

MINUTES
SPECIAL MEETING
MUNICIPAL COUNCIL - CITY OF RAHWAY, NEW JERSEY
FEBRUARY 29, 2012
6:30 P.M.

1. Council Vice President Brown called the meeting to order at 6:30 p.m. and asked for a Roll Call.

PRESENT: Councilmembers Brown, Cox, Mione, Rachlin, Saliga, Scaturro, Wenson Maier

ABSENT: Councilmembers Baker, Steinman

The City Clerk, Jean D. Kuc, announced the meeting had been advertised and posted in accordance with the Open Public Meetings Act of the State of New Jersey.

2. **PLEDGE OF ALLEGIANCE**

In the absence of a member of the Clergy, Councilmember Mione offered an invocation.

3. **ORDINANCES – Second Reading**

- O-4-12** Council Vice President Brown: The following Ordinance was adopted on first reading, advertised according to law, and is now before you for a public hearing and final adoption:

A REFUNDING BOND ORDINANCE OF THE CITY OF RAHWAY, IN THE COUNTY OF UNION, STATE OF NEW JERSEY (THE “CITY”) PROVIDING FOR (i) THE REFUNDING OF CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS, SERIES 2004 OF THE CITY TO PROVIDE DEBT SERVICE SAVINGS, AND (ii) AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$6,500,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS OF THE CITY TO EFFECT SUCH REFUNDING AND APPROPRIATING THE PROCEEDS THEREFOR

WHEREAS, pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 *et seq.*, as amended and supplemented (the “Local Bond Law”), the City of Rahway, in the County of Union, State of New Jersey (the “City”), had previously issued \$8,930,000 aggregate principal amount of General Obligation Bonds, Series 2004 on December 6, 2004 (the “Original Bonds”); and

WHEREAS, \$5,490,000 outstanding Original Bonds maturing in the years 2014 through 2023 (the “Refunded Bonds”) are currently subject to redemption, either in whole or in part, prior to their stated maturity; and

WHEREAS, the City Council has determined that the current tax-exempt interest rate environment would enable it to realize debt service savings for the City

taxpayers by refunding all or a portion of the aforesaid Refunded Bonds through the issuance of its General Obligation Refunding Bonds in an aggregate principal amount not to exceed \$6,500,000 (the "Refunding Bonds"); and

WHEREAS, the City Council now desires to adopt this Refunding Bond Ordinance (the "Refunding Bond Ordinance") authorizing the issuance of the Refunding Bonds in an aggregate principal amount not exceeding \$6,500,000, a portion of the sale proceeds of which shall be used to refund the Refunded Bonds.

BE IT ORDAINED AND ENACTED BY THE CITY COUNCIL OF THE CITY OF RAHWAY, IN THE COUNTY OF UNION, STATE OF NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) **AS FOLLOWS:**

SECTION 1. The refunding of all or a portion of the Refunded Bonds is hereby authorized.

SECTION 2. In order to refund the Refunded Bonds and to pay all related costs associated therewith, the City is hereby authorized to issue the Refunding Bonds in an aggregate principal amount not to exceed \$6,500,000, all in accordance with the requirements of N.J.S.A. 40A:2-51 et seq., and appropriate the proceeds of such Refunding Bonds to such purpose described in Section 3 hereof. Such Refunding Bonds shall be designated as "General Obligation Refunding Bonds" with such series designation as may be necessary to identify such bonds.

SECTION 3. The purpose of the issuance of the Refunding Bonds is to achieve debt service savings by refunding all or a portion of the Refunded Bonds.

SECTION 4. An aggregate amount not exceeding \$120,000 may be allocated from the aggregate principal amount of the Refunding Bonds to pay for items of expense listed and permitted under N.J.S.A. 40A:2-51(b), including, but not limited to, the aggregate allocated costs of issuance thereof, including underwriting, printing, credit enhancement or other insurance, advertising, accounting, financial, legal and other expenses in connection therewith.

SECTION 5. A certified copy of this Refunding Bond Ordinance has been filed with the Director of the Division of Local Government Services, in the New Jersey Department of Community Affairs prior to final adoption and enactment hereof.

SECTION 6. The supplemental debt statement required by the Local Bond Law has been duly made and filed in the Office of the City 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 New Jersey Department of Community Affairs, and 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 for in this Refunding Bond Ordinance and the said bonds and notes authorized by this Refunding Bond Ordinance will be within all debt limitations prescribed by the Local Bond Law.

SECTION 7. This Refunding Bond Ordinance shall take effect twenty (20) days after the first publication thereof after final adoption and approval by the Mayor, and upon the consent of the Local Finance Board being endorsed upon said ordinance, as provided by the Local Bond Law.

Council Vice President Brown opened the Public Hearing on this matter and asked if any citizen wished to be heard, to approach the rail, give his/her name and address and be heard.

With no one appearing, Council Vice President Brown closed the Public Hearing.

Roll Call for O-4-12:

YES: Councilmembers Brown, Cox, Mione, Rachlin, Saliga, Scaturo,
Wenson Maier

ABSENT: Councilmembers Baker, Steinman

Council Vice President Brown: This Ordinance having been read on two separate days and having achieved the vote required by law is declared adopted. The City Clerk is directed to deliver same to the Mayor for his approval or disapproval.

O-5-12 Council Vice President Brown: The following Ordinance was adopted on first reading, advertised according to law, and is now before you for a public hearing and final adoption:

AN ORDINANCE OF THE CITY OF RAHWAY, IN THE COUNTY OF UNION, STATE OF NEW JERSEY APPROVING AND AUTHORIZING THE ENTERING INTO, EXECUTION AND DELIVERY OF AN AMENDMENT TO THE USE, OCCUPANCY AND CAPITAL GRANT AGREEMENT WITH THE RAHWAY REDEVELOPMENT AGENCY (THE "AGENCY") RELATING TO THE ISSUANCE OF CITY-SECURED PUBLIC LIBRARY REVENUE REFUNDING BONDS, SERIES 2012 BY THE AGENCY TO REALIZE DEBT SERVICE SAVINGS FOR THE CITY TAXPAYERS

WHEREAS, the Rahway Redevelopment Agency (the "Agency") has been duly created by resolution of the City of Rahway, in the County of Union, State of New Jersey (the "City"), duly adopted January 25, 2001, as a public body

corporate and politic pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., as amended and supplemented (the "Act"); and

WHEREAS, the Agency is authorized to issue its bonds pursuant to the provisions of the Act and other applicable provisions of law; and

WHEREAS, the Agency has undertaken a capital project entailing the acquisition of land located in the City (the "Land") as described in the Capital Grant Agreement (as hereinafter defined) and the construction of a multi-use building that will house both the new Free Public Library of Rahway (the "Library") and private office space for SDI Technologies, Inc. (collectively, the "Facilities"), such Facilities to be located on the Land and a portion of such Facilities to be used and occupied by the City and operated by the Library in connection with the Capital Grant Agreement between the City and the Agency (the "Project"); and

WHEREAS, pursuant to a resolution entitled "Resolution of the Rahway Redevelopment Agency Authorizing the Issuance of City-Secured Public Library Project Notes and City-Secured Public Library Revenue Bonds" duly adopted by the Agency on June 19, 2001, as amended and restated on September 17, 2002, October 21, 2003 and October 19, 2004 (the "General Bond Resolution"), the Agency issued \$4,665,000 aggregate principal amount of City-Secured Public Library Revenue Bonds, Series 2002, dated October 29, 2002 (the "Series 2002 Bonds"), of which \$4,375,000 aggregate principal amount of Series 2002 Bonds maturing on or after October 15, 2012 is currently Outstanding, which Series 2002 Bonds were originally issued to provide funds to pay the costs of the Project; and

WHEREAS, \$4,340,000 aggregate principal amount of the Series 2002 Bonds maturing on October 15 in the years 2013 through and including 2022 (the "Callable Bonds") are subject to redemption at a price equal to one hundred one percent (101%) of the principal amount thereof (the "Redemption Price") on or after October 15, 2012 and will be redeemed at the Redemption Price, together with accrued interest thereon, on or after October 15, 2012 (the "Redemption Date"); and

WHEREAS, in an effort to realize an aggregate debt service savings equal to or greater than three percent (3%) of the net present value of the Callable Bonds, the Agency is desirous of paying the principal of and redemption premium, if any, and accrued and unpaid interest due on the Callable Bonds on the Redemption Date (the "Refunded Bonds"); and

WHEREAS, the City, by final adoption of this ordinance, has determined and hereby gives its consent to refund the Refunded Bonds through the issuance by the Agency of City-Secured Public Library Revenue Refunding Bonds, Series 2012 (or such other year designation as may be appropriate at the time of

issuance) (the "Refunding") in an aggregate principal amount not to exceed \$5,000,000 (the "Refunding Bonds" or the "Bonds"); and

WHEREAS, the Agency has determined pursuant to the Act to issue the Bonds for the purpose of refunding the Callable Bonds, which Bonds constitute Refunding Bonds under Section 206 of the General Bond Resolution and which Bonds shall be on parity with any bonds issued or to be issued from time to time pursuant to the Bond Resolution (as hereinafter defined); and

WHEREAS, all actions necessary and required under the Act for approval of the Refunding (as further defined in the hereinafter defined Capital Grant Agreement), including the review of and the issuance of positive findings with respect to such financing by the Local Finance Board within the Division of Local Government Services of the Department of Community Affairs in the State of New Jersey (the "Local Finance Board"), have been taken by the Agency; and

WHEREAS, the Agency will, pursuant to the Act, provide for the financing of the Costs (as hereinafter defined) of the Refunding via the issuance of the Refunding Bonds, which shall be payable from grant payments to be received from the City pursuant to the terms and conditions set forth in the Use, Occupancy and Capital Grant Agreement dated as of October 1, 2001, as amended and supplemented (the "Original Capital Grant Agreement"), as further amended and supplemented by a Fourth Amendment to the Use, Occupancy and Capital Grant Agreement by and between the City and the Agency to be dated the date of issuance of the Refunding Bonds (the "Capital Grant Amendment" and together with the Original Capital Grant Agreement, the "Capital Grant Agreement"); and

WHEREAS, the Local Finance Board, in the Division of Local Government Services, New Jersey Department of Community Affairs has held or will hold a hearing on the Refunding and has issued or it is reasonably anticipated that it will issue positive findings on the Refunding; and

WHEREAS, there has been prepared and submitted to the City the form of the Capital Grant Amendment, to be entered into by and between the Agency and the City, which Capital Grant Amendment has been approved by the City and which is attached hereto as Exhibit A, providing for the undertaking and financing of the Refunding. All terms used herein and not otherwise defined shall have the same meanings ascribed to such terms under the Capital Grant Agreement.

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

Section 1. Pursuant to the provisions of the Act, the City is hereby authorized and directed to enter into and perform the Capital Grant Agreement, which Capital Grant Agreement permits the refunding of all or a portion of the Refunded Bonds and the issuance of City-Secured Public Library Revenue Refunding Bonds, Series 2012 (or such other year designation as may be appropriate at the time of issuance) (the "Refunding Bonds" or the "Bonds") by the Agency pursuant to the General Bond Resolution, as amended and supplemented by a supplemental resolution entitled "Supplemental Resolution of the Rahway Redevelopment Agency Authorizing the Issuance of City-Secured Public Library Revenue Refunding Bonds, Series 2012" (the "Supplemental Resolution" and together with the General Bond Resolution, the "Bond Resolution"). The Capital Grant Agreement, in the form submitted herewith as Exhibit A (a copy of which is on file in the office of the City Clerk), is hereby approved with such changes, amendments or modifications as may be approved by Director of Law and bond counsel to the Agency.

Section 2. The City hereby covenants and agrees to the punctual payment of the obligations set forth in the Capital Grant Amendment authorized by this ordinance, including without limitation, (i) all Grant Payment obligations of the City under the Capital Grant Agreement, including Agency Administrative Expenses and Additional Grant Payments and (ii) all direct and indirect costs of the Agency related to the enforcement of the Capital Grant Agreement ((i) and (ii) collectively, the "Grant Payment Obligation"). Pursuant to the Local Redevelopment and Housing Law, the Grant Payment Obligation under the Capital Grant Agreement shall be a direct, unlimited and general obligation of the City, not subject to annual appropriation by the City, and unless paid from other sources, the City shall be obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Grant Payment Obligation thereunder without limitation as to rate or amount.

An Authorized City Representative (as defined in the Original Capital Grant Agreement) is hereby authorized and directed to execute the Capital Grant Amendment on behalf of the City in substantially such form as attached hereto as Exhibit A and the City Clerk is hereby authorized and directed to attest to such signature and affix the seal of the City thereto. All representatives, officials and employees of the City are each hereby authorized and directed to enforce and to implement provisions of the Capital Grant Agreement.

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

- (a) The maximum Grant Payment Obligation for which the City shall be obligated hereunder, which, inter alia, will be used for the payment of principal of and interest on the Refunding Bonds of the Agency, shall not exceed \$5,000,000, or the sum necessary to (i) refund the Refunded Bonds,

and (ii) pay the City's share of the costs of issuance, Agency Administrative Expenses, Additional Grant Payments and all other amounts required to be paid by the City under the Capital Grant Agreement, as and if applicable.

- (b) The Refunding Bonds of the Agency shall mature no later than December 31, 2022.
- (c) The Grant Payment Obligation authorized herein shall remain effective until all the Agency's Refunding Bonds shall have been paid in full in accordance with their terms and/or when all obligations of the City under the Capital Grant Agreement have been satisfied, notwithstanding the occurrence of any other event, including but not limited to the termination of the Capital Grant Agreement.
- (d) The supplemental debt statement required by the Local Bond Law has been duly made and filed in the Office of the City Clerk and a complete executed duplicate thereof has been filed in the Office of the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, and such statement shows that the gross debt of the City as defined in the Local Bond Law is increased by the authorization of the obligations provided for in this ordinance by not to exceed \$5,000,000 and the said obligations authorized by this ordinance will be within all debt limitations prescribed by the Local Bond Law.

Section 4. As an "Obligated Person" (as defined under the Rule (as hereinafter defined)), the City hereby agrees to comply with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented, including the secondary market disclosure requirements contained therein, and agrees to covenant to such compliance in the Capital Grant Agreement. The Mayor, the Chief Financial Officer of the City or any other Authorized City Representative are each hereby authorized and directed to execute and deliver a Continuing Disclosure Agreement, approve and "deem final" the Preliminary and Final Official Statements of the Agency to the extent the information contained therein relates to the City and to execute and deliver all certificates, documents and agreements to the Agency in connection therewith and to file budgetary, financial and operating data on an annual basis and notices of certain enumerated events as required to comply with and in accordance with the provisions of the Rule.

Section 5. The Mayor, City Clerk, Chief Financial Officer of the City or other Authorized City Representative are each hereby authorized and directed to execute and deliver any and all certificates, documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying

out the execution and delivery of the Capital Grant Agreement, the undertaking of the Refunding and all related transactions contemplated by this ordinance.

Section 6. Upon the payment of all amounts referenced in Sections 3(a) and 3(c) herein, the full faith and credit pledge of the City as to its Grant Payment Obligation authorized herein shall cease to exist.

Section 7. The capital budget of the City is hereby amended to conform with the provisions of this ordinance to the extent of any inconsistency herewith. The resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget and capital program as approved by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs is on file with the City Clerk and is available for public inspection.

Section 8. Pursuant to and in accordance with the terms of the Capital Grant Agreement, the Bond Resolution and the Act the City does hereby consent to: (i) the Agency's undertaking of the Refunding which in the aggregate shall not exceed \$5,000,000 and (ii) the execution of any and all agreements and/or amendments thereto in connection therewith.

Section 9. The provisions of this ordinance are severable. To the extent any clause, phrase, sentence, paragraph or provision of this ordinance shall be declared invalid, illegal or unconstitutional, the remaining provisions shall continue to be in full force and effect.

Section 10. The City Clerk is hereby authorized and directed to cause the publication of the text of this ordinance in full after introduction and final adoption in accordance with applicable law and to arrange for the public hearing thereon and final adoption thereof.

Section 11. Subsequent to the effective date of this ordinance, the City Clerk is hereby authorized and directed to send originally certified copies of the authorization proceedings reflecting the adoption of this ordinance and an originally certified copy of this ordinance to representatives of the Agency.

Council Vice President Brown opened the Public Hearing on this matter and asked if any citizen wished to be heard, to approach the rail, give his/her name and address and be heard.

With no one appearing, Council Vice President Brown closed the Public Hearing.

Roll Call for O-5-12:

YES: Councilmembers Brown, Cox, Mione, Rachlin, Saliga, Scaturro,
Wenson Maier

ABSENT: Councilmembers Baker, Steinman

Council Vice President Brown: This Ordinance having been read on two separate days and having achieved the vote required by law is declared adopted. The City Clerk is directed to deliver same to the Mayor for his approval or disapproval.

O-7-12 Council Vice President Brown: The following Ordinance was adopted on first reading, advertised according to law, and is now before you for a public hearing and final adoption:

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
RAHWAY APPROVING AND AUTHORIZING THE EXECUTION OF
VARIOUS EASEMENTS ON CITY PROPERTIES TO FACILITATE THE
DEVELOPMENT OF THE MERIDIA, WATERS EDGE RESIDENTIAL
REDEVELOPMENT PROJECT ON TAX BLOCK 305, LOT 5.04,
PURSUANT TO A REDEVELOPMENT AGREEMENT WITH THE
RAHWAY REDEVELOPMENT AGENCY, WHICH PROJECT HAS
BEEN APPROVED BY THE RAHWAY PLANNING BOARD**

WHEREAS, pursuant to The Local Lands and Buildings Law, N.J.S.A. 40A:12-1 et seq., the City has the power to acquire and/or sell any real property or interests therein for a public purpose; and

WHEREAS, pursuant to N.J.S.A. 40A:12-13(c) a municipality may convey, by private sale an easement to a private developer when acting in accordance with the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.; and

WHEREAS, Meridia, Water's Edge Urban Renewal, Rahway, LLC is the owner of certain property shown and designated as Lot 5.04 in Block 305 ("Lot 5.04") on the tax map of the City of Rahway, Union County, New Jersey, located in the Lower Main Street Urban Renewal / Redevelopment Area; and

WHEREAS, on December 14, 2011, Meridia, Water's Edge Urban Renewal, Rahway, LLC and the Rahway Redevelopment Agency entered into a Redevelopment Agreement for the Meridia, Water's Edge Redevelopment Project on Lot 5.04 located in the Lower Main Street Urban Renewal / Redevelopment Area; and

WHEREAS, Lot 5.04 is bordered by Lots 7.02 and 8.31 in Block 305 owned by the City, Lot 8.03 in Block 305 owned by the Rahway River Condominium Association, Inc., and Lot 5.03 in Block 305 owned by The Center Circle; and

WHEREAS, Meridia, Water's Edge Urban Renewal, Rahway, LLC obtained site plan approval for its Meridia, Water's Edge Redevelopment Project, which includes Lot 5.04 from the Planning Board of the City of Rahway on November 29, 2011, which site plan approval included various conditions regarding the requirement for various easements from adjoining property owners, including but not limited to those required on City properties as follows:

- Temporary construction easement twenty (20) feet in width on Lot 8.31 in Block 305 for construction of the Meridia, Water's Edge Redevelopment Project;
- Permanent access easement, ten (10) feet in width on Lot 8.31 in Block 305 for access for maintenance and repairs of the Meridia, Water's Edge Redevelopment Project upon completion of construction;
- Outdoor patio easement approximately 25 feet in width by 70 feet in length on Lot 8.31 in Block 305 to accommodate an outdoor patio area for the Meridia, Water's Edge Redevelopment Project upon completion of construction;
- Conservation easement approximately thirty (30) feet width for the length of the property for public access to the river and a public walkway along the river as a condition of the Waterfront Development permit issued by the N.J. Department of Environmental Protection for the construction of the Meridia, Water's Edge Redevelopment Project; and
- Temporary parking easement on Lot 7.02 in Block 305 for up to 18 parking spaces for the Meridia, Water's Edge Redevelopment Project upon completion of construction;
- Sign easement of approximately ten (10) feet by ten (10) feet within the right-of-way of Main Street near the entrance to The Center Circle property for erection of a permanent sign identifying the Meridia, Water's Edge Redevelopment Project; and
- Potential revisions to an existing sanitary sewer easement across Lot 5.04 in Block 305 to accommodate construction of a portion of the building for the Meridia, Water's Edge Redevelopment Project.

All of which are herein collectively referred to as the "Easements" and such Easements are depicted and described on the maps attached hereto and made part of this Ordinance, which Easements are subject to final preparation and review by the City Engineer and City Attorney and are to include terms and conditions as determined by the City in its sole discretion; and

WHEREAS, the City has determined that it would benefit the citizens of the City of Rahway, County of Union and State of New Jersey to sell and convey

the aforesaid Easements in order to support the continued redevelopment of the Lower Main Street Urban Renewal / Redevelopment Area through the development of the Meridia, Water's Edge Redevelopment Project.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Rahway, County of Union and State of New Jersey that:

1. The sale and conveyance of the Easements (as shall be more fully described on maps and legal description to be reviewed and approved by the City Engineer and City Attorney) to Meridia, Water's Edge Urban Renewal, Rahway, LLC are hereby authorized for compensation in the amount of One Dollar and 00/100 (\$1.00) and other good and valuable consideration for the development of the Meridia, Water's Edge Redevelopment Project in accordance with applicable approvals.
2. The Mayor and Municipal Clerk are hereby authorized and directed to execute the necessary deeds of easement in a form to be prepared, reviewed and approved by the City Engineer and City Attorney, as well as any other documents which may be required to convey the aforesaid interests.

BE IT FURTHER ORDAINED, that this ordinance shall take effect following adoption and approval in a time and manner prescribed by law.

Council Vice President Brown opened the Public Hearing on this matter and asked if any citizen wished to be heard, to approach the rail, give his/her name and address and be heard.

With no one appearing, Council Vice President Brown closed the Public Hearing.

Councilmember Baker arrived at 6:39 p.m.

Roll Call for O-7-12:

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Saliga, Scaturro, Wenson Maier

ABSENT: Councilmember Steinman

Council Vice President Brown: This Ordinance having been read on two separate days and having achieved the vote required by law is declared adopted. The City Clerk is directed to deliver same to the Mayor for his approval or disapproval.

4. COMMUNICATIONS - Hearing of Citizens

With no one appearing, Council Vice President Brown closed the Public Hearing.

5. ADJOURNMENT

Motion to adjourn the meeting at 6:40 p.m. was made by Councilmember Scaturo and seconded by Councilmember Cox.

YES: Councilmembers Baker, Brown, Cox, Mione, Rachlin, Saliga, Scaturo, Wenson Maier

ABSENT: Councilmember Steinman

Council Vice President Brown declared the motion carried.