

MAY 5, 2016
Council Chambers-Borough Hall
221 South 5th Ave.
Highland Park, NJ 08904
The Highland Park Redevelopment Agency
Board of Commissioners Regular Meeting

Call to Order

The Regular Meeting of the Highland Park Redevelopment Agency was called to order in accordance with the Open Public Meetings Act by Chairperson Baruh at 7:35 pm Mrs. Baruh indicated the location of the fire exits.

Roll Call

Present	Mrs. Baruh, Ms. McDonald, Ms. Levinson, Mr. Perlman, Mr. Solomon Mr. Fechter, Mr. de Villa arrived at 7:42 p.m.
Absent	Mr. Baumann, Agency Counsel
Agency Professionals	Mr. Baumann, Agency Counsel
Council Liaison	Mr. Phil George, Council Liaison

Approval of minutes of previous meetings

February 4, 2016

Mrs. Baruh indicated that there was a typo in the first chairperson paragraph, \$2,000 should be \$32,000. She suggested that the agency approve the minutes with such changes to punctuation and grammar as the Chair and one other Commissioner may agree are necessary before the minutes are posted that are otherwise approved. She noted the difficulty of transcribing the minutes from the tape recording.

Mr. Perlman indicated that the minutes were very detailed and thanked the Clerk for doing a fantastic job.

Mrs. Baruh noted that the minutes were public record and appreciates the capture of the detail that the Agency Clerk does but are in need of some editing. She indicated that she and Commissioner Levinson would go over the minutes.

It was MOVED by SOLOMON and seconded by PERLMAN that the February 4, 2016 minutes with the correction and with corrections to punctuation and grammar for readability be approved, with a voice vote, the February 4, 2016 minutes were approved.

March 3, 2016

It was MOVED by SOLOMON and seconded by McDONALD that the March 3, 2016 minutes with corrections to punctuation and grammar for readability be approved, with a voice vote, one abstention by Mr. Perlman, the March 3, 2016 minutes were approved.

Mrs. Baruh indicated that they did not have the April 2016 minutes and indicated that they would work on those for approval at the next meeting.

Chairperson and Committee Reports

--Popov project

Mrs. Baruh reminded everyone that the Popov project was the International Food Market. She indicated that there is a sub-committee for all projects and the sub-committee for the Popov project is Jeff Perlman, Randy Solomon, and Rosie Baruh and Mr. Perlman is the Chair of that sub-committee. They are looking to set up a meeting between the sub-committee, the re-developer and the architect and she has been advised by Mr. Perlman that the meeting will take place on Tuesday, May 10, 2016.

Mrs. Baruh indicated that the Popov project was moving forward under an amendment to the Redevelopment Plan that gives Mr. Popov relief on the set-back and some relief on the parking but Mr. Popov is required to find a parking solution.

Mr. Fechter asked if the amendment to the Redevelopment Plan was still outstanding. Mrs. Baruh indicated that the amendment to the Redevelopment Plan was approved by the Planning Board.

Mr. Fechter asked if Mr. Popov had contracted for parking. Mrs. Baruh indicated that they would be meeting with Mr. Popov for the first time.

Mr. Fechter said that he recalled that there was still a question regarding the design of the building. Mrs. Baruh said that will also be discussed at the May 10, 2016 meeting with Mr. Popov and the architect.

Mr. Perlman said that the Planning Board recommended that the amendment to the Redevelopment Plan go the Council for adoption and asked if that has occurred. Mrs. Baruh indicated that she was under the impression that it had already been approved but will confirm.

--Tantleff project

Mrs. Baruh said that the Tantleff project is the area between First and Second on the north side of the Raritan Avenue and the ball is currently in the Agency Counsel's court. She said that he will be working on a draft agreement between the property owner and the Agency and/or the Borough to establish a basis for the Borough to seek public funding to clean-up the property. She said that our Counsel had been in contact with the Counsel for the property.

Mr. Solomon asked what the property owner has agreed to at this point. Mrs. Baruh indicated that she was not aware at this time but that the property owner was expecting the agreement and has agreed to consider an agreement.

--Borough Square project

Mrs. Baruh said that Borough Square project is centered on the parking lot where the Farmer's Market meets and extends on both sides but not to the corners of the block. She said that she met with the Kaplan firm at the request of the Mayor. The Kaplans are locals to Highland Park and have built in Highland Park before and are building in town now. She said that they showed the Kaplans the design proposed by Main Street Highland Park and they were very forthcoming.

The Kaplans agreed that there was insufficient revenue producing property in the design as it was proposed although it has some very nice features but not enough of a project to capture the interest of a developer. She said that they were still waiting to hear from the State of New Jersey regarding providing the Borough with planning support.

Mr. Solomon indicated although it would cost money, they could hire Jim Constantine to work up a plan, do a feasibility assessment and tell the Agency what public funding was available.

--Other Borough Initiatives

Mrs. Baruh mentioned the proposal to determine whether the Borough could establish an area in need of rehabilitation and the expectation is that it can be done. She said that there was a memorandum from the Agency Counsel circulated to all the members of the Agency. She indicated that there was a series of steps that need to be taken in order to establish an area in need of rehabilitation. The expectation that she received from Council Liaison Philip George is that Borough Council will consider this for a big chunk of the central business district. An area in need of rehabilitation provides for additional flexibility for building and the hope is that it will facilitate some redevelopment in other areas.

Mrs. Baruh indicated that the Agency had been approached by Counsel for a property owner, a property currently not in the redevelopment plan area, but are expecting that they will be in an area in need of rehabilitation.

Mrs. Baruh said they meet with the Executive Director of the Jersey City Redevelopment Agency, David Donnelly. Mr. Donnelly was very forthcoming. One of the things he spoke about was that in Jersey City, a redevelopment plan is established for every property. She said that it was an interesting thing that Highland Park has been asked to give effect to the redevelopment plan that was established for multiple properties.

Mr. Solomon indicated that one property in Jersey City is a block or two with a high-rise on it so it is not on a similar scale in terms of the size.

Mrs. Baruh said that it was interesting to hear and indicated that they would probably reach out to Mr. Donnelly again as they move forward.

Mr. Solomon said that it was interesting to note that Mr. Donnelly was not the redevelopment professional and indicated that they had redevelopment professionals on staff.

Mrs. Baruh said that she wanted to say thank you to Stacy Kaplan who has been working very hard on the agency's behalf and congratulations to Frances McDonald who was volunteer of the year. Mrs. Baruh indicated that she was also the recipient of volunteer of the year for the Shade Tree Commission.

Public Comment

Mrs. Baruh open the floor for public comment. There being no one, the public portion was closed.

Hearing of New Agenda Items

- HPRA R-2016-07 Bills List

Mrs. Baruh said that there are two bills for the Attorney and she has reviewed and approved payment of said bills.

It was MOVED by Ms. Levinson and seconded by Mr. de Villa to approve the bills for payment.

Roll Call: Ayes - Ms. McDonald, Mr. Perlman, Ms. Levinson, Mr. Solomon, Mr. Fetcher,
Mr. de Villa, Mrs. Baruh
Nays – None

There being seven (7) ayes and no nays, the bills were approved for payment.

Mr. Fechter asked if a quarterly, semi-annually or monthly expense report exists. Mrs. Baruh indicated that they do and the Borough does as well. She said that if the Agency was running low on funding, the Borough would let the Agency know. She said that the Agency tries to keep its costs down as much as possible and indicated that the Agency Counsel was not in attendance tonight which is a cost savings and costs related to certain projects are paid out of escrow.

Action on any other business

Mr. Solomon suggested setting a date to discuss the budget so that the Agency can make a budget request to the Borough prior to the Borough coming up with a random number for the Agency.

Mr. Fechter asked when the next budget cycle will begin.

Mrs. Baruh said that the Agency was on a calendar year and the Borough was not. Ms. Levinson indicated that the Borough runs July to July. Mrs. Baruh said that the Agency's Fiscal year begins January 1 and the Borough's fiscal year begins July 1. She said that the advantage to that is that the Agency has their budget discussion and filing not in lock step with the Borough. For example, this year when there was a push to reduce budgets, the Agency's was already filed and approved and not reduced. She said that she was in agreement with Mr. Solomon's idea for the Agency to consider their budget not on the eve of filing it. She said that the Agency's budget for this year was \$30,300, the same amount as last year.

Mr. Solomon said that the date that they would need to know is when is it that the Borough with the internal process with the Mayor and the Administrator come up with what the budgets are going to be and sometime before that, the Agency should have a budget discussion which is going include some strategic planning because what does the Agency need them for, what would be on the agenda and what kind of professional support would the Agency need to make that happen.

Mr. Perlman said if the Borough's fiscal year starts July 1 that would affect where the Agency's 2017 calendar year budget, so the Agency should be talking about this now.

Ms. Santiago indicated that the Borough would start its budget discussion approximately in September or October, introduction of the budget is typically in February and adoption in March.

Mr. Fechter said the budget that was just adopted was for what budget period. Ms. Santiago said January through December 2016.

Mr. Solomon asked if the Borough Council just approved the calendar year 2016 budget. Ms. Santiago said yes. Mr. Solomon said you don't approve it until well into the year. Ms. Santiago said that the budget is approved in the beginning of the year.

Mr. Solomon said that the best planning should kick off around October.

Mrs. Baruh said that she is hoping to see in the next month is some forward movement with Mr. Popov both on the design issues and parking issues; movement from Mr. Baumann with regards to the draft agreement pertaining to the Popov property and so to see some forward movement in reference to Borough Square.

Mr. Fechter asked if there was discussion about getting State funds for public space that would off-set the lose commercial space. Mrs. Baruh said they were county funds and they have not heard back from them yet.

Mr. Solomon said that it was a fund that could generate millions of dollars to close the gap that would be necessary for public space and for private development. He said that they were not ready to request that kind of money but within the same fund you can request a smaller grant to do the planning to get you to point where you actually have a project. He said if it is a planning grant he assumes it would pay for experts to help them with a project. He indicated that he would much rather hire Jim Constantine rather than Main Street NJ.

Mrs. Baruh indicated that Main Street is free of charge. She said that there are two things that she is aware of that were applied for is the one for Main Street when they came to the Agency with the idea of Borough Square and we are using that as a bases for planning. She said that was moving forward through Main Street because it is a Main Street office.

Mr. Solomon asked who the applicant was. Mrs. Baruh indicated that the Borough was the applicant but the Agency is partnering with Main Street.

Mr. Fechter asked if there was an alternate version of the property that would be a hotel or would a hotel idea be a different. Mrs. Baruh said that the Mayor would be very happy to see a hotel on every corner, a 100 room hotel is a game changer. She said everywhere there is space is being considered for the possibility of a hotel. She said that the reason why a hotel is such a game changer as side from it regenerating a lot of revenue among other things, she has been told that if there is an active Airbnb culture in your town which apparently Highland Park does, and a 100 room hotel you can collect taxes from the Airbnb's and you can get another liquor license. The main issue is finding a space it can fit on and the best possible place would be where the YMCA used to be which is off the table, someone owns that property and has started to build on it. She said that the other issue is that developers are not jacks of all trades, and a developer will indicate that they are not a hotel developer so it is important to partner with a hotel developer.

She said that two years ago she had reached out to hotel developers explained what Highland Park had to offer and this gentleman from this firm indicated that Highland Park had a lot of things going for it, but we are in need of space or assemblage.

Mr. de Villa said that a hotel would have to have a 75' minimum.

Mr. Solomon said that assemblage is the root to all of the problems. Mrs. Baruh agreed and indicated that she has had conversations with the Mayor and her staff about possibly using a bond so the Borough could do the assemblage however that is a very long process but are working their way towards that. She said that you have to have a lot of confidence in all the components of the project, you cannot float a bond and go into debt unless you are confident that the whole deal will get done.

Mr. Fechter asked if Jim Constantine was appointed. Mr. George said that he was retained as of the meeting on Tuesday night.

Mrs. Baruh indicated that she would negotiate with the Borough to retain Mr. Constantine's services at a rate that the Agency can afford and negotiate with the Borough about getting a bond but it is still a process and doesn't not want to jump ahead. She indicated that they were still in a position where people need to negotiate with property owners who may or may not wish to sell.

Mrs. Baruh indicated that one of the things that they are also looking into is what powers they have as an Agency.

Mr. Solomon said the whole issues with bonding to do acquisitions and assemblage a lot of wrinkles on how it is done, and sometimes it is done with a specific development in mind, and you bond using the type of caution that the developer uses to ensure he leaves his opinions open and they don't go into deep until he is sure of things. He said that other times you bond and assembly properties with the intent to hold and manage them for a while, so as you bond your thinking about the long term revenue generation and who you are going to hire to manage those properties. He said that no one at the Borough has the expertise to assess out those options and what is best, he thinks Joe Baumann and Jim Constantine have that expertise and asked when they would be engaged, who is the team and who is in charge. He said that that he was curious to know what the Agency's role was with regards to Borough Square, he said it was obviously a redevelopment project in a redevelopment area, a planning grant has been submitted by the Borough and presumably the planning grant will engage some professionals to come and do some planning work. He asked who the client was. Mrs. Baruh said the Mayor asked that the Redevelopment Agency take the lead.

Mr. Solomon asked at what point does the Redevelopment Agency assume the reins. He said that he would like to see the proposal and what it says and all the details because apart of taking the lead is understanding who your team is. He asked Mrs. Baruh if the Agency could see copies of what was submitted to Main Street NJ and to the County. Mrs. Baruh agreed.

Mrs. Baruh suggested setting up a sub-committee for grant. Mr. Solomon suggested being project focused more so then grant focused because if he was not focusing on Borough Square he isn't really interested in the grants and suggested a Borough Square committee.

Mr. George said that there was talk of a third grant which was for open space to the Cultural Commission and there was a thought to go to them and say what can you do with us and they came back and said that there was money in the millions like what was put into Carteret and Highland Park is well targeted for that. He said that they met once or twice to talk about that grant and look into the requirements, this is a substantial and significant plan that requires planners which is one of the reasons why the Borough engaged seriously in bringing Mr. Constantine in. When it was recommended for the Borough to go for the Planning grant it was presented as go for the planning grant first not instead of, in order to be able to facilitate a larger grant. He said that there have been conversations for over a year now to expand the Borough Square site and thinks that is a part of what eventually will happen, he has had discussions with the Mayor about that several times, in conjunction with the area in need of rehabilitation.

Mr. Solomon asked if the Planning grant was applied for? Mr. George said that the planning grant was applied for.

Mr. Solomon asked what and how much would the grant pay for. Mr. George said that it would essentially pay for Baumann and Constantine.

Mr. Fechter asked if there was a time frame. Mr. George said that it was probably on a County fast track which could mean anytime between tomorrow and December. He said that he had some meeting the next day and would check into it and get back hopefully with some information. He said that another piece of that is that the NJDCA is supplying their State-wide Main Street people, which is at no cost, but we are still awaiting an answer on that as well.

Mr. Fechter asked who the decision makers were, and asked if they should be rallying for support. Mr. George said that would be the Freeholders and the Borough has a lot of support from the Freeholders.

Mr. Fechter asked if there was a time table on the use of the grant. Mr. George said that he believed it was two fiscal years with the option to extend, he indicated that two years should be plenty of time to put everything together. He said that along with the Planning, the next step would be to have a developer step in and the grant from the County Cultural Arts Program, which is earmarked for that specifically.

Mr. Fechter asked if that could be used for land acquisition? Mr. George said yes it could be used for acquisition.

Mr. George said that the grant process is competitive but the Borough has been told that we are a target and the Borough has not been viewed much by the County for the last 30 years more and more they are looking at it making it an arts venue, arts and parking, driving redevelopment in smaller towns, that is what they are looking at and we were told that we were being looked at favorably but have to go through the process.

Mr. Solomon said having Mr. Constantine fully engaged and funded to do what he is does is an absolute game changer.

Mrs. Baruh said that right now there are two sub-committees operating: one is Tantleff and one is Popov and the reason there are sub-committees is because four Commissioners together makes a quorum so the sub-committees are three people both sub-committees are Perlman, Baruh and Baumann and they are the Popov and Tantleff properties and she asked for two volunteers for the Borough Square sub-committee.

Mrs. Baruh indicated that she suspects that the Agency will be getting another property coming to them next week, and will ask that the other two commissioners join on that sub-committee when that comes forward.

Mr. George said that Mrs. Baruh had sent out a letter that Mr. Baumann drafted regarding area in need of rehabilitation and he went to Administration about that and has spoken to a couple of Council people and called a meeting of the Economic Development Committee for tomorrow at 8:30 pm and will discuss putting that topic on the green agenda. He said that he would like to go from the foot of the bridge all the way up Woodbridge Avenue to South 11th as an area in need of rehabilitation. There is interest in properties, there is another developer saying they have bought a third building but if it is out of redevelopment he can only build what the zoning ordinance says, but a number of people have been informed that the Borough will be moving this program forward.

Mr. Solomon said that there is only so much bandwidth and we will be focusing on what really matters right now is the Central Business District project and one of the many reasons is of designating an area of rehabilitation is so that we can take a holistic look at these blocks and parcels as opposed to having them piecemealed. He said that only thing that gives him pause about going all the way to 11th is that the Agency's time to potentially be occupied with Zoning Board type things that will prevent the Agency from digging deep into the block buster things such as Borough Square and the Tantleff project. He asked how many permits would they be looking at if they took rehabilitation to 11th.

Mr. George said that the problem if the on-going can move it through Council and he may only get one shot at this.

Mrs. Baruh said that she would like to propose a sub-committee for the area in of rehabilitation and asked Ms. Levinson and Ms. McDonald participate of that sub-committee because the project that she is putting them on as well is in the middle of the area in need of rehabilitation. She asked if Ms. Levinson and Ms. McDonald could also be a part of the rehabilitation sub-committee making Ms. Baruh, Ms. Levinson and Ms. McDonald. She said that the other sub-committee that they will be participating in is the that will be coming to the Agency next week.

Mr. Solomon said it would be worth going to the Zoning Officer and asking how many permits were issued in the last two years to get a sense of what we are facing. Mr. George said that it is a process that takes a while and a process that needs to start and needs to get done. He said that the scattered site plan is awful, and limits so much development that we can only look at one or two projects and say they are viable, he expressed that it needs to move forward and he may only get one shot to do it.

Mr. Solomon indicated that he was not opposed but if you looked at Jersey City they have 600 different plans and is a tremendous amount of work, he said that the Agency Commissioners are spoon fed stuff by a hard working professional staff. He indicated that Highland Park is volunteers doing a lot of the work that the professional staff would do and wants the Borough to really think about the ability to give full attention to these projects that have to come up right because the future of the town depends on them versus a lot of stuff where we have real people, who's real projects and real money and real homes matters and they have to be given our full attention and suck up a lot of time and the Borough does not have the professional staffing churning through this stuff for the Agency and spoon feeding so they can trust.

Mr. de Villa indicated that as the Borough grows there may be one day the professional staff that is needed. Mr. Solomon indicated that they would not grow up for that stuff. MR. de Villa said that he would be used on an as needed basis, once the leg work is done and committed and it is decided are there applicable scopes of work to perhaps hire Mr. Constantine for the Agency's money or the Council's it then becomes an active adventure through the governing body because they are responsible for the rehabilitation on one hand.

Mr. Solomon said as the Agency from his understanding they would be the Zoning Board as well. He said that they would have to review even the little stuff, there might opposition and testimony so instead of talking about next year's budget cycle we would have had to give our full attention to people who deserve our full attention. Mrs. Baruh indicated that is why there is a sub-committee.

It was moved by Mr. Fechter and seconded by Mr. Perlman with voice vote the meeting was adjourned at 8:34 p.m.

Respectfully Submitted,

Jennifer Santiago

Jennifer Santiago
Agency Clerk