

# SECOND READING

2024-54

G.

## 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 40 VAN DYKE AVENUE 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

**WHEREAS**, the Township of Woodbridge (the “**Township**”) Township Council (the “**Township Council**”) authorized and directed the Township of Woodbridge Planning Board (the “**Planning Board**”) to conduct a preliminary investigation pursuant to N.J.S.A. 40A:12A-6 to investigate the property known as Block 59.08, Lot 6.02, more commonly known as 555 New Brunswick Avenue, Woodbridge Township, Middlesex County, New Jersey (“**Olsen Tower**” or “**Olsen Tower Property**”), presently occupied by Olsen Towers affordability controlled senior housing structure, within the Township to determine whether Olsen Tower qualifies as an “area in need of redevelopment” in accordance with N.J.S.A. 40A:12A-5 and N.J.S.A. 40A:12A-6; and

**WHEREAS**, the Planning Board undertook said investigation and conducted a public hearing, in accordance with N.J.S.A. 40A:12A-6, after giving due notice of the proposed boundaries of Olsen Tower and the date of the hearing to any persons who are interested in or would be affected by a determination that Olsen Tower is an “area in need of redevelopment”; and

**WHEREAS**, on June 28, 2016, pursuant to the recommendation of the Planning Board, the Township Council adopted a Resolution designating Olsen Tower as an “area in need of redevelopment or rehabilitation”; and

**WHEREAS**, the Township Council adopted a resolution in accordance with N.J.S.A. 40A:12A-6 authorizing and directing the Planning Board to conduct an investigation of property known as Block 59.08 Lot 5.03 (the “**Fords Theater Property**”), more commonly known as 535-537 New Brunswick Avenue, Woodbridge Township, Middlesex County, New Jersey and a portion of Lot 6.02 (555 New Brunswick Avenue) (collectively, “**Green Oak**” or the “**Green Oak Property**”) (Greek Oak and Olsen Tower are collectively referred to as the “**Properties**” or the “**Redevelopment Area**”) to determine if it satisfies the criteria to be designated as an “area in need of redevelopment” in accordance with N.J.S.A. 40A:12A-5 and N.J.S.A. 40A:12A-6; and

**WHEREAS**, the Planning Board undertook said investigation and conducted a public hearing in accordance with N.J.S.A. 40A:12A-6, after giving due notice of the proposed boundaries of Green Oak and the date of the hearing to any persons who are interested in or would be affected by a determination that Green Oak is an “area in need of redevelopment”; and

**WHEREAS**, the Planning Board recommended Green Oak be designated as “an area in need of redevelopment”; and

**WHEREAS**, on December 13, 2022, in accord with the recommendation of the Planning

Board, the Township Council designated Green Oak as “an area in need of redevelopment”; and

**WHEREAS**, a redevelopment plan for the Property entitled “535-537 & 555 New Brunswick Avenue Redevelopment Plan” (the “**Redevelopment Plan**”) was adopted by the Township Council on or about March 7, 2023; and

**WHEREAS**, pursuant to N.J.S.A. 40A:12A-1 et seq., the Township Council designated the Agency to act as its “redevelopment entity” (as defined by N.J.S.A. 40A:12A-3) and authorized the Agency to exercise the powers contained in the Redevelopment Law to facilitate the development and implement the development of redevelopment projects throughout the Township; and

**WHEREAS**, Olsen Tower is owned by the Woodbridge Housing Authority (the “**Authority**”) and will be purchased by the Agency pursuant to a Purchase & Sale Agreement (the “**Tower PSA**”) to be negotiated between the Agency and the Authority; and

**WHEREAS**, the Township purchased the Fords Theater Property, ownership of which the Township will assign to the Agency (the “**Assignment**”) for subsequent sale to the Redeveloper pursuant to the terms of a purchase and sale agreement (the “**Theatre PSA**”); and

**WHEREAS**, consistent with Redevelopment Plan, the Redeveloper seeks to redevelop Green Oak as replacement housing consisting of seventy-five (75) units of senior affordable housing to be owned and operated by the Woodbridge Housing Authority for the current residents of Olsen Tower (the “**Green Oak Project**”) and thereafter to develop Olsen Tower as a market rate residential project (“**The Park at Fords Corner Project**”, together with the Green Park Project, the “**Projects**” or each individually a “**Project**”), in accordance with the redevelopment goals and objectives as set forth in the Redevelopment Plan; and

**WHEREAS**, 40 Van Dyke Avenue Urban Renewal, LLC (the “**Entity**”) is the contract purchaser of Block 59.08, Lot 6.021 (formerly 6.02) (hereinafter, the “**Property**”); and

**WHEREAS**, the Entity will undertake the design, financing, and construction of a 113 unit residential building, 17 of which will be designated as affordable housing, along with a rooftop deck and other related site improvements (the “**Project**”), and has entered into a redevelopment agreement with the Agency, dated September 25, 2023 in furtherance thereof (the “**Redevelopment Agreement**”); and

**WHEREAS**, pursuant to and in accordance with the provisions of the Act 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**, 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 Bond Financing Law, the Long Term Tax Exemption Law and the Redevelopment Law; 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; 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 mixed-use development, which shall include affordable housing. The Township will benefit from the construction of the Project. The Project is expected to produce an significant number of construction jobs at its peak. Furthermore, the Property currently generates no real estate taxes as it is publicly owned. Upon completion, the Project is estimated to generate an initial annual service charge of approximately \$262,817, as well as total annual service charges of more than \$12,915,775 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 making 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 projects 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 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 Long Term Tax Exemption 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:

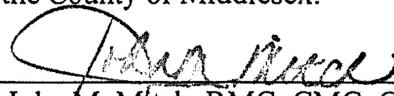
(a) The Entity shall not, without prior consent of the Township as set forth in the Financial Agreement, convey, mortgage or transfer all or any part of the Project which would sever, disconnect or divide the improvements being tax exempted under the Financial Agreement from the land underlying the exempted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

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

**EXHIBIT A**  
**Application for Long Term Tax Exemption**

**EXHIBIT B**

**Financial Agreement**