

CITY COUNCIL**The City of Orange Township, New Jersey**DATE May 21, 2024NUMBER 293-2024

TITLE: RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A FUNDING AGREEMENT WITH MORROW STREET URBAN RENEWAL, LLC FOR THE REDEVELOPMENT OF THE PROPERTY LOCATED AT 566-588 MORROW STREET AND 507-515 SOUTH JEFFERSON STREET AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF ORANGE TOWNSHIP AS BLOCK 6003, LOTS 5, 6, 7, 8, 11, 12, 13, 14, 27, 28, 29 AND 30

WHEREAS, Morrow Street Urban Renewal, LLC has applied for a long-term tax exemption for a redevelopment project on property located at 566-588 Morrow Street and 507-515 South Jefferson Street in the City of Orange Township identified on the City tax map as Block 6003, Lots 5, 6, 7, 8, 11, 12, 13, 14, 27, 28, 29 and 30 (the "Property") which is located within the Central Valley Rehabilitation Area, District 2 Zone (the "Redevelopment Area") and is governed by the Central Valley Redevelopment Plan (the "Redevelopment Plan"); and

WHEREAS, as described more fully within the application for long term tax exemption that Morrow Street Urban Renewal, LLC filed with the City, the proposed project consists of the demolition of the existing structures on the Property and constructing a six-story multifamily mixed-use development, consisting of two (2) separate buildings to be connected via a second floor skybridge containing amenity space, with these two buildings containing a total of two hundred and two (202) residential units and approximately two-thousand (2,000) square feet of commercial space, with parking areas accommodating a total of 202 parking spaces (collectively, the "Project"); and

WHEREAS, the Project includes the construction of various infrastructure improvements to the Project Site and the streets abutting the Property that are required as a result of the construction of the Project, including but not limited to curb replacements, street resurfacing, and construction of sidewalks, street lighting, landscaping, crosswalks and similar improvements, all consistent with the Redeveloper's approved site plan, to be determined in consultation with the City Planner (collectively, the "Infrastructure Improvements"); and

WHEREAS, in order to defray certain eligible costs of the portion of the Project comprising the Infrastructure Improvements, the City expects to issue its general obligation bonds and/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., and/or the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as applicable, and a bond ordinance to be adopted by the City (the "Bond Ordinance"); and

WHEREAS, Morrow Street Urban Renewal, LLC has represented that the Project would not be undertaken in its intended scope, but for the provision of financial assistance by the City; and

WHEREAS, proceeds of the Bonds shall be applied toward the payment and/or reimbursement of the cost of the Infrastructure Improvements undertaken by the Redeveloper (the "Net Bond Proceeds"), and toward costs of issuance of the Bonds; and


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WHEREAS, the Net Bond Proceeds constitute grants to Morrow Street Urban Renewal, LLC in furtherance of the Project, as permitted by the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.; and

WHEREAS, the City wishes to approve the Funding Agreement with Morrow Street Urban Renewal, LLC and to authorize the Mayor to sign the Funding Agreement with Morrow Street Urban Renewal, LLC in substantially the form attached to this resolution.

NOW, THEREFORE, BE IT RESOLVED by the Municipal Council of the City of Orange Township that:

SECTION 1: The Municipal Council hereby approves the Funding Agreement with Morrow Street Urban Renewal, LLC in substantially the form attached hereto and authorizes the Mayor to sign the Funding Agreement with Morrow Street Urban Renewal, LLC on behalf of the City.

SECTION 2: All other resolutions or parts of resolutions in conflict or inconsistent with this resolution are hereby repealed, but only to the extent of such conflict or inconsistency.

SECTION 3: All headings within this resolution are for convenience only and are not deemed to be part of this resolution.

SECTION 4: This resolution shall take effect as provided by law.

Adopted: May 21, 2024

Joyce L. Lanier
Municipal Clerk

Tency A. Eason
Council President

FUNDING AGREEMENT

THIS FUNDING AGREEMENT (this “Agreement”) dated as of the ____ day of _____, 2024, by and between the **CITY OF ORANGE TOWNSHIP**, a municipal corporation of the State of New Jersey, and its successors and assigns (the “City”), and **MORROW STREET URBAN RENEWAL, LLC**, a New Jersey limited liability company qualified as an urban renewal entity under N.J.S.A. 40A:20-5, and its successors and assigns (the “Redeveloper”).

W I T N E S S E T H:

WHEREAS, the City previously determined that certain properties (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 “LRHL”); and

WHEREAS, the City previously adopted one or more redevelopment plans (collectively, the “Redevelopment Plan”) to govern the redevelopment of the properties located within the Redevelopment Area; and

WHEREAS, the Redeveloper proposes to undertake a redevelopment project on that portion of the Redevelopment Area identified as 566-588 Morrow Street and 507-515 South Jefferson Street (Block 6003, Lots 5, 6, 7, 8, 11, 12, 13, 14, 27, 28, 29 and 30), Orange, New Jersey (the “Project Site”), consisting of the demolition of the existing structures located on the Project Site and the construction of a six-story multifamily mixed-use development, consisting of two (2) separate buildings to be connected via a second floor skybridge containing amenity space, and the buildings to contain a total of two hundred and two (202) residential units, approximately two thousand (2,000) square feet of commercial space, and parking areas containing two hundred and two (202) parking spaces (collectively, the “Project”); and

WHEREAS, the Project includes the construction of various infrastructure improvements to the Project Site and the streets abutting the Project Site that are required as a result of the construction of the Project, including but not limited to curb replacements, street resurfacing, and construction of sidewalks, street lighting, landscaping, crosswalks and similar improvements, all consistent with the Redeveloper’s approved site plan, to be determined in consultation with the City Planner (collectively, the “Infrastructure Improvements”); and

WHEREAS, in order to defray certain eligible costs of the portion of the Project comprising the Infrastructure Improvements, the City expects to issue its general obligation bonds and/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., and/or the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as applicable, and a bond ordinance to be adopted by the City (the “Bond Ordinance”); and

WHEREAS, the Redeveloper has represented that the Project would not be undertaken in its intended scope, but for the provision of financial assistance by the City; and

WHEREAS, proceeds of the Bonds shall be applied toward the payment and/or reimbursement of the cost of the Infrastructure Improvements undertaken by the Redeveloper (the “Net Bond Proceeds”), and toward costs of issuance of the Bonds; and

WHEREAS, the Net Bond Proceeds constitute grants to the Redeveloper in furtherance of the Project, as permitted by the LRHL; and

WHEREAS, in furtherance of the Redevelopment Plan, the City and the Redeveloper will enter into a Redevelopment Agreement (the “Redevelopment Agreement”) and a Community Benefit Agreement 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 City and the Redeveloper now wish to set forth certain procedures by which the Net Bond Proceeds shall be made available to the Redeveloper for use in furtherance of the Infrastructure Improvements;

WHEREAS, the execution and delivery of this Funding Agreement have been duly authorized by the parties hereto and all conditions, acts and things necessary and required by the Constitution or statutes of the State of New Jersey or otherwise exist, to have happened, or to have been performed precedent to or in the execution and delivery of this Funding Agreement do exist, have happened and have been performed;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and representations herein, and intending to be legally bound the parties hereto hereby mutually agree as follows:

ARTICLE I
APPLICATION OF NET BOND PROCEEDS

Section 1.01. Deposit of Bond Proceeds. Promptly following the issuance, from time to time, of any Bonds by the City, the City shall identify the proceeds of the Bonds on its books and records, and shall identify, as applicable, (i) the portion thereof to be set aside for payment of costs of issuance of the City, (ii) the portion thereof to be used to pay principal of and/or interest on any maturing Bonds, and (iii) the portion thereof to be applied toward the payment and/or reimbursement of the cost of the Infrastructure Improvements undertaken by the Redeveloper (i.e., the Net Bond Proceeds). The Redeveloper shall then be entitled to draw upon Net Bond Proceeds on deposit, from time to time, with the City (the “Project Funds”) upon the presentation of requisitions for costs related to the Infrastructure Improvements.

Section 1.02. Compliance with Project Agreements. The Redeveloper shall undertake the Project in accordance with the terms of the Redevelopment Plan, the Redevelopment Agreement and the Financial Agreement.

Section 1.03. Requisition for Project Funds. The process for the requisition and disbursement of Project Funds shall be as follows:

(1) The Redeveloper shall submit a payment requisition to the City Chief Financial Officer, with related invoice(s) and other supporting documentation, which shall specify the materials, labor and/or services to which such invoice(s) relate, including proof of funds spent on qualifying costs of the Infrastructure Improvements to which the Redeveloper is seeking either direct payment to the vendor(s) or reimbursement for costs already paid (a "Payment Requisition").

(2) Upon receipt of a Payment Requisition, the City Chief Financial Officer shall consult with the City Engineer and/or such other City representative as necessary to review such Payment Requisition to verify the materials, labor and/or services that are the subject of such Payment Requisition have been performed and supplied, as applicable.

(3) The City Chief Financial Officer shall, within seven (7) days of receipt of a Payment Requisition from the Redeveloper, advise the Redeveloper and the City Council that such Payment Requisition is approved, in whole or in part, and, if not so approved, shall identify the reasons for such disapproval.

(4) The City Council shall, within fourteen (14) days of submission of an approved Payment Requisition from the City Representative, approve payment of such Payment Requisition, and payment shall be made immediately thereafter.

ARTICLE II **MISCELLANEOUS**

Section 2.01. Notice. Any notice to the parties to this Agreement shall be conclusively deemed to have been received by the respective party, and to be effective on the date on which delivered to it by hand or recognized overnight courier, at the address listed below or, if sent by certified mail, postage prepaid, on the third business day after the day on which mailed, addressed to the party at said address:

If to the City: City of Orange Township
 City Hall
 29 North Day Street
 Orange, New Jersey 07050
 Attn: City Clerk

If to the Redeveloper: Morrow Street Urban Renewal, LLC
 5308 13th Avenue, Suite #197
 Brooklyn, New York 11219

The addresses set forth above may be changed pursuant to notice given in accordance with this Section 2.01.

Section 2.02. New Jersey Law Governs. This Agreement shall be construed in accordance with and governed by the laws of the State of New Jersey.

Section 2.03. Modification in Writing. The waiver of any provision of this Agreement, or consent to any departure therefrom shall, in no event, be effective unless the same shall be in writing and signed by each of the parties hereto.

Section 2.04. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

[Signatures follow on next page]

IN WITNESS WHEREOF, the parties hereto have executed and attested this Funding Agreement as of the day first written above.

ATTEST:

CITY OF ORANGE TOWNSHIP

Joyce L. Lanier, City Clerk

By: _____
Dwayne D. Warren, Esq., Mayor

APPROVED AS TO FORM

City Attorney

**MORROW STREEET URBAN RENEWAL,
LLC**, a New Jersey limited liability company

Witness

By: _____
Authorized Signatory