

NOTE: This revised document contains a summary of the key terms for a proposed redevelopment agreement between the Township of West Orange and Matrix Development Group, **which will be considered for approval at the December 5, 2023 Council meeting.** The specifics of the terms that would be agreed to are detailed in the proposed redevelopment agreement, which is also available for review on the Township website, and this document is provided as a reference to assist the public in understanding some of the more significant general terms provided for in the agreement and does not change or affect the terms of the agreement which, if executed, would control. This is an update to a prior proposed redevelopment agreement summary previously posted by the Township on November 13, 2023, which has been modified to reflect further review and discussion between the Township and Matrix.

405-23

**MATRIX DEVELOPMENT GROUP/WEST ORANGE REDEVELOPMENT
AGREEMENT SUMMARY OUTLINE**

- The Redevelopment Agreement designates Matrix Development Group (“Matrix”) as redeveloper for the Downtown Redevelopment Area to (a) develop a film studio on approximately 12.2 acres (Block 115) within the Film Services Overlay Zone consistent with the approved Redevelopment Plan as adopted and amended, as more specifically described in the accompanying Preliminary Redevelopment Project Narrative. The Project will not include any residential development.
- Upon approval of the Redevelopment Agreement, Matrix shall pay \$200,000 to the Township to secure exclusive redevelopment rights for 8 months (the “Due Diligence Period”), with the right to extend the Due Diligence period for an additional 8 months for an additional payment of \$200,000 (for total payment of \$400,000 (the “Redeveloper’s Fee”). The Redeveloper’s Fee represents the amount of property taxes that would have been collected on the recently-acquired Township Properties that Matrix would be acquiring in 2023 if such properties were on the Township’s tax rolls.
- During the Due Diligence Period, Matrix will (1) more specifically formulate project details, (2) finalize a Purchase and Sale Agreement for the Township Properties, (3) fully

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understand the current environmental conditions and (4) negotiate terms for a PILOT Financial Agreement.

- The Purchase and Sale Agreement will provide that Matrix shall pay the Township \$10,833,600 for the Township-owned properties on Block 115 (\$888,000 per acre) upon closing on the Township Properties. The sale will not include any of the Township-owned properties located on Ashland Avenue in Block 64 or on Babcock Place in Block 116.02.
- Upon closing on the Purchase and Sale Agreement, Matrix will be responsible for all environmental remediation of the Township Properties.
- During the Due Diligence Period, Matrix shall fund all Township costs relating to negotiation of agreements, review of project plans, review of financial information and development budget and projected revenue in connection with the PILOT, and any other out of pocket costs incurred by the Township in connection with the Project.
- During the Due Diligence Period and under the Redeveloper Agreement, Matrix shall provide monthly written updates on progress to the Township.
- Matrix shall agree to project covenants concerning completion of project, compliance with project schedule, use and operation of project, non-discrimination requirements and

November 30, 2023

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obligation to secure governmental approvals, which covenants will be recorded and run with the land.

- Consistent with the existing Prism apartment project (Edison Lofts), adopted for the applicable uses proposed by Matrix, contemporaneous with Matrix's purchase of the Township Properties, after a full review and analysis of the financial information about the overall project contemplated, it is anticipated that the Township will authorize a PILOT. If the Township declines to approve a PILOT upon presentation and analysis, Matrix shall have the right to terminate the Redevelopment Agreement and receive a refund of the Redeveloper's Fee paid to the point of termination.

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PRELIMINARY REDEVELOPMENT PROJECT NARRATIVE

The objective of the Redevelopment Project is to diversify mixed-use development and the economic base of West Orange, by promoting film production activities (“Studio Use”) adjacent to the location of the world's first film production studio, consistent with the requirements of the Fourth Amendment to the Downtown Redevelopment Plan adopted September 21, 2021, which amends and restates the First, Second and Third Amendments and further modifies the Original Plan (collectively the “Redevelopment Plan”).

The Studio Use is estimated to be between 150,000 and 350,000 square feet. It will include between three and six production stages ranging from 20,000 to 30,000 square feet each. Each production stage will be serviced by on site production services, including but not limited to grip and electric, equipment, props, set building, restaurants, location catering, cleaning service and security. The facility will also include office and support space as well as parking to accommodate between 200-400 cars and 30-60 trucks. Once fully operational, it is anticipated 300- 600 new fulltime jobs will be created as a result of the Studio Use.