

RESOLUTION
CITY OF RAHWAY, NEW JERSEY
SPECIAL IMPROVEMENT DISTRICT

No. SR-3-23

Date of Adoption:

**RESOLUTION AUTHORIZING THE EXECUTION OF A SHARED SERVICES
AGREEMENT BETWEEN THE CITY OF RAHWAY AND THE UNION COUNTY
ECONOMIC DEVELOPMENT CORPORATION FOR BUSINESS SUPPORT SERVICES**

WHEREAS, the Provider is desirous of utilizing the expertise of the Recipient in order to assist in supporting potential, new, and current businesses within the City of Rahway; and

WHEREAS, the Recipient is a non-profit and has been helping small business by making loans, training and mentoring business owners, helping businesses obtain government contracts, and providing accurate and relevant business information; and

WHEREAS, the Recipient and the Provider have agreed to enter into a Shared Services Agreement pursuant to N.J.S.A. 40A:65-4 et. seq., business support services; and

WHEREAS, the term of the agreement shall be from January 1, 2023, through December 31, 2024, upon the adoption of an authorizing resolution by both the City of Rahway and the Union County Economic Development Corporation and execution of this Shared Services Agreement; and

WHEREAS, in consideration of the mutual promises and joint obligations set forth herein and other valuable consideration, the Union County Economic Development Corporation and the City of Rahway mutually agree pursuant to the agreement on file with the City Clerk; and

NOW, THEREFORE, BE IT RESOLVED, by the Municipal Council of the City of Rahway, County of Union, State of New Jersey that the Mayor and Municipal Clerk are hereby authorized to execute the Shared Services Agreement Between the City of Rahway and the Union County Economic Development Corporation which is annexed hereto and made a part hereof.

BE IT FURTHER RESOLVED as follows:

State Filing. This Agreement shall be filed, for informational purposes, with the Division of Local Government Services in the Department of Community Affairs pursuant to the rules and regulations promulgated by the director.

AGREEMENT BY AND BETWEEN
THE RAHWAY SPECIAL IMPROVEMENT DISTRICT
AND
THE UNION COUNTY ECONOMIC DEVELOPMENT CORPORATION

THIS AGREEMENT is entered into as of the 9th day of January, 2023, between the CITY OF RAHWAY, a municipal corporation of the State of New Jersey, with an office located at One City Hall Plaza, Rahway, New Jersey, 07065 (hereinafter the “City”), and the RAHWAY SPECIAL IMPROVEMENT DISTRICT in the first paragraph (hereinafter the SID), and UNION COUNTY ECONOMIC DEVELOPMENT CORPORATION, 75 Chestnut Street, Cranford, New Jersey 07016 (hereinafter the “UCEDC”).

THIS AGREEMENT is made by and between the Rahway Special Improvement District (herein after, the “**Provider**”) having offices at 1 City Hall Plaza, Rahway, New Jersey 07065, and the Union County Economic Development Corporation (hereinafter referred to as “**Recipient**”) having offices at 75 Chestnut Street, Cranford, New Jersey 07016;

This Shared Services Agreement is made this ____ day of January, 2023 by and between the City of Rahway, and the Union County Economic Development Corporation, (collectively referred to as the “**Parties**”).

WHEREAS, the Provider is desirous of utilizing the expertise of the Recipient in order to assist in supporting current, new, and potential businesses within the City of Rahway; and

WHEREAS, the Recipient is a non-profit and has been helping small business by making loans, training and mentoring business owners, helping businesses obtain government contracts, and providing accurate and relevant business information; and

WHEREAS, the Recipient and the Provider have agreed to enter into a Shared Services Agreement pursuant to N.J.S.A. 40A:65-4 et. seq., business support services; and

NOW, THEREFORE in consideration of the mutual promises and joint obligations set forth herein and other valuable consideration, the Provider and the Recipient mutually agree as follows:

I. SERVICES

A. Providers Obligations

The Provider shall pay the Recipient for said Construction Code Services at the not to exceed amount delineated above, on a quarterly basis.

B. Recipients' Obligations

The Recipient, with the approval of the Provider's governing board by resolution, shall provide business support services through the Administration and various departments within the City of Rahway, to the Provider, and shall bill the provider quarterly in an amount Not to Exceed \$_____ annually.

WITNESSETH:

1. General Scope of Project. The Business Improvement Program (BIP) will be open to all current brick and mortar businesses in the City of Rahway and all new businesses as defined below that will begin operation in the City of Rahway and considered a small business by the US Small Business Administration Standards. All businesses must be a registered business with the State of New Jersey and provide a New Jersey Business Registration Certificate. They must also be an approved use in the City of Rahway, conduct more than 50% of the business within a brick-and-mortar location in the City of Rahway and cannot be a chain or franchise. Successful small business applicants may use the \$2,000 Business Improvement Grant for each of the following activities, including interior improvements, exterior improvements, marketing, and commercial zoning approved signage. Businesses that have or obtain a certificate as a Minority Business Enterprise, Women's Business Enterprise, Veteran Owned Business, and LGBTQ Business will be able to receive an additional \$1,000 dollar grant. The maximum grant amount that any one business can obtain is \$7,000.

The Facade Improvement Program (FIP) will be open to property owners that are able to show proof of building ownership, can provide proof that they are current on water bill and taxes, and have a credit score of 650 or higher. Commercial property owners can apply for a \$10,000.00 forgivable loan that can be used for exterior façade improvements that will allow commercial property owners to restore and enhance the outward appearance of their buildings and storefronts. Loans will be interest free and forgivable if there has been no transfer or ownership after five years.

2. Administration. The program shall be administered on behalf of the Rahway Special Improvement District (SID), which shall provide funds for the program, by the Union County Economic Development Corporation. For the Business Improvement Program, financial assistance is available in the form of a forgivable loan to Rahway businesses. If the business closes within two years, funding will be converted from a loan to a grant on a monthly pro rata basis. For the Facade Improvement Program, financial assistance is available in the form of a forgivable loan. If a change in ownership occurs within 5 years, the loan must be paid in full with no interest. At the conclusion of one and two years, the SID will seek to evaluate the effectiveness of the program.

3. City of Rahway & Special Improvement District Responsibilities. The City of Rahway shall be responsible for the following:

- a. The marketing of the Business Improvement and Facade Improvement Grant Programs;
- b. The verification of all applicant's information, including but not limited to verification of approved use in the City of Rahway, SID Membership, and verification of commercial zoning requirements for signage. For new businesses, verification of commercial zoning, receive proof of at least a 2 year lease and proof of occupancy and/or building ownership. For property owners, verification of proof of ownership and that they are current on tax and water bills.
- c. Provide UCEDC with up to \$350,000 of funds to make Business Improvement Program Grants. Provide UCEDC with up to \$240,000 of funds to make the Facade Improvement Program Grants.
- d. Payment to UCEDC of a flat fee not to exceed \$20,000 to administer and service the grants.
- e. Notify the applicant of acceptance.
- f. Instruct UCEDC to make payment on the basis of verification from business by contract or invoice.
- g. Verify completion of work or delivery of service.
- h. At the conclusion of one and two years, the SID will seek to evaluate the effectiveness of the program.

4. UCEDC Responsibilities. The UCEDC shall be responsible for the following:

- a. Development of the Grant Applications for the Business Improvement and Facade Improvement Grant Programs.
- b. Acceptance of the submittal of all applications and ensure all applications are complete.
- c. Forward all completed applications to the Special Improvement District
- d. Perform credit check for the Business Improvement Program to ensure there are no bankruptcies or judgements (credit score is not a determining factor of eligibility). Perform credit check for the Facade Improvement Program.

- e. Preparation of and the notification of all commitment letters via e-mail where available or regular mail to all successful grantees.
- f. Electronically wire funds directly into business accounts of all approved businesses and property owners
- g. Place lien on the property for approved properties for the Facade Improvement Program

5. Indemnification. The UCEDC shall defend, save and hold harmless the City, its members, officers, agents and employees, against all claims, costs, demands, attorney's fees, losses or damage, to persons or property, that may arise as a result of any claim or action, in connection with UCEDC's negligent performance of its obligations under this Agreement. The City shall defend, save and hold harmless the UCEDC, its members, officers, agents, and employees, against all claims, costs, demands, attorney's fees, losses of damage, to persons or property, that may arise as a result of any claim of action, in connection with the City's negligent performance of its obligations under this Agreement.

6. Grant Availability. The Application period for small business applicants will be open from March __1st__ - April __30__ 2023.

7. Default/Termination. Notwithstanding anything contained herein or in any general conditions, in the event of the default of the UCEDC to provide the Services, the City may terminate the agreement without penalty on thirty (30) days written notice to UCEDC.

8. Termination. It is understood and agreed to by the UCEDC that the City may cancel this agreement at any time by giving prior written notice of said cancellation to the UCEDC within sixty (60) days prior to the effective cancellation date.

9. Insurance. UCEDC shall secure and maintain at all times during the term of this Agreement all of the insurance coverages required by the City and certifies that it has proper insurance.

10. Non-Discrimination. UCEDC shall not discriminate in the furnishing of its services or hiring practices due to race, color, national origin, religion, sex, marital status, age, ancestry or affectional or sexual orientation.

11. Notices. All notices required or permitted to be given under this Agreement shall be in writing and sent by certified mail, return receipt requested, or by recognized overnight delivery service, to the parties at the addresses listed below:

UCEDC: Union County Economic Development Corporation
75 Chestnut Street
Cranford, New Jersey 07016
Attention: Adam Farrah, President

CITY: Special Improvement District
1 City Hall Plaza
Rahway, New Jersey 07065
Attn: Elton Armady, Economic Development Officer

With a copy to: City of Rahway
1 City Hall Plaza
Rahway, New Jersey 07065
Attn: Jonathan Parham, Business Administrator

Louis N. Rainone, Director of Law
Rainone Coughlin Minchello, LLC
555 Route 1 South, Suite 440
Iselin, NJ 08830

12. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of New Jersey, without regard to the conflicts of laws or choice of law provisions thereof.

13. Severability. If any provisions of this Agreement shall hold invalid, its invalidity shall not affect any other provisions of this Agreement that can be given effect without the invalid provisions, and for this purpose the provisions of this Agreement are deemed to be severable.

14. No Waiver. No delay or failure by the City to exercise any right under this Contact, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

15. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto. This Agreement shall not be altered, amended, supplemented or terminated except by an agreement in writing, signed by both parties hereto.

16. Records Retention. UCEDC shall maintain all documentation related to the services under this agreement for a period of _____. Such records shall be available to the New Jersey Office of the State Comptroller upon request.

IN WITNESS WHEREOF, the Parties hereto have executed this Shared Services Agreement as of the date first above written.

ATTEST

RAHWAY SPECIAL IMPROVEMENT
DISTRICT

Jeffrey Jotz, SID Secretary

Elton Armady, Economic Development Officer

WITNESS

UNION COUNTY ECONOMIC
DEVELOPMENT CORPORATION

Adam Farrah, President