

JUNE 15, 2017 REGULAR MEETING
HIGHLAND PARK REDEVELOPMENT AGENCY
BOARD OF COMMISSIONERS
HIGHLAND PARK BOROUGH HALL
221 South Fifth Ave.
Highland Park, NJ

Call to Order

The Highland Park Redevelopment Agency Meeting was called to order in accordance with the Open Public Meetings Act by Mrs. Baruh at 7:32 PM. Mrs. Baruh indicated the location of the fire exits.

Roll call

Present	Mrs. Baruh, Mr. deVilla, Mr. Fechter, Mr. Perlman, Mr. Solomon, Mr. Wong
Absent	Ms. Levinson
Agency Professionals	Mr. McManimon, Agency Counsel
Council Liaison	Susan Welkovits, Council President

Approval of minutes of previous meetings

-January 5, 2017 Reorganization/Regular Meeting

It was **MOVED** by DEVILLA and seconded by PERLMAN that the January 5, 2017 Reorg/Reg. minutes be approved and with a voice vote by all present and one (1) abstention by Mr. Wong, the January 5, 2017 Reorg/Reg. minutes were approved.

-February 2, 2017

It was **MOVED** by SOLOMON and seconded by DEVILLA that the February 2, 2017 minutes be approved and with a voice vote by all present and two (2) abstentions by Mr. Wong, and Mr. Perlman, the February 2, 2017 minutes were approved.

-March 2, 2017

Mr. Perlman asked that on page 5 paragraph 2, the second and last sentence be deleted. All agreed.

It was **MOVED** by PERLMAN and seconded by SOLOMON that the March 2, 2017 minutes with changes be approved and with a voice vote by all present and two (2) abstentions by Mr. Wong, and Mrs. Baruh, the March 2, 2017 minutes with changes were approved.

-April 6, 2017

It was **MOVED** by WONG and seconded by PERLMAN that the April 6, 2017 minutes with changes be approved and with a voice vote by all present, the April 6, 2017 minutes were approved.

-May 4, 2017

It was **MOVED** by PERLMAN and seconded by WONG that the May 4, 2017 minutes be approved and with a voice vote by all present and three (3) abstentions by Mr. Fechter, Mrs. Baruh and Mr. deVilla, the May 4, 2017 minutes were approved.

Resolutions

HPRA R2017-08

Resolution of the Highland Park Redevelopment Agency Designating a Redeveloper for the Property Commonly Known as Block 173, Lots 36 And 37 on the Tax Map of the Borough of Highland Park and Authorizing the Execution of a Redeveloper's Agreement with Respect to Same

Mrs. Baruh said that the resolution will have to be tabled for tonight as Mr. Anton Popov, the proposed redeveloper, is not ready yet. His counsel has advised Mrs. Baruh that they are still in the process of revising their site plan and have engaged a new architect.

HPRA R2017-10 Resolution Accepting a Grant from the Hazardous Discharge Site Remediation Fund Public Entity Program through the New Jersey Economic Development Authority and the Department of Environmental Protection – Block 173, Lots 41 & 42

Mrs. Baruh indicated that the Agency has collaborated with Middlesex County and Denise Nickel who is present, to apply for funding from the Hazardous Discharge Site Remediation fund to help secure monies in connection with the properties that have been known as the Tantleff project. She indicated that this was done because it would be very difficult for this developer or any developer to give a bid on the project without first knowing what the environmental condition is. She said that the redeveloper did make offers contingent on finding out what the environmental condition is. The challenge is property owners are given a substantial amount of time by the State of New Jersey to investigate the environmental condition of the property and then to remediate it so if we were to wait on the property owners it could be a very long time. We have reached out to the State to secure funding to show the property owners that there is an opportunity here and we would like to move forward. Seeking the funding from the State is relieves the property owners of the initial costs of the investigation. The State requires that we apply for the grant for each property separately.

It was MOVED by SOLOMON and seconded by DEVILLA that HPRA R2017-10 be approved.

ROLL CALL: Ayes – Mr. de Villa, Mr. Fechter, Mr. Perlman, Mr. Solomon, Mr. Wong, Mrs. Baruh
Nays – None

There being six (6) ayes and no nays, HPRA R2017-10 was approved.

HPRA R2017-11 Resolution Accepting a Grant from the Hazardous Discharge Site Remediation Fund Public Entity Program through the New Jersey Economic Development Authority and the Department of Environmental Protection – Block 173, Lots 43, 46 and 49

It was MOVED by DEVILLA and seconded by SOLOMON that HPRA R2017-11 be approved.

ROLL CALL: Ayes – Mr. de Villa, Mr. Fechter, Mr. Perlman, Mr. Solomon, Mr. Wong, Mrs. Baruh
Nays – None

There being six (6) ayes and no nays, HPRA R2017-11 was approved.

HPRA R2017-12 Resolution Accepting a Grant from the Hazardous Discharge Site Remediation Fund Public Entity Program through the New Jersey Economic Development Authority and the Department of Environmental Protection – Block 173, Lots 44 and 45

It was MOVED by SOLOMON and seconded by PERLMAN that HPRA R2017-12 be approved.

ROLL CALL: Ayes – Mr. de Villa, Mr. Fechter, Mr. Perlman, Mr. Solomon, Mr. Wong, Mrs. Baruh
Nays – None

There being six (6) ayes and no nays, HPRA R2017-12 was approved.

HPRA R2017-13

Resolution Authorizing Contract and Award to Excel Environmental Resources, Inc. to Conduct Environmental Consulting Services under the Hazardous Discharge Site Remediation Fund Program at Rutgers Gun & Boat Shop, Block 173, Lots 41 and 42

Mr. Fechter asked if the million dollars on the insurance was standard. Mr. McManimon said that was a reasonable number. Mr. Fechter asked how it is determined that this was the right number. Mr. McManimon said that it was a judgement call and feels a million dollars is standard.

Mrs. Baruh asked Counsel that the insurance language be modified to read: "rising from, directly, or indirectly," in all of the agreements. She said that she wants to ensure that we have somewhere to go in two (2) years in the event of a lawsuit.

Mr. Fechter also asked that the agreement that the insurance coverage levels shall not be construed to create a limit to their liability with respect to their indemnification.

Mr. Solomon said that there was a small inconsistency in the Resolutions. 1. Says that the Chairperson has authorization to sign the contracts and any and all documents and 2. Says they are authorized to go forward in accordance with the contract to be approved by the Redevelopment Agency suggesting that they are not approved.

Mrs. Baruh suggested that all three (3) resolutions under the Now Therefore read as follows: "NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Highland Park Redevelopment Agency as follows: 1. In the event funding is approved pursuant to a grant issued in favor of the Highland Park Redevelopment Agency, Excel Environmental Resources, Inc. ("Excel") is hereby authorized and directed to implement a preliminary assessment and site investigation for the above described parcels, with payment for the aforesaid services to be made to Excel from the aforesaid grant funds in accordance with the Professional Services Agreement with Excel to be approved by the Highland Park Redevelopment Agency. 2. The Highland Park Redevelopment Agency, with the advice of counsel, hereby approves the Professional Services Agreement with Excel in substantially the same form as that attached hereto and discussed by the Commissioners at their meeting on June 15, 2017 (the "Excel Professional Services Agreement"), together with such additions, deletions and other modifications deemed necessary by the Chairperson, upon consultation with counsel. 3. The Chairperson for the Highland Park Redevelopment Agency is further authorized to execute any and all documents necessary in connection with the aforesaid grant, including but not limited to the Excel Professional Services Agreement."

Mr. McManimon said that he would make the recommended changes and send them to Excel directly.

Ms. Welkovits asked Counsel when they would have the site access letters for the Mayor's signature. Mr. McManimon said that he did not. Ms. Welkovits said that Mr. Baumann was going to draft something for the Mayor's signature requesting access to the properties and the properties owners would sign something and return it. Mr. McManimon said that the letter would be giving permission from the owners of the property to Excel to get onto the site. Mrs. Baruh said yes.

Mr. McManimon said that he did not know the status of the letters but would speak with Mr. Baumann.

It was MOVED by SOLOMON and seconded by PERLMAN that HPRA R2017-13 with the changes as stated be approved.

ROLL CALL: Ayes – Mr. de Villa, Mr. Fechter, Mr. Perlman, Mr. Solomon, Mr. Wong, Mrs. Baruh
Nays – None

There being six (6) ayes and no nays, HPRA R2017-13 with the changes as stated was approved.

HPRA R2017-14 Resolution Authorizing Contract and Award to Excel Environmental Resources, Inc. to Conduct Environmental Consulting Services under the Hazardous Discharge Site Remediation Fund Program at Classic Cleaners, Block 173, Lot 43, 46 and 49

It was **MOVED** by DEVILLA and seconded by SOLOMON that HPRA R2017-14 with the changes as stated be approved.

ROLL CALL: Ayes – Mr. de Villa, Mr. Fechter, Mr. Perlman, Mr. Solomon, Mr. Wong, Mrs. Baruh
Nays – None

There being six (6) ayes and no nays, HPRA R2017-14 with the changes as stated was approved.

HPRA R2017-15 Resolution Authorizing Contract and Award to Excel Environmental Resources, Inc. to Conduct Environmental Consulting Services under the Hazardous Discharge Site Remediation Fund Program at Denison Avenue Vacant Lots, Block 173, Lot 44 and 45

It was **MOVED** by SOLOMON and seconded by WONG that HPRA R2017-15 with the changes as stated be approved.

ROLL CALL: Ayes – Mr. de Villa, Mr. Fechter, Mr. Perlman, Mr. Solomon, Mr. Wong, Mrs. Baruh
Nays – None

There being six (6) ayes and no nays, HPRA R2017-15 with the changes as stated was approved.

HPRA R2017-16 Approval of Bills List

It was **MOVED** by PERLMAN and seconded by DEVILLA that HPRA R2017-16 be approved.

ROLL CALL: Ayes – Mr. de Villa, Mr. Fechter, Mr. Perlman, Mr. Solomon, Mr. Wong, Mrs. Baruh
Nays – None

There being six (6) ayes and no nays, HPRA R2017-16 was approved.

Chairperson and Committee Reports

--Treasurers Report

Mr. Fechter said that they were a little over 40% into the year and spending is on target. The bank balance is down to \$25,000. Mr. Bianchini indicated that he believed there was a check approved at the last council meeting for \$25,000 but needed to check into that. Escrow balance is \$23,000 and Popov is down to \$5,000 but he put in \$10,000, and Tanleff has a \$12,000 budget.

Mrs. Baruh said that the Planner budget was not as much as anticipated and that is partly because of the actions of the Rehabilitation Screening Committee. The Rehabilitation Screening Committee has been meeting regularly and the job is to meet with potential developers and talk to them about what they plan to do. It is an early stage opportunity for a property owner to hear how the Planning Board, Zoning Board or Redevelopment Agency is likely to respond to the project. Dan Bianchini supports the Committee, he issues an informal report on that, and she intends to distribute that to the Commissioners. There have been a number of projects that have come up, one on River Road, on the Avenue, on Woodbridge and some are in a redevelopment area.

--Popov Project - None

--Tantleff project - None

--Borough Square Project - None

--Other Borough Initiatives - None

Public Comment

Mrs. Baruh opened the floor to the public. There being no one from the public, comment was closed.

Hearing of New Agenda Items: None

Action on Any Other business: None

Mr. Solomon indicated that he had reported on the Screening Committee at the last meeting. He said in discussions with Counsel he clarified the jurisdictional issues. For something that is in an area of rehabilitation but not in the redevelopment area for it to come before the Redevelopment Agency the Borough would have to create a redevelopment plan for that site and the redevelopment plan specifically say that it requires a redeveloper agreement with the Agency. If there is no redevelopment plan and the redeveloper plan does not have that language then it would not come before the Agency.

Mrs. Baruh said that if it is already in a redevelopment area, it does come before the Agency. She said a variety of people have come that we have seen before, for example Popov, and the Zapas came to the screening committee and it was a chance for the other people in the other parts of the Borough to see the projects before they really get going and to give informal input. At the last Screening Committee meeting was a broader question about what the Borough is actually thinking about in terms of how the Borough will be developed.

Council Liaison Welkovits said it is also about what makes us excited about this plan and not another and it is not enough that some properties have been languishing for years and they bring in something shiny and we jump at it that is not what we want to do. We want to be excited and really get what we want.

Mrs. Baruh said that we also do not want to lose sight of our vision and to some degree, one of the members of the committee was saying well what the Borough's vision is and when was the last time we really explore what our vision is, how old is the Master Plan. She said that she did want to ensure that redevelopment that takes place in Highland Park is a benefit to the Borough and revenue positive in every way. She said that she requested with the Borough Assessor to discuss the tax impact of any particular product, specifically an owner occupied project versus a rental project. The Planner noted that what is hot right now is luxury rental properties, and if we want to attract this, we would have to expect that we would be doing rental projects and what does this mean as far as tax revenue on these types of projects.

Council Liaison Welkovits said that was a good point. She said that there were trends as well, the Planner may know better but we cannot build a project for 5 years and chasing trends. The Planner did indicate that there is this luxury rental activity in New Brunswick, Highland Park does not have that and if we did would they come.

Mrs. Baruh said that this was something that has been discussed and certainly in a redevelopment project because as part of the package there is a redeveloper agreement which is a detailed agreement and there is due diligence that goes with that, as well as our privilege and right to require financial support for the project. She said that they have yet to get into this, and have not gotten into this with Mr. Popov. She said that there has been a lot discussion about the windows, etc. and yet have not dug into the financial structure of that project.

Mr. Perlman said that is a building of so many feet and so many units does it have a different tax value if it is rental vs. owner occupied. Mrs. Baruh said yes, she sat with the Assessor a few years ago and he indicated two identical properties different ownership structure. Owner occupied paid more taxes than a

rental property and she wants to ensure that this is still true and that everyone hears the same thing. We have to understand it could be that the rental provides less revenue but more then what we are getting now from the owner occupied.

Mr. Solomon said that it would make sense for the Screening Committee as well as the Agency to have good information about the tax and service implications, for example school children and other things as well and indicated that we need better information on the expense side as well. He said he thinks it would be good to get a primer on that and a handy fact sheet that can be used in the context as an Agency and Screening Committee. There is another question when we get to the point of actually looking at concepts and actual proposals for approval he has not seen a checklist of information and analysis that would be required from the developer.

Mr. Bianchini said that he was doing research on the rental vs. owner occupied debate and what is better for the Borough etc. and he will see what he can do about having the Tax Assessor speak with the Agency. He said that he is meeting with him next week but in the meantime if anyone has any thoughts or sources of your own that you would like considered get them to me and I will include it in my research.

Mrs. Baruh mentioned that the Affordable Housing law, which mandates larger apartments, shall be included, when we consider potential expenses and services in a downtown residential urbanized type building that still mandates larger apartments, and we have to consider that impact as well.

Mr. Solomon asked if the Agency has the ability to, based on the size and importance and potential impact on different developments ask for different levels of detail and analysis to back them up. Mr. McManimon said absolutely.

Mrs. Baruh indicated that the Popov project may be small in size but comes with a lot of bells and thanked the Borough Planner who took his plans and redid them and gave Anton Popov two beautiful choices and hopes he picks one but still want to ensure that he has the financial resources.

Mr. Solomon said that in the generation of schoolchildren in a larger development he would actually at the level where he is actually thoroughly examining the assumptions and perhaps the research that is being cited for developing the equations for the number of schoolchildren they are estimated and for Popov it is not a real concern.

Ms. Nickels asked the Commissioners between this meeting and next to think about what additional kinds of resources, technical, information, case studies in redevelopment that you would find helpful.

Mr. deVilla indicated that he would like to see at some level for any of the Authorities having jurisdiction on a building department side or for any municipality is accessibility such as ADA Compliance because he thinks that Popov's building is just on the edge of we will need an elevator, ramped entry.

Ms. Nickels confirmed that she would be looking for model codes. Mr. de Villa said he would like to know how the uniform building code is supposed to be enforced on a municipal level with regards these things.

Mrs. Baruh said that Mr. deVilla's concerns are significant, let us see how the Popov project continues and it is the only one that we have that is actually that small.

Mr. Perlman asked about the Zapa project. Mrs. Baruh said that the Zapa project was presented and the main issue had to do with whether it should be five stories or four stories. The Redevelopment Plan calls for a four-story building. The Zapa project is at the corner of Second and Raritan moving towards New Brunswick, there is the Sunoco station, a little driveway and then two single family houses, those two houses are the Zapa project. The proposal was in the front of the project it would five stories but when

viewed from the back it is actually four stories so the impact on the back door neighbors would essentially be a four-story impact.

Mr. Solomon said that the Zapa's came to the Agency last year, and they basically said to be profitable and make the project worthwhile to do they need five stories on that site, the Agency did not commit to anything and it was indicated that the Agency was open to five stories although four stories would be smoother and that is where it was left. The Agency gave them a shot at acquiring the adjoining properties in order to develop something better and his understanding is that they are coming back and harding their position on the fact that they need five stories to make the project profitable but they also said that they gave it their the old college try on those adjoining properties and reported back that there was not luck in acquiring those properties.

Mrs. Baruh said that if they do not get the five stories they would not be doing the project. At the end what was discussed and what they are going to come back and do is, they are looking for ways to still have essentially four stories of residential and one retail but to soften it so it doesn't read as a five-story building and there are various ways this can be done.

Ms. Welkovits said if we do something like this then what does that mean for the other properties next to it or on the other side, are we going to create a long narrow corridor down Route 27; what is that going to look and feel like, what are the site lines, where does the sun shine are we going to block all of the sun from downtown.

Mrs. Baruh said that when they approved the Redevelopment Plan for four stories what did they think would happen because in fact there could be if the Tantleff project gets going there could two four story buildings facing each other.

Mr. Solomon said that one of the main reasons why you might do a variance is because the property is constrained such that this particular project could not happen otherwise; there is no doubt that this is a very constrained little property. We might say in general what to see as the ideal is a four-story with a setback throughout the avenue and would not be happy if the entire avenue was covered with five-story buildings but for little constrained property that might otherwise not happen the Agency would have to weigh the argument.

Mr. Solomon said that he does not know how familiar the other members are with the Redevelopment Plan but many of the projects coming through the screening committee are not in the Central Business District, which is bigger than the Redevelopment area, but all of the Redevelopment area is in the Central Business District. The Redevelopment plan is providing some broad guidelines that were based on a public process and a very legit and robust process so when they came up with the four story mixed use, three stories of residential over one story of commercial and some of those general guidelines that was a pretty good vision for downtown. He said outside of the Central Business District there is really nothing so when someone on Woodbridge Avenue comes and wants to redevelop there is really no guide and principles .

Mrs. Baruh said that one of the key tools that the Agency has that is not a tool available to the Zoning Board or Planning Board is the Redevelopment Agreement. The Redevelopment Agreement can mandate exactly what it is that we want in a project as opposed to other situations where the zoning ordinance applies and if you do not your eye on the zoning ordinance, you cannot get what you want.

Mr. Solomon said that the redevelopment plan supersedes the base zoning and has heard from a lot of people that it is in need of an update and he thinks it is not moving forward is because the strategy that they have decided to employ is essentially spot planning. When a development is large enough and significant in a redevelopment context we are going to create a plan for that site with input from this

Agency although it is Council that approves the plan so there should be some guidance to guide that process.

Mr. Perlman said we start off with the current redevelopment plan as three stories and four stories with a 10' setback so it is not even for four stories to address concerns over height and residential density on the other floors, when speaking with a couple developers willing to go a full four stories which is already an adjustment and you go to fifth full story the more you need to probably engage the public.

Mr. Solomon said that they have been trying to get development in this town for a really long time and when we have a few developments in town, developers are going to be much more likely to want to come here and we get be more picky but we have not gotten one thing built and so let's get a couple things built and show that it can be done.

Ms. Welkovits said that the word is out, Jim Clarkin for Zapa was the Attorney for the other one that we saw and was so excited after the meeting that he called the Planner the next morning to schedule the meeting.

Mrs. Baruh said that there will be public involvement and all of our procedures involve public involvement and thinks that what is exciting is that we are seeing projects come in, we testing our views.

Adjournment

There being no further business, it was moved by Mr. Solomon and seconded by Mr. Fechter with voice vote the meeting was adjourned at 9:38 PM.

Respectfully submitted,


Jennifer Santiago
Agency Clerk