

**THE TOWNSHIP OF EWING
COUNTY OF MERCER, NEW JERSEY**

ORDINANCE NO. 23-23

1st Reading 9-26-23

Date to Mayor 10-11-23

2nd Reading &
Public Hearing 10-10-23

Date Returned 10-11-23

Date Adopted:
10-10-23

Date Resubmitted to Council _____
Approved as to Form of Legality

Effective Date:
11-02-23

Township Attorney

ORDINANCE OF THE TOWNSHIP OF EWING, COUNTY OF MERCER, NEW JERSEY APPROVING APPLICATIONS FOR LONG TERM TAX EXEMPTION AND AUTHORIZING EXECUTION OF FINANCIAL AGREEMENTS

First Reading

| MEMBER | AYE | NAY | ABSENT | ABSTAIN | MOVE | SECOND |
|---------------|-----|-----|--------|---------|------|--------|
| Baxter | X | | | | | X |
| Keyes-Maloney | X | | | | | |
| Schroth | X | | | | X | |
| Steward | X | | | | | |
| Wollert | X | | | | | |

Second Reading

| MEMBER | AYE | NAY | ABSENT | ABSTAIN | MOVE | SECOND |
|---------------|-----|-----|--------|---------|------|--------|
| Baxter | | | X | | | |
| Keyes-Maloney | X | | | | | |
| Schroth | X | | | | X | |
| Steward | X | | | | | X |
| Wollert | X | | | | | |

By _____ Date _____ Accepted _____ Rejected _____
Mayor

Reconsidered
By Council _____ Override Vote YEA _____ NAY _____

President of the Council

Municipal Clerk

THE TOWNSHIP OF EWING
COUNTY OF MERCER, NEW JERSEY

ORDINANCE NO. 23-23

ORDINANCE OF THE TOWNSHIP OF EWING, COUNTY OF MERCER, NEW JERSEY APPROVING APPLICATIONS FOR LONG TERM TAX EXEMPTION AND AUTHORIZING EXECUTION OF FINANCIAL AGREEMENTS

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.* (the “**Redevelopment Law**”) authorizes municipalities to determine whether certain parcels of land located therein constitute areas in need of redevelopment; and

WHEREAS, under the Redevelopment Law, the Township Council (the “**Township Council**”) of the Township of Ewing (the “**Township**”) adopted Resolution No. 11R-154 on July 26, 2011, designating the properties located at Block 343, Lot 1.01, Block 374, Lot 4.02 and Block 365, Lot 9 on the Township’s tax map (collectively, the “**Original Parkway Avenue Redevelopment Area**”) as an area in need of redevelopment; and

WHEREAS, on January 29, 2013, the Township Council adopted Ordinance No. 13-02 approving and adopting a redevelopment plan for the Original Parkway Avenue Redevelopment Area (the “**Original Redevelopment Plan**”); and

WHEREAS, the Township Council subsequently adopted a resolution designating the properties located at Block 374, Lot 3 and 365, Lot 21 as an area in need of redevelopment and adding them to the Original Parkway Avenue Redevelopment Area (as amended, the “**Parkway Avenue Redevelopment Area**”); and

WHEREAS, on March 8, 2022, the Township Council adopted Ordinance No. 22-06 approving and adopting an amended redevelopment plan for the Parkway Avenue Redevelopment Area (the “**Redevelopment Plan**”); and

WHEREAS, in accordance with Section 65 of the Township Code, the Ewing Township Redevelopment Agency (the “**Agency**”) is the redevelopment entity responsible for implementing the Redevelopment Plan; and

WHEREAS, on October 5, 2022, the Agency adopted a resolution designating KRE Acquisitions Corp. (“**KRE**”) as the redeveloper for the property identified on the Township’s tax maps as a portion of Block 374, Lot 4.02 and known generally as 1500 Parkway Avenue (the “**Former Navy Site**”) and authorizing the execution of a redevelopment agreement in connection with the redevelopment thereof; and

WHEREAS, the Township and KRE executed a redevelopment agreement, dated October 31, 2022 (the “**Redevelopment Agreement**”), pursuant to which KRE agreed to redevelop the Former Navy Site together with that portion of Block 374, Lot 4.02 identified as the Adjacent Parcel in the Redevelopment Agreement (the “**Adjacent Parcel**”) by constructing thereon a project consisting of an approximately 285,440 square foot warehouse, three (3) flex buildings of approximately 20,000 square feet each, and supportive parking and other improvements (the “**Redevelopment Project**”); and

WHEREAS, 1500 Parkway Avenue I Urban Renewal, LLC (“**Entity I**”), an affiliate of KRE and 1500 Parkway Avenue Owner, LLC, will complete the portion of the Redevelopment Project consisting of the approximately 285,440 square foot warehouse, and supportive parking and other improvements relating thereto (the “**Entity I Project**”) on the portion of the Former Navy Site and Adjacent Parcel consisting of 19.658 acres (the “**Entity I Project Site**”); and

WHEREAS, 1500 Parkway Avenue II Urban Renewal, LLC (“**Entity II**”, and together with Entity I, the “**PA Entities**”), an affiliate of KRE and 1500 Parkway Avenue Owner, LLC, will complete the portion of the Redevelopment Project consisting of three (3) flex buildings of

approximately 20,000 square feet each, and supportive parking and other improvements (the “**Entity II Project**”) on that portion of the Former Navy Site identified on the Township’s tax maps as Block 374, Lot 4.04 (as subdivided from Block 374, Lot 4.02), along with the Adjacent Parcel (collectively, the “**Entity II Project Site**”, and together with the Entity I Project Site, the “**Project Site**”); and

WHEREAS, 1500 Parkway Avenue Owner, LLC, an affiliate of the PA Entities, owns the Project Site; and

WHEREAS, Entity I will own the Entity I Project and Entity II will own the Entity II Project and, upon completion of construction, Entity I and Entity II will lease their respective projects to an operating affiliate who will operate and manage the Redevelopment Project and lease space therein to the tenants; and

WHEREAS, the PA Entities are each an “Urban Renewal Entity” qualifying under the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:12A-1 *et seq.* (the “**Long Term Tax Exemption Law**”) and, thus, may exercise the powers conferred on such entities thereunder; and

WHEREAS, pursuant to, and in accordance with, the provisions of the Redevelopment Law and the Long Term Tax Exemption Law, the Township is authorized to provide for a tax exemption within a redevelopment area and for payments in lieu of taxes; and

WHEREAS, in order to enhance the economic viability of, and opportunity for, a successful project, the Township will enter into Financial Agreements with Entity I and Entity II governing the payments made to the Township in lieu of taxes on the Redevelopment Project pursuant to the Long Term Tax Exemption Law and the Redevelopment Law (the “**Financial Agreements**”); and

WHEREAS, in accordance with the Long Term Tax Exemption Law, Entity I and Entity II each filed with the Township an application, which are on file with the Township Clerk and which are incorporated herein by reference (the “**Applications**”), for approval of a long term tax exemption in connection with the Entity I Project and the Entity II Project; and

WHEREAS, upon review of the Applications, the Township has made the following findings:

A. Relative Benefits of the Redevelopment Project:

The Redevelopment Project will provide the region with a new state-of-the-art warehouse distribution center and three (3) flex buildings of approximately 20,000 sf each with supportive parking and site improvements. The Project Site is currently underutilized, contaminated and presents a danger to the community, and will benefit from a facility upgrade that generates revenues and creates jobs, and eliminates a dangerous eyesore. The Entity I Project is expected to produce approximately 100 construction jobs and approximately 140 permanent jobs. The Entity II Project is expected to produce approximately 50 construction jobs and approximately 30 permanent jobs.

B. Assessment of the importance of the tax exemption in obtaining development of the Redevelopment Project and influencing the locational decisions of probable occupants:

The PA Entities are making a significant equity contribution toward the cost of the Redevelopment Project. In order to improve the economic viability of the development of the Redevelopment Project, the Township has agreed to provide the tax exemption for the Redevelopment Project pursuant to the Financial Agreements. The stability and predictability of the tax exemption will make the uniquely-positioned Redevelopment Project more competitive and assist the PA Entities to undertake the Redevelopment Project in the Township.

WHEREAS, the Mayor submitted the Applications and Financial Agreements to the Township Council with his recommendation for approval, a copy of which recommendation is on file with the Township Clerk; and

WHEREAS, the Township Council has determined that the Redevelopment Project represents an undertaking permitted by the Long Term Tax Exemption Law.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF EWING, NEW JERSEY AS FOLLOWS:

Section 1. The aforementioned recitals are incorporated herein as though fully set forth at length.

Section 2. The Application submitted by Entity I is hereby approved in accordance with Section 8 of the Exemption Law.

Section 3. The Application submitted by the Entity II is hereby approved in accordance with Section 8 of the Exemption Law.

Section 4. The Mayor is hereby authorized and directed to execute the Financial Agreements with the PA Entities in substantially the same form as those attached as **Exhibit 19** to the Applications, together with such additions, deletions and other modifications deemed necessary upon consultation with counsel to the Township, and prepare, amend or execute any other agreements necessary to effectuate this ordinance, subject to modification or revisions, as deemed necessary and appropriate.

Section 5. The Clerk of the Township is hereby authorized and directed, upon execution of the Financial Agreements by the Mayor, to attest to the signature of the Mayor and to affix the corporate seal of the Township upon such documents.

Section 6. The Township Clerk shall file certified copies of this ordinance and the Financial Agreements with the Tax Assessor of the Township in accordance with Section 12 of the Exemption Law.

Section 7. In accordance with Section 12 of the Exemption Law, within ten (10) calendar days following the later of the effective date of this Ordinance or the execution of the Financial Agreements by Entity I and Entity II, the Township Clerk also shall transmit a certified copy of this Ordinance and the Financial Agreements to the chief financial officer of Mercer County and to the Mercer County Counsel for informational purposes.

Section 8. If any part(s) of this ordinance shall be deemed invalid, such part(s) shall be severed and the invalidity thereby shall not affect the remaining parts of this ordinance.

Section 9. This ordinance shall take effect in accordance with all applicable laws.