RESOLUTION NO. 64 - 20

Offered by Councilor MURPHY
Seconded by Councilor

WHEREAS, on July 27, 2015, Glen Ridge Developers, LLC (together with its successors, collectively the "Builder") commenced a builder's remedy lawsuit (the "Builder's Remedy Litigation") against Glen Ridge Borough and the Glen Ridge Planning Board (collectively, "Glen Ridge") in the Superior Court of New Jersey, Law Division, Essex County, under Docket No. ESX-L-5308-15, involving the approximately 2.1 acres now designated and consolidated as Glen Ridge Tax Block 72, Lot 3 (the "Baldwin Street Property");

WHEREAS, pursuant to the terms set forth in a certain settlement agreement dated September 24, 2018 (the "Settlement Agreement"), Glen Ridge and the Builder settled the Builder's Remedy Litigation by, among other things, allowing the Builder the right to construct 110 residential rental units (the "Inclusionary Development") on the Baldwin Street Property, including a set-aside of approximately fifteen percent (15%) of the units (that is, 17 rental units) affordable to the region's very low, low and moderate income households;

WHEREAS, Section 4.4(b)(2) of the Settlement Agreement provides as follows:

In the event that potable water is supplied to the Inclusionary Development by Glen Ridge Borough, the cost of any increase in Glen Ridge Borough’s water gallonage allocation from North Jersey District Water Supply Commission will be borne by Glen Ridge Borough but the Builder will be responsible for its ongoing share of the costs of the increased allocation allotted to the Inclusionary Development.

WHEREAS, disputes have arisen between Glen Ridge and the Builder as to the rights and obligations of both Glen Ridge Borough and the Builder under the aforesaid Section 4.4(b)(2) of the Settlement Agreement;

WHEREAS, Glen Ridge Borough and the Builder have resolved such disputes in accordance with the terms set forth below;

NOW THEREFORE, BE IT RESOLVED, by the Borough Council of the Borough of Glen Ridge, County of Essex, State of New Jersey, as follows:

1. Glen Ridge is authorized to seek the purchase of up to 125 million gallons of water per year from North Jersey District Water Supply Commission ("NJDWSC") or such lesser amount
consistent with the revised “firm capacity” amounts determined for Glen Ridge in the January 2, 2020, letter of the New Jersey Department of Environmental Protection (“DEP”), on terms (including contract length, contract renewal and contract pricing) to be hereafter approved by Glen Ridge after presentation to Glen Ridge of a proposed contract from said NJDWSC (subject to non-substantive changes recommended and agreed to by Glen Ridge’s counsel) – the effectiveness of the foregoing, however, to be subject in all respects to all approvals required from DEP.

2. Glen Ridge is also authorized to seek the purchase of such additional million gallons of water per year from NJDWSC in an amount to be approved by DEP as necessary to supply potable water to the Inclusionary Development, on terms (including contract length, contract renewal and contract pricing) to be hereafter approved by Glen Ridge after presentation to Glen Ridge of a proposed contract from said NJDWSC (subject to non-substantive changes recommended and agreed to by Glen Ridge’s counsel) – the effectiveness of the foregoing, however, to be subject in all respects to all approvals required from DEP;

3. Glen Ridge’s obligation to purchase the water gallonage set forth above is subject to the Builder’s execution of an amendment to the Settlement Agreement (on terms recommended and agreed to by Glen Ridge’s counsel) pursuant to which the Builder agrees to make the following payments to Glen Ridge:

(a) The Builder will make a onetime payment to resolve all water allocation issues in the amount of $600,000. This is a lump sum payment of $600,000 (without discount to present value). The payment will be paid to Glen Ridge within 90 days after the Inclusionary Development receives its Certificate of Occupancy and its permanent financing.

(b) The Builder will also make the following additional payments (in addition to the $600,000):

(1) sewer connection fee of $121,800 to be paid at the time as required by existing agreements;
(2) water connection fee of $101,500 to be paid at the time as required by existing agreements;
(3) planner fees of $10,800 to be paid at the time as required by existing agreements.

(c) In addition to the above, the Inclusionary Development will pay water consumption fees based on its determined water use.