

BOROUGH OF CRESSKILL

ORDINANCE NO. 23-19-1620

ORDINANCE AMENDING BOROUGH OF CRESSKILL ORDINANCE
NO. 22-02-1584 AUTHORIZING THE SALE OF UNUSED PROPERTY TO THE UNITED
WAY OF BERGEN COUNTY A RECOGNIZED SECTION 501 (C) (3) CORPORATION

WHEREAS, United Way has petitioned the Borough and requested that the Borough amend Ordinance 22-02-1584; and

WHEREAS, The United Way specifically requested that the Borough permit a one-time financing of the property known and designated as Block 83, Lots 108 and 109 on the current tax map with a street address of 68-69 East Madison Avenue, Cresskill, New Jersey 07626 which funds are needed to finish the construction of the Fair Share and Developmentally Handicap Residential Project; and

WHEREAS, the Ordinance prohibits the Grantee (United Way and any subsequent fee owner) and restricts them in perpetuity from encumbering or mortgaging the Property for any reason whatsoever; and

WHEREAS, the Borough has received, reviewed, and accepts the United Way's request and will subordinate the Ordinance to permit one time financing;

NOW THEREFORE BE IT ORDAINED, that Paragraph six (6) of the Ordinance Restrictions is rescinded in its entirety and shall read as follows:

The Grantee United Way shall be permitted to encumber and mortgage the Property and obtain a loan from Lakeland Bank or other bank licensed to do business in New Jersey. The terms of the loan are as follows:

1. Loan Amount;
\$476,500 (Four hundred seventy-six thousand, five hundred dollars);
2. Grant the Lending Institution a first mortgage on the property;
3. Loan period ten (10) years;
4. Interest rate shall not exceed 6.5% per annum subject to modifications on the 5th anniversary of the loan when the interest rate shall reset to 225 basis points in excess of the presently 5/20 FHCBNY with an interest rate floor of 6.5%
5. The loan document shall state that in the event of a default the Borough of Cresskill shall have the right to payoff the mortgage in full which shall trigger the rescission and transfer of the fee interest back to the Borough as a result of the Grantee's default
6. Borough's right to payoff the loan amount in the event of a default shall not be construed in any way whatsoever to name the Borough as a Guarantor of the indebtedness;
7.
 - a. The Grantee its successors and assignee shall not have the right to further encumber the Property without the expressed consent of the Borough, which may be withheld at the Borough's sole discretion;
 - b. Excepting:

That if the Grantee has the opportunity to refinance the debt in order to obtain a lower interest rate, the Borough will grant its consent to an interest rate modification and/or mortgage interest recasting.

SEVERABILITY. If the provisions of any article, section, subsection, paragraph, subdivision, or clause of this ordinance shall be judged invalid in whole or in part or as applied to any particular circumstance or individual by a court of competent jurisdiction, such order of judgment shall not effect or invalidate the remainder of any article, section, subsection, paragraph, subdivision, or clause of this ordinance.

REPEALER. All ordinances or parts of ordinances inconsistent with the provisions of this Ordinance are hereby repealed as to such inconsistencies only.

EFFECTIVE DATE. This ordinance shall take effect immediately upon final passage and publication as