (the “Property”), which is located within the boundaries of the City of Passaic (the “City”) in an area that has been designated by the City as an area in need of redevelopment, which Property is included in a duly adopted zoning plan known as the Scattered Site Redevelopment Plan, dated November 18, 2003 as prepared by Schoor DePalma, Inc. and recommended for adoption by the Planning Board at its December 22, 2003 meeting with the memorializing resolution adopted at the Planning Board’s January 28, 2004 meeting(the “Plan”); and,

WHEREAS, the Redeveloper had entered into a Redevelopment Agreement and Contract for Sale of Land for Block 2155, Lot 1 with the Passaic Redevelopment Agency, dated November 25, 2010; and,

WHEREAS, the Redevelopment Agreement between the Redeveloper and the Passaic Redevelopment Agency was thereafter amended by Amendment No. 1, dated June 27, 2011,

which Amendment recognized Trinity Partners Limited Liability Company as the legal name of the Redeveloper; and,

WHEREAS, the Redevelopment Agreement between the Redeveloper and the Passaic Redevelopment Agency was thereafter amended by Amendment No. 2, dated October 25, 2012, which Amendment extended the period of time for the Redeveloper to obtain construction permits; and,

WHEREAS, the Property is currently developed with the former Sterling Bank Tower, a historic property in the City of Passaic; and,

WHEREAS, the Redeveloper has defaulted on its obligations set forth in the Redevelopment Agreement, dated November 25, 2010, as amended by Amendment 1 and Amendment 2; and,

WHEREAS, the Redeveloper has entered into an Agreement with a third party who is interested in pursuing the Redevelopment of the Property and replacing the Redeveloper; and,

WHEREAS, it is in the best interest of the City of Passaic to encourage the redeveloped use of the Property, including the former Sterling Bank Tower.

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; and,
2. Trinity Partners, LLC is hereby de-designated and removed as the Redeveloper for the Property; and,

3. The Redevelopment Agreement, dated November 25, 2010, and all Amendments thereto which were executed thereafter, are hereby terminated.

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 review and approval of the Agency's General Counsel and Executive Director.

INTRODUCED BY: Peter Cedenno-Castro

SECONDED BY: Delis P. Santana

	For	Against	Abstain	Absent
Chair David Spector	X			
Vice Chair Peter Cedenno-Castro	X			
Commissioner William Diaz			X	
Commissioner Chaim Munk	X			
Commissioner Delis P. Santana	X			
Commissioner Arthur Soto				X

Adopted on November 12, 2015

PASSAIC REDEVELOPMENT AGENCY

ORIGINAL SIGNATURE ON FILE
Ricardo Fernandez, Executive Director

**PASSAIC REDEVELOPMENT AGENCY
RESOLUTION NUMBER 16-15**

Resolution Designating HD 663 Main LLC as the Redeveloper
for Property located at 663 Main Avenue, Block 2155, Lot 1
and Authorizing Interim Costs Agreement

WHEREAS, 663 Main Urban Renewal LLC is the owner of properties located at 663 Main Avenue, Block 2155, Lot 1 (the “Property”), which is located within the boundaries of the City of Passaic (the “City”) in an area that has been designated by the City as an area in need of redevelopment, which Property is included in a duly adopted zoning plan known as the Scattered Site Redevelopment Plan, dated November 18, 2003, and duly recommended for adoption by the Planning Board at its December 22, 2003 with the memorializing resolution adopted at the Planning Board’s January 28, 2004 meeting (the “Plan”); and,

WHEREAS, HD 663 Main LLC (the “Redeveloper”) is the managing member of 663 Main Partners LLC; and,

WHEREAS, 663 Main Partners, LLC, is the managing member of 663 Main Urban Renewal LLC, the owners of the Property; and,

WHEREAS, the Redeveloper has submitted a redevelopment proposal, dated November 6, 2015 (the “Proposal”), to the Passaic Redevelopment Agency (the “Agency”) for the Property for uses in conformity with the Plan, including any amendments; and,

WHEREAS, the Redeveloper proposes the following: adaptive re-use and redevelopment of the existing vacant Passaic Tower to a mixed use retail and commercial project

(the “Project”), with restaurants and retail being located on the first floor of the building to take advantage of local street traffic; and,

WHEREAS, a committee of the Agency’s Board of Commissioners has reviewed the Proposal and found same to be generally consistent with the intent of and uses set forth in the Plan as amended; and,

WHEREAS, the Redeveloper shall comply with the Plan and/or shall apply to the Planning Board for all necessary variances, approvals, and/or permits as may be required under the Plan and/or or may seek amendment of the Plan by request to the Agency and the City; and,

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; and,
2. HD 663 Main LLC is hereby designated as the Redeveloper for the redevelopment of the Property; and,
3. This designation is expressly contingent upon amendment, if necessary, to the Plan by the City and/or variances and approvals from the Planning Board; and,
4. This designation is also expressly contingent upon the Redeveloper providing all funds for the acquisition, relocation, property maintenance of and demolition at the Property and construction of the proposed Project; and,
5. This designation is also expressly contingent upon payment by the Redeveloper to the Passaic Redevelopment Agency of a non-refundable Application Fee in the amount of Ten

Thousand Dollars (\$10,000.00), such Application Fee to be paid within ten (10) calendar days of the adoption of this Resolution; and,

6. This designation is also expressly contingent upon the Redeveloper being responsible for and assuming all costs incurred by the Agency, including, but not limited to legal, appraisal, title, environmental, financial, engineering, etc.; and,

7. This designation is also expressly contingent upon payment by the Redeveloper to the Passaic Redevelopment Agency of an escrow under the Interim Costs Agreement in the amount of Twenty Thousand Dollars (\$20,000.00), such escrow fee to be paid within ten (10) calendar days of the execution of the Interim Costs Agreement by the Agency and the Redeveloper; and,

8. This designation is also expressly contingent upon payment by the Redeveloper to the Passaic Redevelopment Agency of a non-refundable administrative fee of Thirty Thousand Dollars (\$30,000.00), with Fifteen Thousand Dollars (\$15,000.00) to be paid within ten (10) calendar days of executing the Interim Costs Agreement by the Agency and the Redeveloper and the balance of Fifteen Thousand Dollars (\$15,000.00) being paid upon substantial completion of the project.

9. This designation is also expressly contingent upon the Redeveloper providing the Passaic Redevelopment Agency with all necessary financial documents to perform a full financial evaluation to the satisfaction of the Passaic Redevelopment Agency and a determination by the Passaic Redevelopment Agency that the Redeveloper is financially qualified to undertake this Project.

10. The Interim Costs Agreement between the Passaic Redevelopment Agency and the Redeveloper is approved for signature by the Agency, subject to the final approval of the Agency’s General Counsel and Executive Director; and,

11. Once the Interim Costs Agreement is approved and payments are made by the Redeveloper as required hereunder, the parties will commence the negotiation of a redevelopment agreement, which is subject to review and approval by the Agency and its professionals; and,

12. The designation herein is for a period of ninety (90) calendar days, which period may be extended if necessary at the sole discretion of the Agency’s Executive Director for an additional period of ninety (90) calendar days; and,

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 review and approval of the Agency’s General Counsel and Executive Director.

INTRODUCED BY: David Spector

SECONDED BY: Peter Cedeno-Castro

	For	Against	Abstain	Absent
Chair David Spector	X			
Vice Chair Peter Cedeno-Castro	X			
Commissioner William Diaz			X	
Commissioner Chaim Munk	X			
Commissioner Delis P. Santana	X			

Commissioner Arthur Soto				X
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Adopted on November 12, 2015

PASSAIC REDEVELOPMENT AGENCY

ORIGINAL SIGNATURE ON FILE

Ricardo Fernandez, Executive Director

V. Minutes of the meeting for September 3, 2015.

Moved: David Spector

Second: Delis P. Santana

For: 3 Against: 0 Abstain: 2 Not Present: 1

VI. The bill list for November 12, 2015 in the amount of \$51,199.58 was reviewed and approved.

Moved: David Spector

Second: Peter Cedenno-Castro

For: 4 Against: 0 Abstain: 1 Not Present: 1

VII. Resolutions

**PASSAIC REDEVELOPMENT AGENCY
 RESOLUTION NUMBER 16-02**

**RESOLUTION SELECTING VICE-CHAIRMAN FOR THE FISCAL YEAR JULY 1,
 2015 THROUGH JUNE 30, 2016**

BE IT RESOLVED, by the Passaic Redevelopment Agency that Peter Cedeno-Castro is hereby designated as the Vice-Chairman of the Passaic Redevelopment Agency for the fiscal year beginning July 1, 2015 and ending June 30, 2016.

INTRODUCED BY: Chaim Munk

SECONDED BY: David Spector

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

November 12, 2015

ORIGINAL SIGNATURE ON FILE
 Ricardo Fernandez, Executive Director

**PASSAIC REDEVELOPMENT AGENCY
 RESOLUTION 16-12**

**RESOLUTION CERTIFYING REVIEW OF REPORT OF AUDIT FOR THE FISCAL
 YEARS ENDED JUNE 30, 2015 AND 2014**

WHEREAS, the Passaic Redevelopment Agency (PRA) has made an audit of its books and financial transactions; and,

WHEREAS, the Report of Audit for the fiscal years ended June 30, 2015 and 2014 has been filed by a Registered Municipal Accountant (Lerch, Vinci & Higgins, LLP) with the Agency’s Executive Director and a copy has been received by each member of the PRA; and,

WHEREAS, all Board Members of the PRA have reviewed at a minimum the section of the audit entitled General Comments and Recommendations.

NOW THEREFORE BE IT RESOLVED, that the Board Members of the PRA certify that they have reviewed the Audit as specified above.

INTRODUCED BY: David Spector

SECONDED BY: Peter Cedeno-Castro

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

November 12, 2015
Date

ORIGINAL SIGNATURE ON FILE
Ricardo Fernandez, Executive Director

**PASSAIC REDEVELOPMENT AGENCY
RESOLUTION NUMBER 16-13**

**Resolution Extending the Designation of Two Market Street Associates, LLC as the
Redeveloper
for Property located at 2-12 South Market Street, Block 1030, Lot 43**

WHEREAS, Two Market Street Associates, LLC (the “Owner”) is the owner of properties located at 2-12 South Market Street, Block 1030, Lot 43 (the “Property”), which is located within the boundaries of the City of Passaic (the “City”) in an area that has been designated by the City as an area in need of redevelopment, covered by a duly adopted zoning plan known as the Eastside Redevelopment Plan, revised as of July 6, 2004 (the “Plan”); and,

WHEREAS, the Redeveloper has submitted a redevelopment proposal, dated February 23, 2015 (the “Proposal”), to the Passaic Redevelopment Agency (the “Agency”) for the Property for uses in conformity with the Plan as amended; and,

WHEREAS, the Redeveloper proposes the following: adaptive re-use and redevelopment of the existing vacant industrial/warehouse building to a mixed use residential and commercial project (the “Project”); and,

WHEREAS, a committee of the Agency's Board of Commissioners has reviewed the Proposal and found same to be generally consistent with the intent of and uses set forth in the Plan as amended; and,

WHEREAS, the Redeveloper shall comply with the Plan and/or shall apply to the Planning Board for all necessary variances, approvals and/or permits as may be required under the Plan and/or or may seek amendment of the Plan by written request to the Agency and the City; and,

WHEREAS, on March 26, 2015, the Commissioners of the Passaic Redevelopment Agency unanimously approved Resolution Number 15-21, designating Two Market Street Associates, LLC as the Redeveloper for the redevelopment of the Property; and,

WHEREAS, since the adoption of Resolution Number 15-21, the parties have been operating in good faith and in accordance with Resolution Number 15-21; and,

WHEREAS, the parties have executed an Interim Costs Agreement; and,

WHEREAS, the parties are presently cooperating to develop and execute Redevelopment Agreement.

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

13. The above recitations are incorporated herein as if set forth at length; and,
14. The designation of Two Market Street Associates, LLC as a Redeveloper for the redevelopment of the Property, as described pursuant to Resolution Number 15-21, is hereby

extended beyond its current expiration date of September 22, 2015. The designation herein is for a period of ninety (90) calendar days beyond the current expiration date, and may be further extended, if necessary, at the sole discretion of the Agency’s Executive Director for an additional period of ninety (120) calendar days; and,

15. The parties acknowledge that all provisions contained within Resolution Number 15-21 remain in force and effect as if set forth herein. The sole purpose of this Resolution is to provide an extension to the designation as a Redeveloper.

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 and Executive Director.

INTRODUCED BY: David Spector

SECONDED BY: Peter Cedeno-Castro

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

Adopted on November 12, 2015

PASSAIC REDEVELOPMENT AGENCY

ORIGINAL SIGNATURE ON FILE
Ricardo Fernandez, Executive Director

VIII. Updates by Executive Director Ricardo Fernandez

585 Main Avenue

This project is moving along, they are almost complete. They had no timelines and they ran into some difficulties with funding but now they went before the council for the approval of the affordable housing portion of the project. The project will be a mix of housing and commercial with some affordable housing but the grand majority will be rented at market rate.

220 Passaic Street / Contempo

They completed phase 1 of the project and were able to get a temporary CO for their manufacturing operation and the catering hall/convention center on the 2nd floor. They met all the requirements and are currently negotiation the purchase of the First Street parking lot. We are currently in the process of finalizing the redeveloper's agreement.

Hoofman Koos

The delay for this project is still the negotiation of the parcel from United Water.

Pantasote

There were concerns with the site because the property owner was moving soil in and out of the property. The zoning officer was instructed not to issue the permits and to refer the application to the attorney that is handling the condemnation process before any approvals were issued. We are still in the process of condemnation of the site. Certain environmental questions remain unresolved. These need to be clarified before the City proceeds with a taking, at which time the redeveloper will have fund an escrow in an amount equal to the appraised vaiue of the property. Our goal is to get as close to a real cleanup cost as possible before we move forward. The owner has been denying the access needed. We do not know how comfortable the developer is with the information

they currently have from the environmental specialist. We are trying to find out exactly what the trucks are doing at the site because they did not have permits to bring soil in.

Big Apple West / PennRose

PennRose is gone. Big Apple West is doing their commercial component in the front of the property. The factory building is currently occupied with at least 90% of the structure with industrial tenants after PennRose left. He is currently working on the facade and is moving slowly.

Hoofman Koos/Patella Woodworking/Shaneholds

Patella Woodworking is moving forward and will be occupying and operating out of the site shortly. The stall with everything else is the United Water portion, which we are negotiating on the number of years the lease will be extended. Once that is complete, Hoofman Koos can finalize their financing and parking for the site plan. Patella's parking need will also be resolved with this deal. We currently have a request for an analysis on the number of units that can be put on the Medin site. We have our State Assemblyman helping us complete this deal.

217 Brook Avenue

They are going before the Planning Board by the end of this month.

Pennington Avenue / Old St. Mary's Hospital

They are currently requesting an additional 29 units after they redid their study. They will have to go through the process again where the council refers them to the planning board, they do their study and analysis and recommend if that is something that is reasonable or not. Even with the planning board's recommendation, the council can still deny it because it is done by ordinance. Only after both boards vote will the change be accepted. They were environmental issues in the boiler room which are currently being investigated. They are currently designated as interim developers of the site, are reviewing the redevelopers agreement and are requesting an amendment to the site plan. We are under the assumption that they are waiting for the change to be approved before they finalize the redeveloper's agreement. We are going to check the resolutions to see when their agreement expires.

Boulevard / New St. Mary's Hospital

They do not want a tax abatement, they are asking to be de-designated. We foresee no action other than a de-designation.

IX. NO CLOSED SESSION ITEMS FOR DISCUSSION

X. Adjournment

Moved: David Spector
Seconded: Delis P. Santana
For: 4 Against: 0 Abstain: 1 Not Present: 1

Respectfully Submitted,

**Asenett Martin
Secretary**