

ORDINANCE NO. 2024-11

ORDINANCE OF THE BOROUGH OF NETCONG, COUNTY OF MORRIS AND STATE OF NEW JERSEY AUTHORIZING AND APPROVING A FINANCIAL AGREEMENT BETWEEN THE BOROUGH OF NETCONG AND MOUNTAIN VIEW AT NETCONG URBAN RENEWAL LLC, FOR PROPERTY DESIGNATED ON THE MUNICIPAL TAX MAP AS BLOCK 26, LOT 6 AND A PORTION OF BLOCK 26, LOT 10, COMMONLY KNOWN AS 10 CHURCH STREET, PURSUANT TO THE LONG-TERM TAX EXEMPTION LAW FOUND AT N.J.S.A. 40A:20-1 *et seq.*

WHEREAS, the Borough of Netcong ("Borough") is a municipal entity organized and existing under the laws of the State of New Jersey and located in the County of Morris; and

WHEREAS, pursuant to the provisions of the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the "Redevelopment Law"), specifically including *N.J.S.A. 40A:12A-6(a)*, the Borough Council of the Borough (the "Governing Body") adopted a resolution on the recommendation of the Borough Planning Board designating Block 26, Lot 6 and a portion of Block 26, Lot 10 as reflected on the Tax Map of the Borough (the "Property") as an area in need of redevelopment as such term is defined in the Redevelopment Law; and

WHEREAS, pursuant to such designation by ordinance adopted February 2, 2024, the Governing Body adopted a redevelopment plan for the Property (hereinafter referred to as "Redevelopment Plan"); and

WHEREAS, the Borough has heretofore designated the Governing Body as the "Redevelopment Entity" (as such term is defined in the Redevelopment Law) for the purpose of implementing the Redevelopment Plan; and

WHEREAS, by resolution, the Governing Body appointed MOUNTAIN VIEW AT NETCONG URBAN RENEWAL LLC (the "Entity") as the redeveloper of the Property; and

WHEREAS, the Redevelopment Plan consists of 64-unit market rental townhome units and 12 affordable age restricted rental units with associated improvements and amenities (the "Redevelopment Project,"); and

WHEREAS, the Entity has or will purchase the Property and construct, or cause to be constructed, the Redevelopment Project; and

WHEREAS, the Long-Term Tax Exemption Law of New Jersey, *N.J.S.A. 40A:20-1 et seq.* ("Long Term Tax Exemption Law") permits a municipality to enter into a financial agreement exempting real property from tax assessment and accepting payments in lieu of taxes where the property is qualified; and

WHEREAS, in accordance with the Long-Term Tax Exemption Law, the entity has submitted a written application ("Application") to the Mayor for approval of a tax exemption for the improvements to be constructed as part of the Redevelopment Project ("Improvements"); and

WHEREAS, the Mayor, together with the Borough's Economic Development Committee and the Borough's professionals, reviewed the Application and have recommended to the Governing Body that it be approved; and

WHEREAS, the Governing Body has heretofore determined, *inter alia*, that the Redevelopment Project would not have been constructed without a tax exemption for the Improvements; and

WHEREAS, the Governing Body has reviewed the Application and finds that the benefits of the Redevelopment Project outweigh the costs as follows:

- A. Total real estate tax revenue for the Tax Years 2023 received by the Borough from those parcels of property upon which the Redevelopment project is anticipated to be constructed was approximately \$35,521.00.
- B. The development and construction of the Redevelopment Project, including infrastructure improvements, and as set forth in the Redevelopment Agreement will be beneficial to the overall community and will achieve the goals and objectives of the Redevelopment Plan, including the revitalization of the Redevelopment Area. The Redevelopment Project will improve the quality of life for the community and serve as a catalyst for further private investment in areas surrounding the Redevelopment Area and will enhance the economic development of the Borough.
- C. It is anticipated that the Redevelopment Project will create a substantial number of full-time construction jobs over the course of the Redevelopment Project, as well as other job opportunities after the completion of same.
- D. Pursuant to the Financial Agreement (hereinafter defined), the Redevelopment Project is projected to generate revenue for the Borough well in excess of the revenue generated by the existing ad valorem taxes received in Tax Year 2023. The Borough's authorized officers and employees have determined that the benefits to the Borough as a result of the Redevelopment Project and Financial Agreement substantially outweigh the costs to the Borough resulting from the long-term tax exemption granted herein.

WHEREAS, as part of its Application for tax exemption, the Entity has submitted a form of Financial Agreement ("Financial Agreement") providing for payments in lieu of taxes, a copy of which is attached to this Ordinance as Exhibit "A" which includes exhibits and schedules attached to the Financial Agreement; and

WHEREAS, the Governing Body has heretofore determined that exemption from taxation of the Improvements pursuant to the Financial Agreement and receipt by the Borough of annual service charges in lieu of taxes allows maximum redevelopment of the Property and is, therefore, in the best interest of the Borough and is in accordance with the provisions of the Long Term Tax Exemption Law and the public purposes pursuant to which the redevelopment has been undertaken; and

WHEREAS, the Governing Body now deems it to be in the best interest of the Borough to adopt an Ordinance authorizing the Borough to enter into the Financial Agreement with the Entity on the terms and conditions stated in the Financial Agreement attached to this Ordinance and as further set forth herein, including *inter alia* the granting of a tax exemption:

NOW, THEREFORE, BE IT ORDAINED by the Borough Council of the Borough of Netcong, County of Morris, and State of New Jersey, that the Borough will enter into a Financial

Agreement with the Entity on the terms and conditions stated in the Financial Agreement attached to this Ordinance as Exhibit "A" and as further set forth herein:

1. The Governing Body makes such determinations and findings by virtue of and pursuant to and in conformity with the Long-Term Tax Exemption Law.
2. The development of the Redevelopment Project is hereby approved for the grant of a tax exemption under the Long-Term Tax Exemption Law by virtue of, pursuant to and in conformity with the provisions of the same.
3. The Financial Agreement and all exhibits and schedules thereto are hereby authorized and approved.
4. The Improvements shall be exempt from real property taxation and in lieu of real property taxes; the Entity shall make payments to the Borough of an annual service charge during the term and under the provisions set forth in the Financial Agreement.
5. Upon adoption of this Ordinance and execution of the Financial Agreement, a certified copy of this Ordinance and the Financial Agreement shall be transmitted to the Borough Tax Assessor and the Chief Financial Officer of the County of Morris and Morris County Counsel.

BE IT FURTHER ORDAINED that the Mayor of the Borough of Netcong is hereby authorized to execute the Financial Agreement and any additional documents as are necessary to implement and carry out the intent of this Ordinance and the Financial Agreement.

BE IT FURTHER ORDAINED that this Ordinance shall take effect upon adoption and publication according to law.

NOTICE IS HEREBY GIVEN, that the foregoing Ordinance was introduced in writing at a meeting of the Borough Council of the Borough of Netcong, County of Morris and State of New Jersey, held on the 14th day of March, 2024, introduced and read by title and passed on the first reading and that the said Governing Body will further consider the same for second reading and final passage thereon at a meeting to be held on the 11th day of April, 2024, at 7:30 p.m., prevailing time, at the Municipal Building in said Borough, at which time and place a public hearing will be held thereon by the Governing Body and all persons and citizens in interest shall have an opportunity to be heard concerning same.

**BOROUGH OF NETCONG
COUNTY OF MORRIS
STATE OF NEW JERSEY**

ATTEST:

By: _____
Elmer Still, Mayor

Cynthia Eckert, Borough Clerk

Introduced: 3/14/24
Adopted: 4/11/24