

**ORDINANCE OF THE TOWNSHIP OF WOODBRIDGE,
COUNTY OF MIDDLESEX, NEW JERSEY APPROVING
THE APPLICATION FOR A LONG-TERM TAX
EXEMPTION AND AUTHORIZING THE EXECUTION OF
A FINANCIAL AGREEMENT WITH TERRACE
ASSOCIATES URBAN RENEWAL, LLC**

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., as amended from time to time (the “**Redevelopment Law**”), provides a process for municipalities to participate in the redevelopment and improvement of areas in need of redevelopment and/or rehabilitation; and

WHEREAS, the Municipal Council of the Township (the “**Municipal Council**”) pursuant to N.J.S.A. 40A:12A-6(a), authorized the Planning Board of the Township (the “**Planning Board**”) to determine whether certain parcels of land in the Township met the statutory criteria for designation as an “area in need of redevelopment” pursuant to the provisions of Redevelopment Law;

WHEREAS, the Planning Board undertook said investigation and conducted a public hearing, all in accordance with N.J.S.A. 40A:12A-6; and

WHEREAS, thereafter the Planning Board found that, among others, the property commonly known as Block 364.01, Lot 1.01, on the Official Tax Maps of the Township (hereinafter, the “**Property**”) satisfied certain statutory criteria and thus constituted an area in need of redevelopment in accordance with N.J.S.A. 40A:12A-5 and N.J.S.A. 40A:12-6; and

WHEREAS, on November 3, 1999, the Municipal Council accepted the findings of the Planning Board and designed the Property as an area in need of redevelopment (“**Redevelopment Area**”) and prepared and adopted, in accordance with the Redevelopment Law, a redevelopment plan entitled the “Route One Corridor Redevelopment Plan” (the “**Original Redevelopment Plan**”) for the Redevelopment Area; and

WHEREAS, by ordinance adopted January 17, 2017 (17-15), the Municipal Council adopted a new redevelopment plan for the Redevelopment Area entitled the “Route 1 Area 19 Redevelopment Plan” (the “**Redevelopment Plan**”), superseding the Original Redevelopment Plan; and

WHEREAS, pursuant to Section 4 of the Redevelopment Law, the Township designated the Woodbridge Redevelopment Agency (the “**Agency**”) as the “**Redevelopment Entity**”, as such term is defined at N.J.S.A. 40A:12A-3, for the Redevelopment Area, with full authority to exercise the powers contained in the Redevelopment Law to facilitate and implement the development of the Redevelopment Area; and

WHEREAS, Terrace Associates Urban Renewal LLC (the “**Entity**”) is the owner of the Redevelopment Area (hereinafter, the “**Property**”); and

WHEREAS, the Entity desired to be designated by the Agency as the redeveloper for the Property, in order for Redeveloper to redevelop the Property by the demolition of an existing single-family home and the subsequent construction of a 55 & Older Apartment Building with 17 units, and any additional work incidental thereto and/or such work as maybe required in connection with permits and approvals, including Infrastructure Improvements, all of which shall be consistent with the Redevelopment Plan and any approved site plan (collectively, the “**Project**”); and

WHEREAS, on May 23, 2023, the Agency determined that the Entity met all necessary criteria, including financial capabilities, experience, expertise and project concept descriptions, and, as a result, the Entity was designated by the Agency as the redeveloper of the Property pursuant to the Redevelopment Law, and authorized the Agency to enter into a redevelopment agreement with the Entity for the purpose of same (the “**Redevelopment Agreement**”); and

WHEREAS, the Parties entered into said Redevelopment Agreement on May 30, 2023; 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 (“**PILOTs**”) in accordance with certain applicable provisions of the Long Term Tax Exemption Law; and

WHEREAS, it is the intent of the Entity and the Township that the calculations and determinations to be made under this Agreement with respect to any Net Profit (as defined herein) shall be based solely on, and with reference to, the Annual Gross Revenues (as defined herein) of the Entity, excluding any other entity, whether affiliated or unaffiliated with the Entity that is not organized as an urban renewal entity pursuant to the Long Term Tax Exemption Law; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the Township will enter into this Agreement with the Entity governing the PILOTs made to the Township on the Project pursuant to the Long Term Tax Exemption Law and the Act; and

WHEREAS, in accordance with the Long Term Tax Exemption Law, the Entity filed an application, attached hereto as Exhibit A (the “**Application**”), with the Township for approval of a long term tax exemption for the Improvements (as defined herein); and

WHEREAS, upon review of the Application and the Project, the Township has made the following findings:

A. Relative Benefits of the Project:

The Redevelopment Area will benefit from the construction of this 17-unit age restricted (55+) housing. The Township will benefit from the construction of the Project. The Project is expected to produce 45 construction jobs at its peak. Furthermore, the Property currently generates approximately \$10,686.76 per year in real estate taxes (based on final 2023 taxes), of which approximately \$3,275.30 are retained by the Township for local purposes. Upon completion, the Project is estimated to generate an initial annual service charge of more than \$38,401, as well as

total annual service charges of more than \$2,045,123 over the thirty (30) year term of the tax exemption.

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

The Entity is prepared to make a significant equity contribution toward the cost of the Project. In order to improve the economic viability of the development of the Project so that the Project can compete on an equitable footing with comparable dwelling units within the municipality and surrounding market, the Township has agreed to provide the tax exemption for the Project pursuant to this Agreement. The stability and predictability of the PILOT will make the Project economically feasible, more competitive and assist the Entity to undertake the Project in the Township.

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the Township seeks to enter into a financial agreement (the "**Financial Agreement**") in the form attached hereto as **Exhibit B** which shall govern the terms of the tax exemption for the Project and the Annual Service Charge to be paid to the Township in lieu of conventional taxation; and

WHEREAS, the Township Council has determined that the Project represents an undertaking permitted by the Long Term Tax Exemption Law, and has further determined that the Project is an improvement made for the purposes of clearance, replanning, development or redevelopment of an area in need of redevelopment within the Township, as authorized by the Long Term Tax Exemption Law; and

WHEREAS, the Mayor has submitted the Application and Financial Agreement to the Township Council with his recommendation for approval (the "**Mayor's Recommendation**"), a copy of which recommendation is on file with the Township Clerk.

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

1. An exemption from taxation as set forth in the Application is hereby granted to the Entity, with respect to the Project on the Property for the term set forth in the Financial Agreement; provided that in no event shall the tax exemption exceed the earlier of (i) thirty-five (35) years from the date of execution of the Financial Agreement or (ii) to the extent permitted by N.J.S.A. 40A:20-12, thirty (30) years from the Entity's receipt of a Certificate of Occupancy for the Project or phase thereof and only so long as the Entity remains subject to and complies with the Financial Agreement and the LTTE Law and any other agreement related to the Project or the Property; and provided further, that in no event shall the Annual Service Charge, for every year the property tax exemption is in effect, be less than the total taxes levied against the Property in the last full tax year it was subject to taxation.

2. The Mayor, in consultation with counsel to the Township, is hereby authorized to execute and/or amend, modify or make such necessary changes to the Application, the Mayor's

Recommendation, the Financial Agreement and any other agreements or documents necessary to effectuate this ordinance and the Financial Agreement.

3. The executed copy of the Financial Agreement and this ordinance shall be certified by the Township Clerk and filed with the Tax Assessor for the Township and the Director of the Division of Local Government Services.

4. The Project shall conform to all federal and state law and ordinances and regulations of the Township relating to its construction and use, including the Redevelopment Plan.

5. The Entity shall, in the operation of the Project, comply with all laws so that no person because of race, religious principles, color, national origin or ancestry, will be subject to discrimination.

6. The Entity shall, from the time the Annual Service Charge becomes effective, pay the Annual Service Charge as set forth in the Financial Agreement.

7. The following occurrences are express conditions to the grant of this tax exemption, to be performed by the Entity:

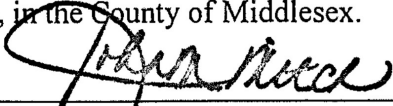
(a) The Entity shall not, without prior consent of the Township as set forth in the Financial Agreement, convey, mortgage or transfer all or any part of the Project which would sever, disconnect or divide the improvements being tax exempted under the Financial Agreement from the land underlying the exempted improvements.

(b) The Entity shall complete the Project within the timeframes set forth in the Redevelopment Agreement.

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

COUNCIL	YES	NO	ABS	N.V.	AB	COUNCIL	YES	NO	ABS	N.V.	AB
X - Indicate Vote ABS - Abstain N.V. - Not Voting AB - Absent											

I HEREBY CERTIFY the foregoing to be a true copy of an Ordinance introduced on ~~7-23-24~~, 2024 and finally adopted on AUG 06 2024, 2024 by the Township Council of the Township of Woodbridge, in the County of Middlesex.



John M. Mitch, RMC, CMC, CMR
Township Clerk
Township of Woodbridge

EXHIBIT A

Application for Long Term Tax Exemption

EXHIBIT B

Financial Agreement