

**CITY COUNCIL**

**The City of Orange Township, New Jersey**

DATE \_\_\_\_\_

NUMBER 59-2018

**TITLE:**

**BOND ORDINANCE OF THE CITY OF ORANGE TOWNSHIP, IN THE COUNTY OF ESSEX, NEW JERSEY, PROVIDING AID TO A REDEVELOPMENT PROJECT LOCATED AT 374-76 AND 377 CRANE STREET IN THE CITY OF ORANGE TOWNSHIP AND APPROPRIATING \$250,000, THEREFOR, AND PROVIDING FOR THE ISSUANCE OF \$250,000 IN BONDS OR NOTES OF THE CITY OF ORANGE TOWNSHIP TO FINANCE PART OF THE COST THEREOF.**

**WHEREAS**, the City of Orange Township, in the County of Essex, New Jersey (the "City") previously determined that approximately 924 parcels of real property located in the City, containing approximately 133 acres of land area (collectively, the "Redevelopment Area"), are an area in need of redevelopment under the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "Redevelopment Law"); and

**WHEREAS**, the City previously the "Central Orange Redevelopment Plan" (originally adopted on November 17, 2003 as the "Hope VI Redevelopment Plan", and subsequently amended, with the latest such amendment and final adoption by the City Council occurring on September 5, 2017 by Ordinance No. 293-2017) (collectively, the "Redevelopment Plan") to govern the redevelopment of the properties located within the Redevelopment Area; and

**WHEREAS**, D&R Orange Urban Renewal, LLC (the "Redeveloper") proposes to undertake a redevelopment project, in accordance with the Redevelopment Plan, on the hereinafter described site (the "Project Site"), contemplated to consist of the construction of a multi-family residential apartment project (the "Project") containing approximately 208 market rate rental apartment units, resident amenities including club room, fitness rooms, and related facilities, a parking garage as hereinafter described (the "Garage"), approximately 15 surface parking spaces, and other related improvements; and

  
CITY ATTORNEY

**WHEREAS**, the Project Site will include that portion of the Redevelopment Area identified on the City’s official tax map as Tax Block 2702, Lots 6 and 8 and Tax Block 2703, Lot 1, more commonly known by the street address of 374-76 and 377 Crane Street, Orange, New Jersey, and will also include Tax Block 2702, Lot 7 should that parcel be acquired by the Redeveloper; and

**WHEREAS**, the City expects to authorize, by resolution, the execution and delivery of a Redevelopment Agreement with the Redeveloper (the “Redevelopment Agreement”) in order to fully set forth the understanding of the City and the Redeveloper with respect to the construction and development of the Project; and

**WHEREAS**, the Garage will consist of a two level garage containing approximately 141 spaces on the lower level and approximately 145 spaces on the upper level, of which the lower level spaces are to be used by the Redeveloper and the upper level spaces are to be leased to the City on a long-term basis (not less than thirty (30) years) by a written agreement to be negotiated, for use as public parking (with a portion of such upper level spaces to be made available with priority to tenants of the Project for lease on a subscription basis from the City) (the “Two-Level Garage”); provided, that if certain conditions set forth in the Redevelopment Agreement are not satisfied, the Garage will instead consist of a one level garage containing approximately 145 spaces, all of which are to be used by the Redeveloper; and

**WHEREAS**, the Project includes the construction of such reasonably necessary infrastructure improvements to the portion of Crane Street located along the frontage of the Project and Project Site that are caused and necessitated as a result of the construction of the Project, including but not limited to curb replacements, resurfacing (but not milling and repaving), sidewalks, street lighting, landscaping, “speed table” crosswalks and similar improvements consistent with the

Redeveloper's approved site plan, to be determined in consultation with the City Planner (collectively, the "Infrastructure Improvements"); and

**WHEREAS**, the Redeveloper has represented that it has entered into a purchase and sale agreement to acquire the Project Site; and

**WHEREAS**, by resolution adopted on November 21, 2017, the City has heretofore designated the Redeveloper to serve as the exclusive redeveloper under the Redevelopment Law for the Project on the Project Site, subject to certain conditions; and

**WHEREAS**, if the Project includes the Two-Level Garage, then as a condition to the construction of the Project, the Redeveloper will be required to enter into a lease or other agreement with the City, providing for the City's use of the upper level of the Garage as aforesaid and providing for the City's payment to the Redeveloper of certain lease payments in respect of such leasehold interest (the "City Lease Payments"), as described generally in the Redevelopment Agreement; and

**WHEREAS**, the City expects to authorize, by ordinance, the execution and delivery of a Garage Lease Agreement with the Redeveloper (the "Garage Lease Agreement") in order to fully set forth the understanding of the City and the Redeveloper with respect to the City's use of the upper level of the Garage as aforesaid and the payment of the City Lease Payments, in the event the Project includes the Two-Level Garage; and

**WHEREAS**, despite the Redeveloper's investment of equity and borrowed funds, such amounts are insufficient to pay for all of the costs associated with the development and construction of the Project; and

**WHEREAS**, in order to defray certain eligible costs of the portion of the Project comprising the Infrastructure Improvements, the City wishes, upon satisfaction of such conditions as shall be set

forth in the Redevelopment Agreement, to issue general obligation bonds or notes in one or more series in an aggregate principal amount not to exceed \$250,000 (collectively, the “Bonds”) pursuant to the Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12A-64 et seq. (the “RAB Law”), and/or the Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the “Local Bond Law”), as applicable; and

**WHEREAS**, the City will use the proceeds of the Bonds to finance the purposes described in Section 3 of this bond ordinance;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ORANGE TOWNSHIP, IN THE COUNTY OF ESSEX, NEW JERSEY** (not less than two-thirds of all members thereof affirmatively concurring) **AS FOLLOWS:**

Section 1. The improvements or purposes described in Section 3 of this bond ordinance are hereby authorized to be undertaken by the City as general improvements. For the improvements or purposes described in Section 3 hereof, there is hereby appropriated the sum of \$250,000. Pursuant to Section 37 of the Redevelopment Law (N.J.S.A. 40A:12A-37c(2)), no down payment is required, notwithstanding the requirements of Section 11 of the Local Bond Law (N.J.S.A. 40A:2-11), because the improvements and purposes set forth in Section 3 constitute a “redevelopment project” under the Redevelopment Law.

Section 2. In order to finance the cost of the improvements or purposes, negotiable bonds are hereby authorized to be issued in the principal amount of \$250,000 pursuant to the Local Bond Law and the Redevelopment Law. In anticipation of the issuance of the bonds, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law and the Redevelopment Law.

Section 3. (a) The improvements hereby authorized and the purposes for which the bonds are to be issued is a portion of the costs of constructing the portion of the Project consisting of

the Infrastructure Improvements, including all work and materials necessary therefore and incidental thereto.

(b) The estimated maximum amount of bonds or bond anticipation notes to be issued for the improvement or purpose is as stated in Section 2 hereof.

(c) The estimated cost of the Infrastructure Improvements is equal to the amount of the appropriation herein made therefor.

Section 4. All bond anticipation notes issued hereunder shall mature at such times as may be determined by the chief financial officer; provided that no note shall mature later than one year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the chief financial officer. The chief financial officer shall determine all matters in connection with notes issued pursuant to this bond ordinance, and the chief financial officer's signature upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time subject to the provisions of the Local Bond Law and the Redevelopment Law. The chief financial officer is hereby authorized to sell part or all of the notes from time to time, at not less than par and accrued interest, at public or private sale and to deliver them to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their dates to the date of delivery thereof. The chief financial officer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this bond ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the notes sold, the price obtained and the name of the purchaser.

Section 5. The capital budget or temporary capital budget (as applicable) of the City is hereby amended to conform with the provisions of this bond ordinance to the extent of any

inconsistency herewith. In the event of any such inconsistency and amendment, the resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget or amended temporary capital budget (as applicable) and capital program as approved by the Director of the Division of Local Government Services is on file with the City Clerk and is available there for public inspection.

Section 6. The following additional matters are hereby determined, declared, recited and stated:

(a) The purposes described in Section 3 of this bond ordinance are not current expenses. They are improvements the City may lawfully undertake as general improvements within the Redevelopment Area described in the Redevelopment Plan, and no part of the cost thereof has been or shall be specially assessed on property specially benefitted thereby.

(b) Pursuant to N.J.S.A. 40A:12A-37(c), the obligations authorized herein shall mature in annual installments commencing not more than two (2) and ending not more than forty (40) years from the date of issuance.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Clerk, and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. Such statement shows that the gross debt of the City as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by \$250,000, and the obligations authorized herein will be within all debt limitation prescribed by that Law.

(d) An aggregate amount not exceeding \$50,000 for items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included in the estimated cost indicated herein for the purposes or improvements.

(e) The obligations of the City authorized by this bond ordinance shall bear interest at a maximum rate of not to exceed nine (9.00%) per centum per annum, without further authorization of the City Council, which authorization may be by resolution.

Section 7. Any grant moneys received for the purposes described in Section 3 hereof shall be applied either to direct payment of the cost of the improvement or to payment of the obligations issued pursuant to this bond ordinance. The amount of obligations authorized but not issued hereunder shall be reduced to the extent that such funds are so used.

Section 8. The City hereby declares the intent of the City to issue the bonds or notes in the amount authorized in Section 2 of this bond ordinance and to use proceeds to pay or reimburse expenditures for the costs of the purposes described in Section 3 of this bond ordinance. This Section 8 is a declaration of intent within the meaning and for the purpose of Treasury Regulations Section 1.150-2 or any successor provisions of federal income tax law.

Section 9. The chief financial officer of the City is hereby authorized to prepare and to update from time to time as necessary a financial disclosure document to be distributed in connection with the sale of obligations of the City and to execute such disclosure document on behalf of the City. The chief financial officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the City pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") for the benefit of the holders and beneficial owners of obligations of the City and to amend such undertaking from time to time in connection with any change in law, or interpretation thereof, provided such undertaking is and continues to be,

in the opinion of nationally recognized bond counsel, consistent with the requirements of the Rule. In the event that the City fails to comply with its undertaking, the City shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

Section 10. The full faith and credit of the City is hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the City, and the City shall be obligated to levy ad valorem taxes upon all the taxable real property within the City for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 11. After passage upon first reading of this bond ordinance, the City Clerk is hereby directed to publish the full text of the bond ordinance, together with the notice set forth below entitled: "NOTICE OF PENDING BOND ORDINANCE" (with appropriate completions, insertions and corrections), at least once in a newspaper qualified under N.J.S.A. 40A:2-19, at least seven days prior to the date set for public hearing and further consideration for final passage (which date shall be at least ten days after introduction and first reading). The City Clerk is further directed to comply with all provisions of N.J.S.A. 40A:2-17(b) regarding postings, publications, and the provision of copies of this bond ordinance.

Section 12. After final adoption of this bond ordinance by the City Council, and approval by (or passage over the veto of) the Mayor, the City Clerk is hereby directed to publish the full text of this bond ordinance, as finally adopted, together with the notice set forth below entitled: "NOTICE OF ADOPTION OF BOND ORDINANCE" (with appropriate completions, insertions and corrections), at least once in a newspaper qualified under N.J.S.A. 40A:2-19.



Section 13. To the extent that any previous ordinance or resolution is inconsistent herewith or contradictory hereto, said ordinance or resolution is hereby repealed or amended to the extent necessary to make it consistent herewith.

Section 14. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption.

ADOPTED:

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Joyce L. Lanier,  
Municipal Clerk

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Hon. Kerry J. Coley,  
Council President

APPROVED:

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Dwayne D. Warren, Esq.  
Mayor

[Press here to Email the SDS if not using Microsoft outlook when completed.](#)

## Department of Community Affairs Supplemental Debt Statement

0717 **0717 Orange City - County of Essex** Prepared as of: 7-Nov-2018

Budget Year Ending: 12/31/2018 (Month-DD) 2018 (year)

Name: <u>Joy Lascari</u>	Phone: <u>973-266-4106</u>
Title: <u>CMFO</u>	Fax: <u>973-674-0621</u>
Address: <u>29 North Day Street</u>	Email: <u>joy.lascari@ci.orange.nj.us</u>
<u>Orange, NJ 07050</u>	CFO Cert #: <u>N-0857</u>

1 **Joy Lascari, Being duly sworn, deposes and says: Deponent is the Chief Financial Officer of the 0717 Orange City - County of Essex here and in the statement hereinafter mentioned called the local unit. The Supplemental Debt Statement annexed hereto and hereby made a part hereof is a true statement of the debt condition of the local unit as of the date therein stated and is computed as provided by the Local Bond Law of New Jersey.**

By checking this box, I am swearing that the above statement is true. (The Email function will not work until you acknowledge the above statement as true)

	Net Debt as per Annual Debt Statement	Decrease (Since December 31, last past)	Increase	Net Debt
<b>Bonds and Notes for School Purposes</b>	\$ -	\$ -	\$ -	\$ -
<b>Bonds and Notes for Self Liquidating Purposes</b>	\$ -	\$ -	\$ -	\$ -
<b>Other Bonds and Notes</b>	\$ 13,342,036.44	\$ 492,525.41	\$ 12,707,000.00	\$ 25,556,511.03
<b>2 Net Debt at the time of this statement is.....</b>				<b>\$ 25,556,511.03</b>

The amounts and purposes separately itemized of the obligations about to be authorized, and any deductions which may be made on account of each such item are: (see Note "C" below)

Bond Ordinance	Purposes	Amount	Deduction	Net
xx-2018	Redevelopment Project at 374-76 and 377 Crane Street	\$ 250,000.00		\$ 250,000.00
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ 250,000.00	\$ -	\$ 250,000.00

4 The net debt of the local unit determined by the addition of the net debt amounts stated in items 2 and 3 above is: \$ 25,806,511.03

5 Equalized valuation basis (the average of the equalized valuations of real estate, including improvements and the assessed valuation of class II railroad property of the local unit for the last 3 preceding years) as stated in the Annual Debt Statement or the revision thereof last filed.

Year	Equalized Valuation Real Property with Improvements plus assessed valuation of Class II RR Property	
(1) <u>2015</u>		\$ 1,426,569,776.00
(2) <u>2016</u>		\$ 1,435,696,118.00
(3) <u>2017</u>		\$ 1,459,050,847.00

6 Equalized Valuation Basis - Average of (1), (2) and (3)..... \$ 1,440,438,913.67

7 Net Debt (Line 4 above) expressed as a percentage of such equalized valuation basis (Line 6 above) is: 1.792%

### NOTES

- If authorization of bonds or notes is permitted by an exception to the debt limit, specify the particular paragraph of NJSA 40A:2-7 or other section of law providing such exception.
- A This form is also to be used in the bonding of separate (not Type I) school districts as required by NJSA 18A:24-16, and filed before the school district election. In such case pages 4, 5 and 6 should be completed to set forth the computation supporting any deduction in line 3 above.
- B Only the account of bonds or notes about to be authorized should be entered. The amount of the "down payment" provided in the bond ordinance should not be included nor shown as a deduction.
- C

**NOTICE OF ADOPTION OF BOND ORDINANCE**

**PUBLIC NOTICE IS HEREBY GIVEN** that the bond ordinance published herewith has been finally adopted by the City Council of the City of Orange Township, in the County of Essex, New Jersey on November 20, 2018 and the 20-day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinance can be commenced, as provided in the Local Bond Law, has begun to run from the date of the first publication of this notice. A copy of the bond ordinance has been filed for public inspection in the City Clerk's Office, located at City Hall, 29 North Day Street, Orange, New Jersey 07050. Further notice is hereby given that any action or proceeding of any kind or nature in any court questioning the validity or proper authorization of bonds or notes provided for by the bond ordinance, or the validity of any covenants, agreements or contracts provided for by the bond ordinance, shall be commenced within 20 days after the first publication of this notice, as stated below.

Date of publication: November \_\_, 2018.

\_\_\_\_\_  
Joyce L. Lanier, City Clerk

## CLERK'S CERTIFICATE

I, Joyce L. Lanier, Clerk of the City of Orange Township, in the County of Essex, New Jersey, HEREBY CERTIFY as follows that:

1. The attached copy of Ordinance No. \_\_\_-2018 of said City entitled as set forth below and finally adopted on November 20, 2018, has been compared by me with the original thereof officially recorded in the Ordinance Book of the City and is a true and correct copy thereof and of the whole of said original Ordinance. The title of said Ordinance is as follows:

**BOND ORDINANCE OF THE CITY OF ORANGE  
TOWNSHIP, IN THE COUNTY OF ESSEX, NEW JERSEY,  
PROVIDING AID TO A REDEVELOPMENT PROJECT  
LOCATED AT 374-76 AND 377 CRANE STREET IN THE  
CITY OF ORANGE TOWNSHIP AND APPROPRIATING  
\$2,100,000, THEREFOR, AND PROVIDING FOR THE  
ISSUANCE OF \$250,000 IN BONDS OR NOTES OF THE  
CITY OF ORANGE TOWNSHIP TO FINANCE PART OF  
THE COST THEREOF.**

2. Said Ordinance was introduced in writing and read and passed on first reading at a regular meeting of the City Council of said City duly called and held on October 16, 2018 (a true and correct copy of an extract of the minutes of the meeting is attached hereto), and was passed on second reading and finally adopted by the recorded affirmative vote of at least two-thirds of all the members of said City Council, at a regular meeting thereof duly called and held on November 20, 2018 (a true and correct copy of an extract of the minutes of the meeting is attached hereto), following the holding of a public hearing thereon at which all interested persons were given an opportunity to be heard.

3. Said Ordinance was published after first reading on October \_\_, 2018, together with notice of the introduction and the date and the time and place of further consideration of said Ordinance. A true and correct copy of the affidavit of publication of said Ordinance is attached hereto.

4. On October \_\_, 2018, said Ordinance was posted on the bulletin board in the City Hall of the City together with notice of the availability of copies of said Ordinance at the Office of the Clerk, and such copies of said Ordinance were made available to all members of the general public requesting the same.

5. After final passage and approval by (or passage over the veto of) the Mayor, a copy of said Ordinance, as adopted, was filed for public inspection in the Office of the Clerk, and said Ordinance, together with the Notice of Adoption of Bond Ordinance attached hereto, was duly published on November \_\_, 2018 in \_\_\_\_\_, a newspaper circulating in the City, and no protest by any person against making the improvement or issuing the indebtedness authorized in said Ordinance, nor any petition requesting that a referendum vote be taken on the

action proposed in the Ordinance has been presented to the governing body or to me or filed in my office nor has any such action or proceeding questioning the validity of such Ordinance been commenced within 20 days after such publication. A true and correct copy of the affidavit of publication of said Ordinance is attached hereto.

6. Said Ordinance when introduced was complete in the form in which it was finally adopted and remained on file in the Office of the Clerk for public inspection from the date of introduction to the date of final adoption.

7. The attached copy of a Supplemental Debt Statement has been compared by me with the original Supplemental Debt Statement of said City, prepared as of October 16, 2018, and sworn to on October 16, 2018, by Adrian O. Mapp, who was then the Chief Financial Officer of said City, and filed in the office of said Clerk on October 16, 2018, and that the same is a true and complete copy of said original Supplemental Debt Statement.

8. A complete Supplemental Debt Statement was duly filed (before final adoption by the City Council) in the Office of the Director of the Division of Local Government Services of the State via email. Attached is a copy of the email confirmation received from the Division. Such filing included a copy of the WISE Act calculation, showing the borrowing costs for this project if it were financed through the New Jersey Infrastructure Bank (strike sentence if inapplicable).

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said City this \_\_\_\_ day of December, 2018.

(SEAL)

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Joyce L. Lanier, City Clerk

**ATTACHMENTS:**

- A) Ordinance
- B) Extract of minutes of City Council meeting at which Ordinance was introduced
- C) Extract of minutes of City Council meeting at which Ordinance was finally adopted
- D) Affidavit of First Publication of Ordinance after introduction
- E) Affidavit of Second Publication of Ordinance after final adoption
- F) Supplemental Debt Statement
- G) Email confirmation received from the Division
- H) WISE Act evidence, if applicable.