

ORDINANCE

CITY OF RAHWAY, NEW JERSEY

No. O-24-12

AN ORDINANCE OF THE CITY OF RAHWAY, COUNTY OF UNION, NEW JERSEY, AUTHORIZING THE MAYOR AND CITY CLERK PURSUANT TO N.J.S.A. 40A:20-1 ET SEQ. TO EXECUTE A FINANCIAL AGREEMENT BY AND BETWEEN THE CITY OF RAHWAY AND MERIDIA, LAFAYETTE VILLAGE URBAN RENEWAL, RAHWAY, LLC FOR PROPERTY LOCATED ON LOT 1.02 IN BLOCK 320 AS SHOWN ON THE OFFICIAL TAX MAP OF THE CITY OF RAHWAY AND LOCATED IN THE CENTRAL BUSINESS DISTRICT AREA

BE IT ORDAINED by the Municipal Council of the City of Rahway that:

Section 1. The Municipal Council of the City of Rahway designated Block 320/ Lot 1.02 (the "Property") as part of a larger redevelopment area (the "Central Business District Redevelopment Area") and adopted the Central Business District Redevelopment Plan on May 9, 1998 (the "Plan"), which Plan has been amended.

Section 2. The City of Rahway (the "City") and the Rahway Redevelopment Agency (the "Agency") have undertaken various projects (with and without private developers) within the Central Business District Redevelopment Area.

Section 3. The Agency has previously entered into a redevelopment agreement for the redevelopment of the Property with Dornoch Rahway, LLC, which redevelopment agreement was terminated in May 2011 by the Agency.

Section 4. Capodagli Property Company, LLC, an affiliate of Meridia Lafayette Village Urban Renewal, Rahway, LLC, (the "Redeveloper") has successfully completed a market rate residential rental project in a redevelopment area on East Grand Avenue in Rahway and is currently developing a 108 unit market rate residential rental project pursuant to a redevelopment agreement with the Agency on property behind City Hall.

Section 5. On March 7, 2012, the Agency designated Meridia Lafayette Village Urban Renewal, Rahway, LLC as conditional redeveloper of the Property for the development of a 115 unit residential project.

Section 6. On or about August 15, 2012, the Agency and the Redeveloper are expected to enter into a redevelopment agreement, which will set forth certain terms and conditions with respect to the redevelopment of the Property, the construction of the improvements and the payment of certain costs in connection therewith.

Section 7. Pursuant to and in accordance with the provisions of the Long Term Tax Exemption Law, constituting Chapter 431 of the Pamphlet Laws of 1991 of the State, and the acts amendatory thereof and supplement thereto (the "Long Term Tax Exemption Law", as codified in N.J.S.A. 40A:20-1 et seq.), the City is authorized to provide for tax abatement within a redevelopment area and for payments in lieu of taxes.

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codified in N.J.S.A. 40A:20-1 et seq.), the City is authorized to provide for tax abatement within a redevelopment area and for payments in lieu of taxes.

Section 8. The Redeveloper recently acquired the Property from the prior redeveloper with the consent of Wells Fargo Bank, who held a mortgage on the Property.

Section 9. The Redeveloper has submitted an application for the approval of a Project, as such term is used in the Long Term Tax Exemption Law, all in accordance with N.J.S.A. 40A:20-8 (the "Exemption Application", a copy of which is attached hereto as Exhibit A).

Section 10. The Exemption Application requests a 15-year term for the Financial Agreement and an annual service charge based on 10% of annual gross revenues from the Project.

Section 11. The City and the Redeveloper have reached agreement with respect to, among other things, the terms and conditions relating to the Annual Service Charges and desire to execute the Financial Agreement.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the City Council of the City of Rahway, County of Union, New Jersey, as follows:

Section 1. The Exemption Application is hereby accepted and approved.

Section 2. The Financial Agreement is hereby authorized to be executed and delivered on behalf of the City by the Mayor in substantially the form attached hereto as Exhibit B, with such changes as the Mayor (the "Authorized Officer"), in his sole discretion, after consultation with such counsel and any advisors to the City (collectively, the "City Consultants") shall determine, such determination to be conclusively evidenced by the execution of the Financial Agreement by an Authorized Officer as determined hereunder. The City Clerk is hereby authorized and directed to attest to the execution of the Financial Agreement by the Authorized Officer of the City as determined hereunder and to affix the corporate seal of the City to the Financial Agreement.

Section 3. The Authorized Officer of the City is hereby further severally authorized and directed to (i) execute and deliver, and the City Clerk is hereby further authorized and directed to attest to such execution and to affix the corporate seal of the City to, any document, instrument or certificate deemed necessary, desirable or convenient by the Authorized Officer or the City Clerk, as applicable, in his respective sole discretion, after consultation with the City Consultants, to be executed in connection with the execution and delivery of the Financial Agreement and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Authorized Officer deems necessary, desirable or convenient in relation to the execution and delivery thereof.

Section 4. This ordinance shall take effect upon final passage and publication as required by law.

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