

Redevelopment Agency Meeting Regular Meeting

Thursday, April 23, 2015

7:00 p.m.

City of Passaic, Council Chambers

Commissioners Present: David Spector, William Diaz, Delis P. Santana, Chaim Munk and Arthur Soto

Commissioners Absent: Robert Koltai and Peter Cedenno-Castro

Staff Present: Ricardo Fernandez/Executive Director, Christine Faustini/Attorney
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. Public Session

No members of the public present

IV. Minutes of the meeting for March 26, 2015.

Moved: Arthur Soto

Second: William Diaz

For: 5 Against: 0 Abstain: 0 Not Present: 2

- V. The bill list for April 23, 2015 in the amount of \$8,049.50 was reviewed and approved.

Moved: David Spector

Second: Chaim Munk

For: 5 Against: 0 Abstain: 0 Not Present: 2

VI. Updates by Executive Director Ricardo Fernandez

Trinity Partners/663 Main Avenue

Trinity Partners had three partners, they are only two. They plan to add a new partner and were advised that we will not negotiate with them until their taxes are paid up to date. They are behind two quarters, upon receipt of that payment they will need to come before the board to renew their designation as redeveloper with the agency. The agency will have to accept the new entity to allow the project to continue and we will be rewriting the redevelopment agreement because the initial one is outdated. We will add new goals and penalties and write stronger language on issues of default. Once their taxes are paid they should be back in communication with me, they were made aware of the upcoming tax lien sales in May. We are currently using the \$35k escrow that we have for them; if they come back we will have to get new escrow from them. Any legal bills that have to do with issues with them in default of the contract can be charged to their escrow.

The financial reviews on the bill list pertain to the three projects that were passed at the previous meetings, both St. Mary's and Two Market Street.

VII. Resolutions

2016 AUTHORITY BUDGET RESOLUTION
Passaic Redevelopment Agency 15-23
(Name)

FISCAL YEAR: FROM: July 1, 2015 TO: June 30, 2016

WHEREAS, the Annual Budget and Capital Budget for the Passaic Redevelopment Agency for the fiscal year beginning, July 1, 2015 and ending, June 30, 2016 has been presented before the governing body of the Passaic Redevelopment Agency at its open public meeting of April 23, 2015; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$ 10,000 , Total Appropriations, including any Accumulated Deficit if any, of \$ 80,000 and Total Unrestricted Net Position utilized of \$ 70,000 ; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$-0- and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$-0-; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Passaic Redevelopment Agency, at an open public meeting held on that the Annual Budget, including all related schedules, and the Capital Budget/Program of the Passaic Redevelopment Agency for the fiscal year beginning, July 1, 2015 and ending, June 30, 2016 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Passaic Redevelopment Agency will consider the Annual Budget and Capital Budget/Program for adoption on June 25, 2015.


(Secretary's Signature)

April 23, 2015
(Date)

Governing Body Member:	Recorded Vote	Aye	Nay	Abstain	Absent
Peter Cedeno-Castro					X
William Diaz	X				
Robert Koltai					X
Chaim Munk	X				
David Spector	X				
Delis P. Santana	X				
Arthur Soto	X				

VIII. NO CLOSED SESSION ITEMS FOR DISCUSSION

IX. Additional Updates by Executive Director Ricardo Fernandez

We are negotiating all the redevelopment agreements for the other resolutions that the agency has passed. We are very close to finalizing the 220 Passaic Street redevelopers agreement, and sale of the first street parking lot.

The interim cost agreement for 2 Market Street is nearly completed. They have already paid their escrow. At the last meeting the agency approved the planner and environmental specialist for Lynx and they have paid the escrow to cover those expenses. Now they will work on the condemnation, once we get the condemnation they are off to the races. Pennrose is no longer pursuing the Big Apple West Ethan Allen project and Lynx is interested in the project. I am currently in discussions with the current owner of Big Apple West and Lynx. Upon reaching an agreement they will come in front of board to be designated.

Big Apple West/Pennrose has defaulted on the interim agreement and they also defaulted on the contract with the property owner. The escrow will be held in our accounts until further notice, we have not returned it nor have they asked for it. We cannot reflect it on our budget as earned fees until we can get a formal release. We will draft a resolution terminating their interim cost agreement with Pennrose for our next meeting with wording about how we can keep the funds since they defaulted on the agreement. Discussion on a possible RFP for this property, lead to the conclusion that if we do not have an application designating developer within the next two months the agency will move forward with an RFP of the property.

Pennington Avenue St. Mary's has stalled; they want to be sure that they can negotiate the tax abatement before they finalize the agreement. I will be meeting with them and our city attorney on Monday to start drafting a proposal for a payment in lieu of taxes to present to the council for their review and approval.

Prime/Current St. Mary's is reviewing the interim agreement at different corporate levels. Once the agreement is finalized the only thing left for discussion will be the tax PILOT.

United Water is not budging on terms for the sale or renewed lease of the Dndee Canal. We have asked the State representatives for their assistance in resolving the issue with them not allowing us to do a Phase II environmental study prior to acquiring the property or extending the lease.

There has been the delay with the progress of the Contemo Realty project, Riverside, at 125 South Street. United Water's appraisal is too high and the UEZ is doing its own appraisal on behalf of the city.

X. Adjournment

Moved: Delis P. Santana
Seconded: William Diaz
For: 5 Against: 0 Abstain: 0 Not Present: 2

Respectfully Submitted,



**Asenett Martin
Secretary**