

PERTH AMBOY REDEVELOPMENT AGENCY

TUESDAY, AUGUST 2, 2011

REGULAR MEETING MINUTES

Pursuant to the Open Public Meetings Act, please take notice that a rescheduled regular public meeting of the Perth Amboy Redevelopment Agency will take place on Tuesday, August 2, 2011 at 7:00 pm in the Council Chambers of the Perth Amboy City Hall Building, at 260 High Street, Perth Amboy, New Jersey 08861. Notices of this meeting have been sent to the Home News Tribune, the Star Ledger, and the Amboy Beacon and posted in the City Clerk's Office.

1. Salute to the Flag

2. Roll Call

	Present	Absent
Comm. Bolanowski	X	
Comm. Jacobs		X
Comm. James-Waldon	X	
Comm. Jasko	X	
Comm. Gonzalez	X	
Chairwoman Diaz	X	

3. Re-Organization of the Agency

Nominations for Chairperson – Commissioner Gonzalez nominated Mayor Diaz. 2nd by Commissioner James-Waldon. Roll call – all in favor

Mayor Diaz thanked the Commissioners and asked for nominations for Vice Chairperson. Commissioner Jasko nominated Commissioner James-Waldon, Commissioner Gonzalez 2nd – all in favor.

4. Meeting Minutes Approval –June 2011 meeting.

	Move	2 nd	In favor	Opposed	Absent	Abstain
Comm. Bolanowski			X			
Comm. Jacobs					X	
Comm. James-Waldon		x	X			
Comm. Jasko						X
Comm. Gonzalez	X		X			
Chairwoman Diaz			X			

5. Bill List – The bill list in in the amount of 292,959.15.

	Move	2 nd	In favor	Opposed	Absent	Abstain
Comm. Bolanowski		x	X			
Comm. Jacobs						
Comm. James-Waldon			X			
Comm. Jasko			X			
Comm. Gonzalez	X		X			
Chairwoman Diaz			X			

5.

6. Developer Presentations Hobart Street Apartments

Kevin Morse, Esq. represented Hobart Plaza, LLC. Paul Patel, local business owner. 280 Hobart Street. This is a large building, formerly a professional office, which is in state of disrepair. It is in the redevelopment zone – economy has slowed the development. Tonight

he has a proposal to invest and add a small addition. 40 apartments, retail, parking on and off-site parking for approximately 29 spaces in the downtown, not common in downtown. Ron Kasmarski the architect presented the project. The project handout shows current building and site location. Project includes upgrading the exterior, adding an addition on the side that is two-story. Retail will run along the entire length of the first floor. Apartments start on the second floor. They will completely gut the interior and redo it. The total number of units is 40, 34 one bedroom and 6 two bedroom. The developer is also greening on the roof of the second floor. He commented that the historic nature of the building will be maintained. Mayor Diaz stated that she recommended that they try to attract medical office space for the first floor since they are directly across from the existing medical center. Commissioner Gonzalez has been inside the building and loves that they're upgrading the interior and façade however, he is concerned about the parking for the site. With a total of 29 spaces and 40 units plus 6 commercial units just doesn't seem adequate. Mr. Morse stated that in a downtown you don't typically find parking at any level, many of the residents walk to work and he doesn't believe that they will have a need for the parking beyond what they are showing. Kenny stated that the City's municipal parking lot is approximately 1.5 blocks away perhaps they can work a deal with that. Commissioner Jasko asked if this is market rate. Senior? Affordable? The developer response was that the site is market rate. Commissioner Bolanowski is also concerned about parking. She recommended adding a deck to the separate lot. They have not yet looked into the zoning requirements for the property. Commissioner Gonzalez said that they need to make sure that the project is good for the community. Commissioner James-Waldon stated that she loves the green and thinks the project is good. However, parking remains a real concern. They should, at a minimum find 1 space per unit.

REGENT PROPERTIES, Mr. Douglas Brown (former Celotex)

Doug Brown provided the history of the project, purchased as part of a portfolio. He mentioned that the initial developer and project didn't work. Later they were designated as developer and it didn't work they couldn't attract the tenants to fit the city's vision. He recommended that the vision change. Approximately nine months ago he met with the administration to move forward with property, possibly give 6 acres to city as public space. However, it still costs substantial money to invest. They re-evaluated possibly doing a smaller project on the corner, possibly a 10 acre to start. Additionally, they've been getting a great deal of interest to move forward from the market on this scale. He's looking for PARA's permission to look further into this project. Natasha requested what the remainder of the site would be. Doug stated that it could not be retail. It would leave the site open to office, industrial or residential. He feels flex space is the most likely category. He doubts if office would work. Commissioner Gonzalez asked if there was a discussion about a movie theater. Doug stated that they original looked into the issue and they didn't find any interest. The Commissioner stated that they Edison movie theater changed format a year or so ago. Doug stated that it would be worth looking into further. The Commissioner stated that he is also interested in open space in the area, performances, festivals, and an attractive entryway to the city. Mr. Brown said that they've developed many lifestyle projects, it was what they originally saw for the area but they could not generate the interest. The Mayor asked what type of retail they were looking to develop. Mr. Brown was unsure. The other features will circulate the traffic to the other. Commissioner Bolanowski asked if the 10 acres that he is addressing included the Eaglewood archeological site. He has the ability to do the excavation for the next 12 months. Joe Maraziti, stated that they are not currently the redeveloper, the agreement was not finalized and the designation evaporated. Mr. Maraziti

further stated that it could be remedied; it would just be a matter of logistics. Mayor Diaz thanked Mr. Brown for the presentation.

LANDINGS AT HARBORSIDE, Gordon Gemma

Presenters: (1) Gordon Gemma, Director of Entitlements and Public Affairs for Landings, (2) Bob Ring, architect, (3) Sam Gershwin, Westminster Communities, and (4) Charles Liebling, attny. Mr. Gemma began by stating that the project goal is to keep tonight focused on addressing the redesign and financial concerns. Landings at Harborside was designated the developer of the property in 2000. It included 49 acres, divided into 4 phases. The plan was amended in 9/2001. Construction of the Admiral began in 2003 and Bayview 2004. The real estate market sank. They are now trying to find a project that works with the market place. In 2009 the redevelopment exclusivity rights were reduced to be the property south of Washington Street only. The Mayor required that they complete esplanade, clean up site and continue with environmental remediation. Currently they are proposing 576 unit project, marina, walkway, restaurant and retail (22K sf) courthouse as club house and sales center. Joseph Maraziti, attorney for PARA, stated that it is to be noted that nothing has been agreed to; this meeting is to simply provide information to PARA and the public. Mr. Gemma continued to explain that the proposed L-shaped buildings are 3 story apartment units with partial 4th floor penthouses – a combination of 1 and 2 bedroom units. He added that traditional townhouses are located on Rector Street. The Courthouse building – exterior has architectural interest, interior is structurally not sound – will be used as a club house for residents. The Second floor will have exact replicas of the apartments for showing in leasing center. 3rd floor will be business center for community center and kid center will also have roof terrace that looks out to the water. Intent is to create a boulevard effect on High Street. It provides an ambiance of the area and allows for a point of entry to the project, opening the site and the views to the water and providing visual interest at the end of the road. Mr. Gemma then explained the waterfront perspective - stone and siding finish and Cape Cod-like architecture. They tried to tie materials of amenities with the materials of the structures on High Street. The esplanade has same streetscape features as the existing, rather than having esplanade and then buildings, they've added green space and wall and then grass to buildings, designed as open so that the visual keeps everything open and flowing – esplanade park for public. Mr. Ring then discussed the former naval reserve building - the retail, restaurant and rooftop dining. This is probably the best site on the property. They added to the building architectural elements that incorporate the light-house feel to the property. Also in front of the building is a feature that will be seen when you look down Fayette Street.

Sam Gershwin then discussed the site and market. Sam has been building for approx 35 years. He is the president of Westminster Communities. He stated the new Landings is looking to provide realistic floor plans, that take advantage of the water views and modernization of the city infrastructure, the continuation of the bulkhead north to Washington Street. They will construct new marina. Proposed community is 3 phases (along waterfront – has 264 units – including Rector Street townhouses – including the waterfront improvements w/ the exception of the retail) Currently they own all of the phase 1 property. Phase 2 is the city block. They own some and have a contract with the city for the 124 residential units and restoration of the courthouse. Once the courthouse is renovated the leasing will be moved to the new sales center and the naval reserve building will be converted to the restaurant. Phase 3 will be the remaining High Street property. Construction is expected to be 4-5 years for completion after approvals have been received.

Charles Liebling, Windels Marx, explained that the project will require changes to the redevelopment plan and they've identified the discrepancies. The area south of Washington will have standards that differ from the existing, layout and density. Also must be more reflective of the amenities that are proposed. Economic incentives required will include: total development costs estimated \$129M, 18M for public amenities. They are requesting financial assistance (RAB law). Tax increment financing – uses new taxes that are generated to help finance the development of the project. New taxes, new development and assistance to get new projects moving that will generate other economic opportunity. A portion of the incremental taxes will assist in funding the project, seeking approximately 8.8M in Redevelopment Bonds. The first phase at 4.5M with payment in lieu of taxes of \$500K annually, half to pay off bond, half to city. All infrastructure improvements are necessary for phase 1. The lenders have given tight time frames; they would like phase 1 approvals in place by December. Project schedule lists the steps necessary.

Commissioner Gonzalez asked if the project was all rental. Mr. Gemma responded that it is. Commissioner Gonzalez asked if there has been a study on school impact. Mr. Gemma stated that they have not done study as of today but they are in the process of preparing the study. The first step is to see if the board is interested in the project as redesigned. They are doing a full economic impact to the community study.

Commissioner Jasko stated that the project renderings are beautiful, but will there be a green component? Mr. Gemma stated that they are looking for leed certification. It makes sense, particularly if they are going to be rental.

Mayor Diaz stated that she's had the opportunity to meet Landings residents in a number of meetings since she's been mayor. She is glad that we have been able to work prepare the draft redesign. She has also relayed all of the residents concerns to Kushner Company. She stated that she felt very strongly about preserving the historic assets of the city. She made it very clear to Mr. Kushner that these sites needed to be restored. She also understood the concerns of the residents of Landings. Her goal is to find a project that moves project forward that improves the area for all of the residents. The restaurant and retail with rooftop dining will connect with the retail of Smith Street and continue our existing restaurant row. The redesign fits with the history of Perth Amboy. The project redesign attempts to do right by the residents of Landings as well as the residents of the entire city. She also insisted the open space be for all the residents, so she made sure that the residential units sat back from the walkway. She wants them to be realistic. We have a developer that wants to build a good project. We're not done yet; we've been working for 2 years and will continue to do so. Mayor Diaz thanked Landings for the presentation.

7. Executive Director's Report

Ms. van Eckert provided a summary of the resolutions.

8. Attorney's Report Mr. Maraziti will discuss his report in closed session.

Commissioner James-Waldon requested that the attny provide a synopsis of the law for the commissioners. Mr. Maraziti stated that the added tax revenues are used to finance projects that generate tax revenue. The amount that used and the generation of taxes is all part of the negotiations. This is a very detailed process. But rather than leaving the property in a non tax producing state, it will provide more in the way of taxes. PARA has engaged a

professional firm to review the proforma of the project to be discussed in more detail once the review has been completed.

9. **Engineer's Report** – Mr. Herits thought the three presentations were great tonight. He said the Landings project involved many meetings and presentations to the DEP of the past year. It will be great to move forward with this project.
10. **Public Session** – as related to resolutions R 08:11:384 through R 08:11:387

Dave Szilagyi – 42 Market Street. Mr. Szilagyi stated that he was on PARA during original project. This is beautiful rendering, will it be like this when done? Two buildings that were built did look like they were proposed. We need to be sure not to use Harbortown as a comparison to this. Federal Hill and King Plaza were also what was provided – still need to make economics work. There will be challenges, including the funding, but we need to educate the public and explain details of the benefits since they will not see them at the beginning. Still very upset about the school population – this population produces children – that is not a negative. Glad to see that there is progress.

Ernie Docs, Admiral Building – excellent presentation, thank you for inviting the public. Glad that there is a new architect. Must watch out for quality of the construction, need to make sure that there is a different general contractor. Hoping that if the economy turns that they can sell some units as well

Daisy Gonzalez, Admiral Building – She felt that the building in front of the Admiral will block her view of the waterfront. Mr. Gemma stated that the original plan had the units there. It remains limited to a two story building that will not block views of the water.

Mr. Dispensary, Admiral Building – stated that the height of the building is two-story, same as original, he will get the actual measurement to them. He's happy that the history of the City will be preserved. We let them off the hook for the plans; they aren't getting back anything after paying substantially for their properties. Vacant land doesn't provide taxes but the original project they proposed would have provided the tax revenues. The City was anticipating those taxes. He'd like to see something coming back to the residents. 260 residents paid inflated prices, what is being given back?

Eric, President of the Admiral Building, - He felt strongly that before going forward, while the pictures are beautiful, Landings must look at existing buildings. They need to take care of the people that are there today as well. Help us to help you.

Christine Dispensary, Admiral – She is concerned that there isn't adequate green space. Where are the parks? Mr. Gemma stated that he understands the feeling of "what's in it for me" but that mindset doesn't help them either. He further stated that the difference between them and other redevelopers is that they didn't walk away. They've all lost money as a result of the economy; the desire is to find a way to make everyone whole. He's open to a suggestion, that's why they're here today.

Neil Hunter, Admiral – thanked mayor for her passion for the City. A lot was proposed tonight, too much to absorb. They will sit with Gordon separately to discuss their concerns. Ms. van Eckert suggested that we post the renderings on the website. All agreed

Herb Leary, Admiral – applauds the Mayor’s vision. However, concerned with how the Admiral and the Bayview fit into the plan. Right now they are looking at rental townhouse, but built to allow them to be converted to for sale. Why put rental property in front of the Admiral and Bayview it makes much more sense to sell. Gordon stated that the intent is to make the project work today. Sale property should be the centerpiece of the project, putting rental in front of them limits the return on the investment of the Admiral and Bayview. Mr. Gemma stated that the intent is not to diminish your value; the intent is to put something there that will increase the value.

Tracy Jordan – thanks for presentation. She hopes that rendering makes it to the website. What is the process for plans to move through the local municipal and state government? Joe Maraziti responded by explaining process. 1. Landings presentation, 2. amend redevelopment plan needs to be done by Council proposing amending to planning board, planning board to respond w/in 45 to council – public hearing, council can then adopt or amend, plan is adopted by ordinance (introduction, public hearing, 2nd reading with public hearing) 3. Negotiation of redeveloper agreement – issues include financing, site plans, schedule, etc by PARA but must fit with the Council plan amendments, 4. Application goes to PARA prior to PB for review and consistency, 5. Plan goes to Planning Board for tradition Planning Board review of detail and public hearings. Do not anticipate public hearings on the state level.

How do we make sure that there are safeguards? The redeveloper agreement is the legal way, then there’s the practical real world method. Redeveloper agreement has termination clause – it’s in the existing agreement. If we were to do that, the property doesn’t move either, we end up in litigation. What we have instead is a developer that wants to return to the project. We could terminate by resolution but then the area remains in limbo. So we can write in rights but we need to consider the impact of those actions.

Alan Silver, Rector Street – You need to look at this carefully. There needs to be monetary penalties. Why would we give them a pilot program? Mayor – we had a redeveloper for Celotex too, it didn’t work either. This is an opportunity to right the wrong.

Daniel SantoPiedro – loves his apartment. He would like to see them all be as nice as his. His concern is rental versus for sale. Is there flexibility w/r/t sale? Sayreville is building condos for sale - our waterfront is so much more. Gordon – they’re looking at rentals at 2500/month, we’re not talking low rents. If Sayreville is building condos, the market may surprise them. Daniel – it is a question of value, part was the economy, but it was also because they’ve been sitting in limbo.

Karen Kubalak, 654 Penn Street – thanked Mr. Maraziti for explanation of how the changes are made. She’s concerned about the developers and the amenities. Those were all part of the original agreement. On financing, they want pilot we need to be mindful of the dollars and financial considerations. She does not want this to be taken lightly. Contracts need to be complete. She also felt that the project schedule is too tight. Mr. Gemma stated that it is only a proposed schedule.

Maria Garcia, Kearny Ave – will not discuss project until it comes to the Planning Board. She simply wanted to state that the Planning Board can have special meetings to facilitate the

progress of the project. She is asking if they've considered rent-to-buy. Mr. Gemma stated that they would consider this.

Councilman Gonzalez, 129 High Street – it is necessary to put the truth out on every statement. He needs to make clear that they do not own all the property; specifically the municipally-owned property. The City is currently paying interest. Gordon Gemma clarified that Sam stated that Landings owns all of the phase 1 properties. Councilman asked if streets were going to need be abandoned. Gordon explained that the small section of Front Street is to be abandoned. Councilman asked if the phase 1 parking is only across the street. Gordon explained that they are in the back of the building.

Ernest Docs, Admiral – when is the builder going to fix the problems? Gordon stated that they will address those issues after the meeting

Motion to open to public on Resolutions

	Move	2 nd	In favor	Opposed	Absent	Abstain
Comm. Bolanowski			X			
Comm. Jacobs					X	
Comm. James-Waldon		X	X			
Comm. Jasko			X			
Comm. Gonzalez	X		X			
Chairwoman Diaz			X			

11. Resolutions

R 08:11:384 Resolution of the Redevelopment Agency Authorizing Closed Session Pursuant to the Open Public Meetings Act to Discuss Real Estate Transactions & Contract Negotiations

	Move	2 nd	In favor	Opposed	Absent	Abstain
Comm. Bolanowski			X			
Comm. Jacobs						
Comm. James-Waldon		X	X			
Comm. Jasko			X			
Comm. Gonzalez	X		X			
Chairwoman Diaz			x			

R 08:11:385 Resolution of the Perth Amboy Redevelopment Agency Authorizing an Interim Redeveloper Agreement with Hobart Street Properties to Redevelop Property located at 280 Hobart Street – moved with the condition that subject to 1. developer pay any outstanding debts 2. initial deposit of 10K be put in escrow. Seconded by Ken but restated his parking concern. Needs developer to cover costs to negotiate the issues

	Move	2 nd	In favor	Opposed	Absent	Abstain
Comm. Bolanowski			X			
Comm. Jacobs						
Comm. James-Waldon	X		X			
Comm. Jasko			X			
Comm. Gonzalez		X	X			
Chairwoman Diaz			x			

R 08:11:386 Resolution of the Perth Amboy Redevelopment Agency Accepting and approving Appraisal Report for 99 and 101 Pearl Street property aka Block 246

Lots 13 and 16

	Move	2 nd	In favor	Opposed	Absent	Abstain
Comm. Bolanowski	X		X			
Comm. Jacobs						
Comm. James-Waldon			X			
Comm. Jasko			X			
Comm. Gonzalez		X	X			
Chairwoman Diaz			X			

R 08:11:387 Resolution of the Perth Amboy Redevelopment Agency To Retain Annual Professional Services

	Move	2 nd	In favor	Opposed	Absent	Abstain
Comm. Bolanowski			X			
Comm. Jacobs						
Comm. James-Waldon		X	X			
Comm. Jasko	X		X			
Comm. Gonzalez			X			
Chairwoman Diaz			X			

Commissioner Jasko made a motion that we change the start time. As we move forward, our meetings will be longer, We should make the meetings sat a 6pm Kenny 2nded motion. All in favor. Next meeting have resolution to formally change the meeting dates

Public Comment – all PARA matters - No public comment. Motion to close public comment. All were in favor.

Motion to adjourn – all in favor

Thank you

Helga van Eckert
Executive Director

