

JUNE 24, 2019

**BOROUGH OF CLIFFSIDE PARK
BERGEN COUNTY, NEW JERSEY**

**MINUTES OF THE REGULAR MEETING
JUNE 24, 2019**

CALL TO ORDER AT 4:30 P.M.

FLAG SALUTE LED BY MAYOR THOMAS CALABRESE

PRESENT AT ROLL CALL:

Mayor	Thomas Calabrese
Councilman	Larry Bongard
Councilwoman	Dana Martinotti
Councilman	Kenneth Corcoran
Councilman	Peter Colao
Councilwoman	Selvie Nikaj

SERCAN ZOKLU STATED:

THIS IS A REGULAR MEETING OF THE MAYOR AND COUNCIL, AND NOTICE WAS GIVEN AS FOLLOWS:

1. NOTICE PUBLISHED JUNE 20, 2019 WITH THE RECORD AND JUNE 20, 2019 WITH THE JERSEY JOURNAL BOTH OFFICIAL NEWSPAPERS OF THE BOROUGH.
2. POSTING OF NOTICE ON THE BULLETIN BOARD.
3. PRESERVING A COPY IN THE CLERK'S OFFICE.

MINUTES:

On a motion by Councilman Bongard, seconded by Councilwoman Martinotti, the minutes of the Caucus Meeting of June 11, 2019 were accepted.

ROLL CALL:

AYES: Bongard, Martinotti, Corcoran, Colao, Nikaj. **ABSENT:** Spoto.

On a motion by Councilman Bongard, seconded by Councilwoman Martinotti, the minutes of the Regular Meeting of June 11, 2019 were accepted.

ROLL CALL:

AYES: Bongard, Martinotti, Corcoran, Colao, Nikaj. **ABSENT:** Spoto.

OFF CONSENT AGENDA:

On a motion by Councilman Bongard, seconded by Councilman Colao, Resolution 2019-157 was offered for adoption.

ROLL CALL:

AYES: Bongard, Martinotti, Corcoran, Colao, Nikaj. **ABSENT:** Spoto.

RESOLUTION 2019-157

RESOLUTION OF THE BOROUGH OF CLIFFSIDE PARK, IN THE COUNTY OF BERGEN, NEW JERSEY, AUTHORIZING THE ECONOMIC DEFEASANCE AND REFUNDING OF THE BOROUGH'S OUTSTANDING TAXABLE REDEVELOPMENT BONDS (ANDERSON AVENUE PROJECT), (SERIES 2011)

JUNE 24, 2019

FROM FUNDS TO BE PROVIDED BY CLIFFSIDE URBAN RENEWAL COMPANY, LLC, AUTHORIZING THE EXECUTION OF AN ESCROW DEPOSIT AGREEMENT AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Borough of Cliffside Park, in the County of Bergen, New Jersey (the "Borough") issued \$12,005,000 aggregate principal amount of Taxable Redevelopment Bonds (Anderson Avenue Project), Series 2011 on February 14, 2011, of which \$9,940,000 remain outstanding (the "Bonds"); and

WHEREAS, Cliffside Urban Renewal Company, LLC (the "Lessee"), as assignee of Town Centre Urban Renewal Company, LLC (the former lessee), pursuant to a Ground Lease with the Borough, dated as of July 25, 2012, as amended by the First Amendment to Ground Lease, dated as of August 9, 2017 (collectively, the "Ground Lease"), has or intends to exercise its irrevocable option to purchase the "Leased Property" (as defined in the Ground Lease) by payment of the purchase price (the "Purchase Price") consisting of (A) the amount required to defease the Bonds and to pay the financing costs and fees in connection therewith (the "Defeasance Amount") and (B) the "Basic Rent Balance" (as defined in the Ground Lease) in the amount of \$3,365,000 plus any unpaid "Basic Rent" (as defined in the Ground Lease); and

WHEREAS, subject to the payment of the Purchase Price by the Lessee and other amounts owing to the Borough, as certified by the Borough Administrator and Chief Financial Officer (the "Balance Owed"), the Borough intends to authorize the economic defeasance and refunding of the Bonds;

NOW, THEREFORE BE IT RESOLVED by the Borough Council of the Borough of Cliffside Park, in the County of Bergen, New Jersey, as follows:

Section 1. Subject to the receipt by the Borough of the Purchase Price and the Balance Owed, the Borough Council hereby specifically and irrevocably elects to economically defease, refund and escrow to maturity or redemption the Bonds. The Borough is hereby authorized to use the Defeasance Amount and Basic Rent previously paid by the Lessee (A) to pay all of the principal and interest on the Bonds due on the principal and interest payment dates from August 1, 2019 to and including February 1, 2021, and to redeem the Bonds maturing from February 1, 2022 to February 1, 2038 (the "Callable Bonds") on February 1, 2021 (the "Redemption Date") at the redemption price of 100% of the principal amount thereof, plus accrued interest to the Redemption Date, and (B) to pay the costs in connection with defeasance of the Bonds. Further, subject to the receipt by the Borough of the Purchase Price and the Balance Owed, the Borough specifically and irrevocably elects to redeem the Callable Bonds on the Redemption Date at a redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption. The specific amount to be deposited with Manufacturers and Traders Trust Company, Iselin, New Jersey (the "Escrow Agent") to refund the Bonds shall be as set forth in the Escrow Deposit Agreement by and between the Borough and the Escrow Agent (the "Escrow Deposit Agreement"). Manufacturers and Traders Trust Company, Iselin, New Jersey is hereby appointed Escrow Agent. The Chief Financial Officer is hereby authorized to rebate to the Lessee any excess funds remaining from the Defeasance Amount after the deposit with the Escrow Agent, as determined by the Borough Auditor.

Section 2. The Escrow Deposit Agreement, in substantially the form submitted to the Borough, is hereby approved.

Section 3. The Mayor is hereby authorized to execute the Escrow Deposit Agreement, in substantially the form thereof presented to the Borough, with such changes, variations, omissions and insertions as the Mayor, in consultation with bond counsel, shall approve. The execution thereof by the Mayor shall constitute conclusive evidence of such approval. The Mayor, the Chief Financial Officer and the Borough Clerk are hereby authorized and directed to execute and deliver such other documents and to take such other action as they determine to be necessary or appropriate in order to effectuate the refunding of the Bonds, including, without limitation, the execution and delivery of any closing documents and certificates and any agreements concerning the investment of funds to be used to redeem the Bonds. The Borough Council hereby ratifies and approves any action taken or to be taken by bond counsel, the Borough Auditor or the municipal advisor in connection with the refunding of the Bonds.

Section 4. This resolution shall take effect immediately upon its adoption.

The foregoing resolution was adopted by the following roll call vote.

On a motion by Councilman Bongard, seconded by Councilwoman Nikaj, Resolution 2019-158 was offered for adoption.

ROLL CALL:

AYES: Bongard, Martinotti, Corcoran, Colao, Nikaj. ABSENT: Spoto.

RESOLUTION 2019-158

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“OFFICIAL ACTION”

RESOLUTION AUTHORIZING VARIOUS ACTIONS RELATIVE TO THE ASSIGNMENT AND DEFEASANCE OF BONDS ASSOCIATED WITH THE FINAL CLOSEOUT OF THE TOWNE CENTRE DEVELOPMENT AND OTHER OBLIGATIONS OF TOWNE CENTRE URBAN RENEWAL COMPANY LLC, INCLUDING THE CONVEYANCE OF BLOCK 2803, LOT 1.01 TO CLIFFSIDE URBAN RENEWAL COMPANY LLC; THE ACCEPTANCE OF AN ASSIGNMENT OF GROUND LEASE FROM TOWNE CENTRE URBAN RENEWAL COMPANY LLC TO CLIFFSIDE URBAN RENEWAL COMPANY LLC; THE DISCHARGE OF ALL SECURITY GUARANTEEING FULL PAYMENT OF THE GROUND LEASE, THE ENTRY INTO A FIRST AND SECOND AMENDMENT TO THE APRIL 13, 2010 LONG TERM TAX ABATEMENT AGREEMENT AND FOR THE DEFEASANCE AND SATISFACTION OF A 2011 TAXABLE BOND, AND TO AUTHORIZE THE MAYOR AND BOROUGH CLERK TO SIGN AND ATTEST TO A DUPLICATE ORIGINAL ORDINANCE AMENDING A PREVIOUS ORDINANCE VACATING GRANT AVENUE.

WHEREAS, this Resolution pertains to the Redevelopment of certain land within the Borough of Cliffside Park (the “Borough”) designated as BLOCK 2803, LOT 1.01, with the Municipal subterranean lot being designated as BLOCK 2803, LOT 1.02, and actions of the designated Redeveloper known and identified as TOWNE CENTRE URBAN RENEWAL COMPANY, LLC, an urban renewal limited liability company established and operated within the State of New Jersey (hereinafter referred to as the “Redeveloper”), having a business address at 1000 Portside Drive, P.O. Box 207 Edgewater, New Jersey 07020; and

WHEREAS, on February 16, 1999, the Cliffside Park Borough Council (the “Borough Council”) adopted Ordinance No. 3-99 which designated the Borough Council as the Redevelopment Agency pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.; and

WHEREAS, pursuant to Ordinance No. 8-99 adopted September 14, 1999, as amended by Ordinance No. 03-2006 adopted March 21, 2006, the Borough Council designated the land surrounded on three sides by Anderson Avenue, Glen Street and Lawton Street (and an existing structure on the fourth side) consisting of Block 2804, Lot 1.01 (formerly Block 2803, Lots 1, 16, 17, 18, 19, 20 and 21; and Block 2804, Lots 1, 2, 3, 4, 5, 6 and 7) on the Tax Map of the Borough as an area in need of redevelopment (hereinafter the “Redevelopment Area”); and

WHEREAS, in furtherance of the Borough Council’s continuing efforts to enhance and revitalize the Anderson Avenue Business District and vicinity, the Borough entered into a Redevelopment Agreement (the “Initial Redevelopment Agreement”), dated January 9, 2006 with Towne Centre C.P., LLC (hereinafter referred to as “Towne Centre”) to undertake redevelopment of the Redevelopment Area; and

WHEREAS, in accordance with the Initial Redevelopment Agreement¹, Redeveloper designed a project (the “Project”) which has been modified from time to time and now consists of, amongst other improvements, a residential building of eleven (11) stories plus two (2) two-story penthouses containing 314 residential units, 49,418 sq. ft. of commercial and retail space, a two level parking structure, and a plaza; and

WHEREAS, as required in the Redeveloper Agreement, the Borough and Redeveloper entered into, among others, a Financial Agreement for Long Term Tax Exemption (the “Pilot Agreement”) dated April 13, 2010 as required under N.J.S.A. 40A:20-1 et. seq., a Ground Lease Agreement dated July 12, 2012, Amended Ground Lease dated August 9, 2017, and an Omnibus Agreement dated August 9, 2017 the last of which required that all amounts due (among others) for the full satisfaction of a 2011 taxable bond issued by the Borough in the original principal amount of \$12,005,000.00 to partially fund the Project be paid in full no later than December 31, 2021; and

WHEREAS, in addition to rights under the Ground Lease an Amended Ground Lease, the Borough also received, as further collateral security for the continuing payments under the Ground Lease, a subordinated assignment of rents and leases (ALR) dated September 10, 2017 which was recorded in the office of the Bergen County Clerk and, upon full payment of the underlying ground lease, requires a discharge; and

WHEREAS, the Redeveloper substantially completed the Project on November 1, 2017; and

WHEREAS, under the terms of the Pilot agreement, the Redeveloper is obligated to make Annual Service Charge payments to the Borough; and

¹ The Redeveloper Agreement has been the subject of amendments 1 through 5 on various dates.

Conversion of Project into Separate Condominium Forms of Ownership

WHEREAS, the Redeveloper or its assignees intends to file a Master Deed to convert the entirety of the Project's retail and residential Components into two independent units under a condominium form of ownership, together with undivided interests in the areas common to both the Residential and Commercial Components maintained at the Project. Upon filing and recordation of said Master Deed, the Commercial Component shall be known and designated as block 2803, lot 1.03 as shall be designated on the tax map for the Borough, and the Residential Component shall be known and designated as block 2803, lot 1.04 as shall be designated on the tax map for the Borough, with block 2803, lot 1.02 remaining vested into the Borough as the subterranean municipal parking lot; and

Conveyance of the Residential Condominium to Cliffside URE (lot 1.04)

WHEREAS, the Redeveloper and Cliffside Urban Renewal Company LLC (Cliffside URE), a NJ limited liability company, have or will enter into an Assignment of the Ground Lease which shall transfer all rights into the Project unto Cliffside URE and Redeveloper shall retain no rights to the Project, any improvements therein or thereon or any part of the Retail or Commercial Components. The Redeveloper has previously exercised its right, under the Ground Lease, to purchase block 2803, lot 1.01 (the Project) and it is intended that the rights of Redeveloper to receive title to block 2803, lot 1.01 from the Borough and the right to file the Master Deed and to retain ownership of block 2803, lot 1.04 (the Residential Component) shall be assumed and undertaken by Cliffside Urban Renewal Company LLC; and

Conveyance of the Commercial Condominium to Shairco (lot 1.03)

WHEREAS, the Redeveloper and Shairco Urban Renewal Company LLC, (Shairco URE) a NJ limited liability company, has entered into a contract for the sale of the Commercial Condominium to be formed upon the filing of the aforementioned Master Deed, known as block 2803, lot 1.03 and upon conveyance Shairco shall assume all ownership and control of block 2803, lot 1.3; and

Agreements Required for Cliffside URE and Shairco URE to Assume Tax Abatement

WHEREAS, the Redeveloper or its assignee is permitted to sell or assign its rights in and to the Project or any portion therein created and owned in condominium form to another authorized urban renewal company without the consent of the Borough, subject only to the entry into an agreement between the new urban renewal company and the Borough wherein the assignee shall assume complete responsibility for the continuing payment in lieu of taxes (PILOT) and compliance with the April 13, 2010 Financial Agreement For Long-Term Tax Exemption; and

WHEREAS, Both Cliffside URE and Shairco URE have provided written applications to qualify for a long-term tax exemption in accordance with N.J.S.A. 40A:20-1 et. seq. including the receipt of urban renewal certificates of formation approved by the State of New Jersey, Department of Community Affairs; and

WHEREAS, the Redeveloper, Cliffside URE and Shairco URE have requested that upon the assignment and conveyance of title unto Cliffside URE of lot 1.04 (Residential Component) and Shairco URE of lot 1.03 (Commercial Component) the long-term tax exemption that currently applies on the entire Project continue for the benefit of both Cliffside URE and Shairco URE, and the Borough is willing to permit the continuation of the long-term tax exemption for the benefit of both in accordance with N.J.S.A. 40A:20- 14 (d), upon the terms set forth in an agreement to be reached and in a form acceptable to the Borough and its Special Counsel; and

WHEREAS, it appearing that as of the date of this Resolution the total amount due to the Borough from the Redeveloper is as set forth in the payoff letter dated May 29, 2019 which is attached to this Resolution, not including the providing of a jitney bus by the Redeveloper to the Borough as is required under the Redeveloper Agreement; and

WHEREAS, the Redeveloper intends to pay and satisfy the Borough all amounts due as set forth in the attached payoff letter and to further provide either in-kind or in payment form the jitney bus and to otherwise satisfy the 2011 taxable bond by way of defeasance in accordance with a separate resolution of the Mayor and Council which will require it to enter into an escrow deposit agreement with Manufacturers And Traders Trust Company upon terms acceptable to the Borough and its bond counsel; and

NOW, THEREFORE, BE IT RESOLVED that the Cliffside Park Borough Council hereby authorizes the following actions:

1. The Mayor and Borough Clerk are hereby authorized to execute a deed of conveyance for block 2803, Lot 1.01 to Cliffside Urban Renewal Company LLC.
2. The Mayor is hereby authorized to enter into and execute a First Amended and Restated Financial agreement for long-term tax exemption with the Redeveloper, Town Centre Urban Renewal Company LLC and the new owner of the commercial

- component, block 2803, Lot 1.03, Shairco Urban Renewal Company LLC upon terms and in a form acceptable to the Borough Special Counsel.
3. The Mayor is hereby authorized to enter into and execute a Second Amended and Restated Financial agreement for long-term tax exemption with the Redeveloper, Town Centre Urban Renewal Company LLC and the new owner of the residential component, block 2803, Lot 1.04., Cliffside Urban Renewal Company LLC upon terms and in a form acceptable to the Borough Special Counsel.
 4. The Mayor and Borough Clerk are hereby authorized to execute a discharge of the Ground Lease Agreement which will confirm that the ground lease is expired with the conveyance of block 2803, Lot 1.01 to Cliffside Urban Renewal Company LLC, and upon further payment of all sums due and obligations owing to the Borough of Cliffside Park as set forth in this Resolution.
 5. The Mayor and Borough Clerk are hereby authorized to execute a discharge of the recorded Subordinated Assignment of Rents and Leases upon conveyance of block 2803, Lot 1.01 to Cliffside Urban Renewal Company LLC, and upon further payment of all sums due and obligations owing to the Borough of Cliffside Park as set forth in this Resolution.
 6. The Borough is hereby authorized to enter into and the Mayor is authorized to execute an estoppel certificate for the benefit of the lender extending financing to Cliffside Urban Renewal LLC so as to coordinate any insurance proceeds payable to Cliffside Urban Renewal Company LLC to the extent it intends to insure any part or all of the Borough owned subterranean parking structure known as block 2803, Lot 1.02, in a form acceptable to the Borough Special Counsel, and any other documents reasonably necessary which the Borough is requested to provide in connection with such financing so as to confirm the amounts due to the Borough on or under any instrument in which either Redeveloper or the Cliffside URE is or may be responsible, to confirm title and other covenants reasonably related to the conveyance of block 2803, Lot 1.01 and other documents deemed reasonably necessary and related to this entire transaction in the opinion of the Borough Special Counsel. Any documents executed by the Borough in accordance with this Resolution shall be filed with the Borough Clerk and available for public inspection, with redactions to be made as to any personal identifying information contained therein.
 7. The Borough hereby approves of the new urban renewal company Shairco Urban Renewal Company LLC as the new owner of block 2803, Lot 1.03, the commercial component of the Town Centre project, subject to the terms of the First Amended and Restated Financial Agreement or long-term tax exemption.
 8. The Borough hereby approves of the new urban renewal company Cliffside Urban Renewal Company LLC as the new owner of block 2803, Lot 1.04, the residential component of the Town Centre project, subject to the terms of the Second Amended and Restated Financial Agreement or long-term tax exemption.
 9. The Borough is further authorized to enter into and the Mayor and Borough Clerk are authorized to execute any other document or instrument reasonably necessary to accomplish the satisfaction of the 2011 taxable bond issue, including the defeasance therein, as well as the collection of the basic rent balance due and all payments as required in the attached exhibit A to this Resolution.
 10. The Borough Administrator is authorized to resolve the receipt of the jitney bus which is to be provided to the Borough by the Redeveloper under the terms of the Redeveloper Agreement, either in kind or upon other terms acceptable to the Borough Administrator and in the best interests of the Borough of Cliffside Park.
 11. The terms, commitments and covenants expressed on behalf of the Borough of Cliffside Park as enumerated in this Resolution shall not be effective until the receipt of all sums due as set forth on the attached exhibit an as well as all other obligations due and owing the Borough as of the date herein from the Redeveloper or any of the approved urban renewal entities.
 12. On February 6, 2018, the Mayor and Council adopted Ordinance number 2018-01 which provided for an amendment to a previous Ordinance, number 8-2006, dated July 11, 2006 and which vacated Grant Avenue for the benefit of the Towne Centre project. It appears that such Ordinance number 2018-01 has been mis-located and this Resolution authorizes the Mayor and Borough Clerk to sign and attest to a duplicate original of said Ordinance so that it may be recorded and the correction made to the Grant Avenue street vacation for the reasons expressed in said Ordinance.

CONSENT AGENDA:

On a motion by Councilwoman Martinotti, seconded by Councilman Corcoran, the claims were ordered paid.

ROLL CALL:

AYES: Bongard, Martinotti, Corcoran, Colao, Nikaj. ABSENT: Spoto.

RESOLUTIONS:

On a motion by Councilwoman Martinotti, seconded by Councilman Corcoran, Resolutions 2019-159 through 2019-161 were offered for adoption.

ROLL CALL:

AYES: Bongard, Martinotti, Corcoran, Colao, Nikaj. ABSENT: Spoto.

RESOLUTION 2019-159

WHEREAS, the Borough of Cliffside Park participates in the State Local Cooperative Housing Inspection Program; and

WHEREAS, the Borough of Cliffside Park has received authorization to conduct the State mandated inspections of hotels and multiple dwellings within its jurisdiction on behalf of the Bureau of Housing Inspection during the period from July 1, 2019 to June 30, 2020; and

WHEREAS, the Borough of Cliffside Park receives money from the State for these inspections; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Cliffside Park as follows:

1. That the Mayor is hereby authorized to execute any and all agreements to participate in the State Local Cooperative Housing Inspection Program.

RESOLUTION 2019-160

RE: BERGEN COUNTY AMERICAN LEGION CENTENNIAL RECOGNITION

WHEREAS, on March 15, 1919, The American Legion was founded in Paris, France, by United States World War I military personnel, members of the American Expeditionary Force, who convened for the first caucus; and

WHEREAS, a new organization named The American Legion eventually developed from this historic meeting, whose founders, led by Lieutenant Colonel Theodore Roosevelt Jr., were dedicated to four pillars of care for veterans, a strong national defense, Americanism, and children and youth; and

WHEREAS, today The American Legion is the world's largest veterans' organization, with over two million members worldwide, and over 4,000 members belonging to 41 Posts in Bergen County; and

WHEREAS, the Bergen County American Legion organization recognizes 23 "Centennial Posts" that are celebrating their 100 years of service this year, having all been chartered in 1919; and

WHEREAS, those Posts are situated in the following municipalities: Bogota, Carlstadt, Cliffside Park, Closter, East Rutherford, Englewood, Fort Lee, Garfield, Hackensack, Hasbrouck Heights, Hillsdale, Leonia, Lodi, Lyndhurst, Maywood, Oradell, Park Ridge, Ridgefield, Ridgefield Park, Ridgewood, Rutherford, Teaneck and Wood-Ridge; and

WHEREAS, the Bergen County American Legion Centennial Committee's mission is to bring recognition to the 23 American Legion Posts in Bergen County that were chartered in 1919, and to that

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end will hold a centennial gala on Sunday, September 29, 2019 at The Elan Catering & Events in Lodi, New Jersey; and

NOW, THEREFORE BE IT RESOLVED that the elected representatives and citizens of the Borough of Cliffside Park are pleased to recognize The Bergen County American Legion for their Posts' collective myriad of contributions to the good and welfare of veterans, service members and the communities they serve, and wish its members every success in continuing the legacy of service into its next one hundred years.

RESOLUTION 2019-161

MAYOR'S APPOINTMENTS

Pursuant to the obligations imposed upon my by law, I make the following nominations and seek the advice and consent of the Council:

Term Expires

VOLUNTEER FIREFIGHTER – 1 Year Term

John Baughman – Engine Company
Calogero Lupica – Hose Company

COMMITTEE REPORTS: ALL COMMITTEE REPORTS ON FILE IN THE CLERK'S OFFICE.

PUBLIC PORTION:

On a motion by Councilwoman Martinotti, seconded by Councilman Corcoran, the meeting was opened to the public. Carried.

The Clerk stated that any member of the public wishing to be heard could now do so, by coming to the podium and stating their name and address for the record.

PUBLIC PARTICIPATION: None.

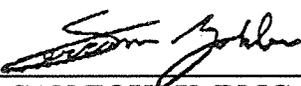
On a motion by Councilman Bongard, seconded by Councilwoman Martinotti, the meeting was closed to the public.

ADJOURN:

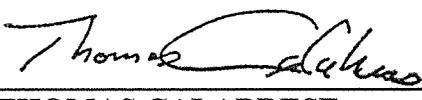
On a motion by Councilman Bongard, seconded by Councilwoman Martinotti, the meeting was adjourned at 5:24 p.m.

ATTEST:

APPROVED:



**SERCAN ZOKLU, RMC
BOROUGH CLERK**



**THOMAS CALABRESE
MAYOR**