

RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY

TITLE:

BOND RESOLUTION AUTHORIZING THE MORRIS COUNTY IMPROVEMENT AUTHORITY TO ISSUE NOT TO EXCEED \$6,450,000 AGGREGATE PRINCIPAL AMOUNT OF REDEVELOPMENT AREA BONDS IN ONE OR MORE SERIES AND DETERMINING OTHER MATTERS RELATED THERETO

WHEREAS, the Morris County Improvement Authority (the "Authority") was duly created by resolution no. 42 entitled, "Resolution of the Board of Chosen Freeholders of Morris County, New Jersey Creating the Morris County Improvement Authority" duly adopted by the Board of Chosen Freeholders of the County of Morris (the "County"), in the State of New Jersey (the "State"), on April 10, 2002, as a public body corporate and politic of the State pursuant to and in accordance with the County Improvement Authorities Law, N.J.S.A. 40:37A-44 et seq. (the "Act"); and

WHEREAS, the Authority was created for the express purpose of, among other things, carrying out redevelopment projects in the County, including by extending credit to redevelopers for the planning, designing, acquiring, constructing, reconstructing, improving, equipping and furnishing of any redevelopment project; and

WHEREAS, the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.) as amended and supplemented (the "Redevelopment Law") promotes the social and economic improvement of the State and its several municipalities, in part, by providing a process for the redevelopment, rehabilitation and improvement of commercial and industrial facilities; and

WHEREAS, the Township Council (the "Council") of the Township of Parsippany-Troy Hills (the "Township"), in accordance with the criteria set forth in the Redevelopment Law, designated that certain property identified as Block 200, Lot 1.02 and Block 200, Lot 1.03 on the official tax map of the Township as a non-condemnation area in need of redevelopment (the "Redevelopment Area" or the "Project Premises") and adopted and subsequently amended a redevelopment plan for the area entitled "Redevelopment Plan for Block 200, Lot 1.2," as may be amended and supplemented from time to time (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Area is governed by the Redevelopment Plan, a copy of which has been filed in the Office of the Clerk of the Township, located at 1001 Parsippany Boulevard, Parsippany-Troy Hills, New Jersey 07054; and

WHEREAS, the Redevelopment Law authorizes the Township to arrange or contract with a redeveloper for the planning, construction or undertaking of any project or redevelopment work in an area designated as an area in need of redevelopment; and

WHEREAS, in accordance with the Redevelopment Law, the Township designated 1515 Parsippany, LLC (the “Master Redeveloper”), the fee title owner of the Project Premises, as the redeveloper to redevelop the Project Premises; and

WHEREAS, in order to implement the Redevelopment Plan, the Township and the Master Redeveloper entered into that certain Redevelopment Agreement, which was approved by the Council on September 25, 2018, pursuant to Resolution No. 2018-157, as amended and replaced by that certain Amended and Restated Redevelopment Agreement by and between the Township and the Master Redeveloper, dated December 30, 2020 (the “Redevelopment Agreement”); and

WHEREAS, the Redevelopment Agreement contemplates the construction of a multi-use project on the Project Premises consisting of residential and retail components to be completed in two phases (collectively, the “Development”) with the first phase (“Phase I”) being undertaken by The District at 1515 Urban Renewal LLC (the “Phase I Developer”) and the second phase (“Phase II”) being undertaken by The District at 1515 Urban Renewal II LLC (the “Phase II Developer”); and

WHEREAS, in order to facilitate the construction of the Development in two phases, the Master Redeveloper has conveyed or shall convey the portion of the Project Premises on which Phase I will be developed (the “Phase I Property”) to the Phase I Developer and the portion of the Project Premises on which Phase II will be developed (the “Phase II Property”) to the Phase II Developer; and

WHEREAS, in furtherance of the Redevelopment Agreement, the Phase I Developer intends to redevelop the Phase I Property by, among other things, (i) pursuing subdivision and site plan approval to subdivide the Phase I Property from the remainder of the Project Premises; and (ii) constructing approximately 263 residential rental units, no less than 20 of which will be affordable residential rental units with the remainder consisting of market rate residential rental units (together with other related site improvements as required or permitted by the Redevelopment Plan, collectively, the “Phase I Project”); and

WHEREAS, in furtherance of the Redevelopment Agreement, the Phase II Developer intends to redevelop the Phase II Property by, among other things, (i) pursuing subdivision and site plan approval to subdivide the Phase II Property from the remainder of the Project Premises; (ii) creating a condominium form of ownership in the Phase II Property; (iii) improving a portion of the Phase II Property (the “Phase II Retail Land”), which will consist of a single condominium unit that may be further divided into two or more condominium sub-units, to provide approximately 60,000 square feet of retail space (the “Phase II Retail Component”); and (iv) improving a portion of the Phase II Property (the “Phase II Residential Land”), which will consist of a single condominium unit, to provide approximately 235 residential rental units, consisting of (a) approximately 164 non-age restricted market rate residential rental units, (b) approximately 14 non-age restricted affordable residential rental units, (c) approximately 49 age restricted market rate residential rental units, and (d) approximately 8 age restricted affordable residential rental units (collectively, the “Phase II Residential Component” and together with the Phase II Retail Component and other related site improvements as required or permitted by the Redevelopment Plan, collectively, the “Phase II Project” and, together with the Phase I Project, the “Redevelopment Project”); and

WHEREAS, in order to enhance the viability of the Redevelopment Project, the Township has granted a long-term tax exemption pursuant to N.J.S.A. 40A:20-1 et seq., as amended (the “Tax Exemption Law”), and has entered into that certain Amended and Restated Financial Agreement (Phase I) with the Phase I Developer dated December 30, 2020 (the “Phase I Financial Agreement”) and that certain Amended and Restated Financial Agreement (Phase II) with the Phase II Developer dated December 30, 2020 (the “Phase II Financial Agreement”) and, collectively with the Phase I Financial Agreement, the “Financial Agreements”), governing payments made to the Township in lieu of real estate taxes on the Phase I Property and Phase II Property, as applicable, in the Redevelopment Project; and

WHEREAS, each of the Financial Agreements provides for the payment by the Phase I Developer and the Phase II Developer, as applicable, of, among other things, a Base Annual Service Charge (as defined in each Financial Agreement, the “Base Annual Service Charge”) and a Pledged Annual Service Charge (as defined in each Financial Agreement, and as the same may be amended, revised or recalculated from time-to-time pursuant to the terms thereof, the “Pledged Annual Service Charge”); and

WHEREAS, the Redevelopment Project requires certain on-site and off-site public improvements and infrastructure, including, but not limited to: (i) various roadway improvements, including, but not limited to, the modification of the existing Dryden Way jug handle to permit a direct connection to the Redevelopment Project, thereby removing the majority of traffic travelling to the Redevelopment Project and adjoining properties westbound on the overburdened State Route 10 and State Route 202 intersection; (ii) various drinking water utility improvements including, but not limited to, the installation of a looped potable water main to serve the Redevelopment Project and adjoining properties and replacing the existing dead end water mains; and (iii) various sanitary sewer utility improvements, including, but not limited to, the construction of a two mile service line along Route 10, connecting the Redevelopment Project to the Hanover Sewerage Authority gravity collection system, certain of which will be undertaken by the Phase I Developer in connection with the Phase I Project (the “Phase I Infrastructure Improvements”) and certain of which will be undertaken by the Phase II Developer in connection with the Phase II Project (the “Phase II Infrastructure Improvements”), but which benefit the entire Redevelopment Project; and

WHEREAS, pursuant to and in accordance with the provisions of the Redevelopment Area Bond Financing Law, as amended and supplemented, N.J.S.A. 40A:12A-64 et seq. (the “RAB Law”), the Township applied to the Authority to issue bonds in one or more series in order to finance a portion of the costs of each phase of the Redevelopment Project; and

WHEREAS, pursuant to the Redevelopment Law, including the RAB Law, the Authority has determined to issue its Redevelopment Area Bonds (The District at 1515 Project) (the “Bonds”), in the aggregate principal amount of not to exceed \$6,450,000, which may be issued in one or more series (with such further designation for the respective phase of the Redevelopment Project) on a federally taxable and/or tax-exempt basis, to: (i) fund certain of the costs of the Phase I Infrastructure Improvements and the Phase II Infrastructure Improvements; and (ii) pay certain costs incidental to the issuance and sale of the Bonds, together with other costs permitted by the Redevelopment Law (collectively, the “Project”); and

WHEREAS, following the issuance of the Bonds, the proceeds will be deposited under one or more Trust Indentures, by and between the Authority and U.S. Bank, National Association (the “Trustee”) to be executed in connection with each series of Bonds (each an “Indenture”) and applied in accordance with one or more Funding Agreements, by and among the Authority, the Trustee and the Phase I Developer or the Phase II Developer, as applicable (each a “Funding Agreement”), to fund grants by the Authority to the Phase I Developer and the Phase II Developer, as applicable, to pay costs of the Project; and

WHEREAS, each Financial Agreement provides at Section 5.2 that: (i) as security for the Bonds, the Township and the Phase I Developer or the Phase II Developer, as applicable, agree that their interest in each Pledged Annual Service Charge shall be pledged and assigned to the repayment of the applicable series of Bonds as security therefor; (ii) no Pledged Annual Service Charge shall be included in the general funds of the Township; and (iii) the Township’s obligation to pay each Pledged Annual Service Charge to the Trustee shall be a limited obligation of the Township, payable by it only to the extent of payments of Pledged Annual Service Charges received from the Phase I Developer or the Phase II Developer, as applicable, and shall not constitute a general obligation of the Township; and

WHEREAS, in furtherance thereof, the Authority, the Township and the Trustee shall enter into one or more Pledge and Assignment Agreements, dated the date of the issuance of the applicable series of Bonds, to effectuate the pledge and assignment of applicable Pledged Annual Service Charges to the Trustee as security for the applicable series of Bonds (each a “Pledge Agreement”); and

NOW THEREFORE BE IT RESOLVED by the Morris County Improvement Authority, as follows:

Section 1. The Bonds and the Project; Security for the Bonds. The Authority hereby approved the issuance of the Bonds to finance the Project. The Bonds shall be issued in a negotiated transaction with a Purchaser (defined below). The Bonds shall be secured by the Pledged Annual Services Charges.

Section 2. Authorization of Bonds.

(a) The Authority hereby authorizes the issuance of the Bonds in an aggregate principal amount not to exceed \$6,450,000, in one or more series, for the purpose of funding costs of the Project.

(b) The Bonds shall be initially issued in fully-registered form and as described in the applicable Indenture between the Authority and the Trustee, registerable at the designated office of the Trustee, as bond registrar (the “Bond Registrar”), and shall be numbered with such identifying prefixes and suffices as the Bond Registrar may determine. The Bonds shall be dated the date of their authentication and delivery to the holders thereof and shall bear interest from such date. Interest on the Bonds shall be payable on the dates as described in the applicable Indenture.

(c) The Bonds shall mature no later than thirty (30) years from the date of issuance. The Bonds may be issued on a federally taxable and/or tax-exempt basis and shall bear interest at a rate or rates of interest, as the case may be, which shall not exceed ten per centum

(10.00%) per annum for such Bonds. The Bonds may be issued with such original issue premium or discount as shall be negotiated by the Purchaser and the Authority.

(d) The Chairman, Vice Chairman or Executive Director (each an “Authorized Officer”) of the Authority are each hereby authorized to execute and deliver on behalf of the Authority one or more bond purchase/placement agreements, if applicable, for the purchase or placement of the Bonds (the “Bond Purchase/Placement Agreement”) by or with one or more entities designated by the Master Redeveloper, which may be an entity or entities related to the Master Redeveloper (each a “Purchaser”), the approval thereof to be evidenced by such Authorized Officer’s execution thereof, for the purchase of all, but not less than all, of the Bonds of such series being sold. A copy of the Bond Purchase/Placement Agreement shall be filed upon execution with the records of the Authority.

Section 3. Terms and Provisions of Bonds. The terms and provisions of the Bonds, including dates of maturity, redemption provisions and interest rates, shall be as set forth herein and as set forth in the applicable Indenture.

Section 4. Form of Bonds. The Bonds shall be in substantially the form set forth in the applicable Indenture with such insertions, omissions or variations as may be necessary or appropriate.

Section 5. Execution and Authentication. The Bonds shall be executed and authenticated in accordance with the applicable Indenture and shall be issued in registered form qualifying for book entry registration.

Section 6. Delivery of Bonds. Following execution of the Bonds, the Authorized Officers are each hereby authorized to deliver the Bonds to the Trustee for authentication and, after authentication, to deliver the Bonds to the applicable Purchaser against receipt of the purchase price or unpaid balance thereof.

Section 7. Approval of Financing Documents.

(a) The Authorized Officers are each hereby authorized to execute, acknowledge, consent to and/or deliver each Indenture, each Bond Purchase/Placement Agreement, each Funding Agreement, each Pledge Agreement, any disclosure document which may be used in connection with the initial placement of the Bonds, and any other such documents, instruments or agreements as may be necessary or appropriate in connection with the issuance and sale of the Bonds, each in such form and substance as is customary for transactions of this nature (the “Financing Documents”).

(b) No further action need be taken by the Authority, and the execution of the Financing Documents by an Authorized Officer shall be conclusively presumed to evidence any necessary approvals.

Section 8. Appointment of Certain Parties.

(a) McManimon, Scotland & Baumann, LLC is hereby confirmed as bond counsel to the Authority.

(b) U.S. Bank, National Association shall serve as bond trustee, paying agent and registrar for the Bonds.

Section 9. Incidental Action. The Authorized Officers are hereby authorized to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the execution and delivery of each Indenture, and the issuance and sale of each series of the Bonds, as described in the recitals hereto, all in accordance with the foregoing sections hereof.

Section 10. Effective Date. This Resolution shall take effect immediately upon adoption.

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MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	Yes	No	Abstain	Absent
Gallop				
Bauer				
Ramirez				
Sandman				
Leary				

This Resolution was acted upon at the Regular Meeting of the Authority held on January 18, 2023 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 18th day of January, 2023

By: _____
Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of January 18, 2023.

By: _____
Matthew D. Jessup, Member, McManimon, Scotland & Baumann, LLC
Counsel to the Authority
Resolution No. 23-05