

**BOROUGH OF PROSPECT PARK  
COUNTY OF PASSAIC**

ORDINANCE NO. 2023 - 21

**TITLE:       ORDINANCE OF THE BOROUGH OF PROSPECT PARK, IN  
THE COUNTY OF PASSAIC, NEW JERSEY APPROVING  
AN APPLICATION FOR A LONG TERM TAX EXEMPTION  
AND AUTHORIZING THE EXECUTION OF A FINANCIAL  
AGREEMENT WITH PPARK DEVELOPMENT URBAN  
RENEWAL, LLC**

**WHEREAS**, the Borough of Prospect Park, in the County of Passaic, New Jersey (the "**Borough**"), a public body corporate and politic of the State of New Jersey (the "**State**") is authorized pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the "**Redevelopment Law**"), to determine whether certain parcels of land within the Borough constitute an area in need of rehabilitation and/or an area in need of redevelopment; and

**WHEREAS**, pursuant to the Redevelopment Law, improvements to property located within an area in need of rehabilitation or redevelopment may qualify for long term tax exemptions under the Long Term Tax Exemption Law, *N.J.S.A. 40A:20-1 et seq.* (the "**Exemption Law**"); and

**WHEREAS**, the Borough Council of the Borough (the "**Borough Council**") adopted Resolution No. 2015-81, in accordance with Redevelopment Law and based upon the report and recommendation of the Borough Planning Board (the "**Planning Board**"), designated certain portions of the Borough as an area in need of redevelopment in accordance with *N.J.S.A. 40A:12A-6*; and

**WHEREAS**, pursuant to *N.J.S.A. 40A:12A-7*, the Borough Council, in accordance with the applicable provisions and requirements of the Redevelopment Law and based upon the report and recommendation of the Planning Board, enacted the Prospect Park Quarry Redevelopment Plan (as may be amended and supplemented from time to time, the "**Redevelopment Plan**") dated May 22, 2017, which included the following Blocks and Lots: Block 13, Lot 9; Block 14, Lot 1; Block 15, Lot 1; Block 16, Lot 8; Block 21, Lot 9; Block 27, Lot 39; Block 67; Lot 5; Block 73, Lot 51; Block 83, Lot 1; and Block 93, Lot 1 (the "**Redevelopment Area**"); and

**WHEREAS**, the PPark Development Urban Renewal, LLC (the "**Entity**"), an urban renewal entity qualified to do business under the provisions of the Exemption Law, is the owner of certain property or is the contract purchaser of certain property located in the Redevelopment Area and, prior to construction of the hereinafter defined Project, the Entity will consolidate all blocks and lots within the Redevelopment Area into a single block and lot (such consolidated block and lot, the "**Property**"); and

**WHEREAS**, the Borough Council designated the Borough as the redevelopment entity responsible for implementing and carrying out redevelopment plans pursuant to the Redevelopment Law; and

**WHEREAS**, the Entity proposes to develop, design, finance and construct a repair shop in order to effectively reclaim the entire Property, consistent with the Redevelopment Plan, totaling approximately 2,000 square feet;

**WHEREAS**, the provisions of the Exemption Law authorize the Borough to accept, in lieu of real property taxes, an Annual Service Charge (as defined in the Exemption Law), to be paid by the Entity to the Borough in connection with the Project; and

**WHEREAS**, in order to enhance the economic viability of and opportunity for a successful project, the Entity submitted to the Mayor an application (the "**Application**"), which is on file with the Borough Clerk, seeking a tax exemption in connection with the Project pursuant to the Exemption Law in exchange for which the Entity proposes to make payments to the Borough of Annual Service Charges in lieu of taxes; and

**WHEREAS**, the Entity also submitted to the Mayor a form of financial agreement attached to the Application, establishing the rights, responsibilities and obligations of the Entity; and

**WHEREAS**, the Mayor submitted the Application and the financial agreement attached hereto as Exhibit A (the "**Financial Agreement**") to the Borough Council with his recommendation for approval, a copy of which recommendation is on file with the Borough Clerk; and

**WHEREAS**, upon review of the Application and the Mayor's recommendation, the Borough Council has made the following findings with respect to the Project pursuant to *N.J.S.A. 40A:20-11*:

1. The Project will be beneficial to the overall community. It is anticipated that this phase of the development of the Project will create approximately 20 construction jobs and 4 permanent jobs. The Project will also further the goals and objectives of the Redevelopment Plan; will help revitalize the Redevelopment Area; which will eventually improve the quality of life for the community; and will enhance the economic development of the Borough. The benefits to the Borough accruing as a result of the Project, including the revitalization of the Redevelopment Area, and the generation of municipal revenues, will substantially outweigh any incremental costs to the Borough resulting from the long term tax exemption granted herein.
2. The Borough Council's approval of the long term tax exemption set forth in the Financial Agreement is essential to the success of the Project because, without the exemption, the Entity would not be able to finance, reclaim and construct the Project. The tax exemption permits the development of underutilized property and provides a stream of revenue in the form of the Annual Service Charges. The relative stability and predictability of the Annual Service Charges will allow the owner and, by extension, the lessees, of the Project to stabilize their expenses,

which will ensure the likelihood of the success of the Project and ensure that it will have a positive impact on the surrounding area. Further, the relative stability and predictability of the Annual Service Charge makes the Project more attractive to investors and lenders needed to finance the Project. The tax exemption permits the development of the Project in an area that cannot otherwise be developed by reducing the expenses associated with the operation of the Project.

**WHEREAS**, in accordance with the provisions of the Exemption Law, the Borough Council desires to approve the Application and the Financial Agreement.

**NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE BOROUGH OF PROSPECT PARK, 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 PPark Development Urban Renewal, LLC is hereby approved in accordance with Section 8 of the Exemption Law.

**Section 3.** The Mayor is hereby authorized and directed to execute the Financial Agreement substantially in the form attached as Exhibit A together with such additions, deletions and other modifications deemed necessary upon consultation with counsel to the Borough, and prepare, amend or execute any other agreements necessary to effectuate this ordinance, subject to modification or revisions, as deemed necessary and appropriate.

**Section 4.** The Clerk of the Borough is hereby authorized and directed, upon execution of the Financial Agreement by the Mayor, to attest to the signature of the Mayor and to affix the corporate seal of the Borough upon such document.

**Section 5.** The Borough Clerk shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the Borough in accordance with Section 12 of the Exemption Law.

**Section 6.** 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 Agreement by the Entity, the Borough Clerk also shall transmit a certified copy of this Ordinance and the Financial Agreement to the chief financial officer of Passaic County and to the Passaic County Counsel for informational purposes.

**Section 7.** The Mayor and Borough Clerk are hereby authorized to take such action and to execute such other documents, on behalf of the Borough, in consultation with Borough counsel, as is necessary to effectuate the terms of the Financial Agreement.

**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.

**Introduction and First Reading:**  
November 20, 2023

COUNCIL MEMBER	Motion	Second	Ayes	Nays	Abstain	Absent
Hussain			✓			
Artis			✓			
Daghstani		✓	✓			
Ortiz						✓
Perez						✓
Shah	✓		✓			

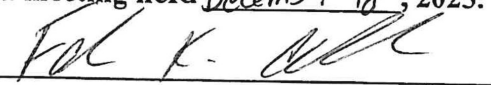
**Second and Final Reading of Ordinance Adoption:**

December 18, 2023

COUNCIL MEMBER	Motion	Second	Ayes	Nays	Abstain	Absent
Hussain			✓			
Artis						✓
Daghstani		✓	✓			
Ortiz			✓			
Perez			✓			
Shah	✓		✓			

  
Mohamed Khairullah, Mayor

This Ordinance was duly passed on second and final reading  
by the Council of the Borough of Prospect Park  
at a meeting held December 18, 2023.

  
Fahim K. Abedrabbo  
Acting Municipal Clerk