

SECOND READING

2024-55

H.

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 NEW STREET DEVELOPERS 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, pursuant to *N.J.S.A. 40A:12A-4*, the Municipal Council (the “**Municipal Council**”) of the Township of Woodbridge (the “**Township**”) has designated the Woodbridge Redevelopment Agency (the “**Agency**”) to act as its “Redevelopment Entity” (as such term is defined at *N.J.S.A. 40A:12A-3*) and authorized the Agency to exercise the powers contained in the Redevelopment Law to facilitate the development of redevelopment projects throughout the Township; and

WHEREAS, on May 3, 2016, the Municipal Council adopted a resolution in accordance with *N.J.S.A. 40A:12A-6* authorizing and directing the Planning Board of the Township (the “**Planning Board**”) to conduct an investigation to determine whether that certain area in the downtown Woodbridge Proper section of the Township commonly including the area known as Block 538, Lot 1; Block 538, Lot 2; Block 538, Lot 3; Block 538, Lot 4; and Block 538, Lot 14 on the tax maps of the Township (the “**Study Area**”) satisfies the criteria to be designated as a “non-condemnation area in need of redevelopment”; and

WHEREAS, on January 20, 2021 the Planning Board held a public hearing in accordance with *N.J.S.A. 40A:12A-6*, at which it reviewed the findings of reports prepared by Marta E. Lefsky Darden, AICP, PP; Eric Griffith, AICP, PP; and Chris Kesici, AICP, PP of the Township of Woodbridge Department of Planning and Development (the “**Township Planner**”) entitled “Preliminary Analysis and Investigation of Downtown Woodbridge: Block 538, Lot 1, Block 538, Lot 2, Block 538, Lot 3, Block 538, Lot 4, Block 538 Lot 14 as a ‘Non-Condensation Area in Need of Redevelopment’” (the “**Study Report**”), which determined that the Study Area met the criteria for designation as a “non-condemnation area in need of redevelopment” under the Redevelopment Law, and adopted a resolution which endorsed the findings of the Study Report and recommended to the Municipal Council, pursuant to *N.J.S.A. 40A: 1 2A-6*, that the Study Area be designated as a “non-condemnation area in need of redevelopment”; and

WHEREAS, on February 2, 2021, in accordance with the recommendation of the Planning Board, the Municipal Council designated the Study Area as “a non-condemnation area in need of redevelopment” pursuant to *N.J.S.A. 40A:12A-5* (the “**Redevelopment Area**”); and

WHEREAS, the Township Planner has prepared a redevelopment plan for the

Redevelopment Area entitled the “Downtown Woodbridge, Area 6 Redevelopment Plan,” dated March 2021 (the “**Redevelopment Plan**”); and

WHEREAS, on March 16, 2021 the Municipal Council adopted a resolution referring the Redevelopment Plan to the Planning Board for its review and recommendation, pursuant to *N.J.S.A. 40A:12A-7(e)*; and

WHEREAS, on March 17, 2021 the Planning Board reviewed the Redevelopment Plan and adopted a resolution recommending its adoption; and

WHEREAS, upon review of the Planning Board's recommendation of the Redevelopment Plan, the Municipal Council, on April 6, 2021, adopted the Redevelopment Plan to ensure the success of redevelopment within the Redevelopment Area in conformity with the Township's redevelopment objectives; and

WHEREAS, on May 8, 2024, the Planning Board reviewed an amendment to the Redevelopment Plan and adopted a resolution recommending its adoption (the “**Amended Plan**”); and

WHEREAS, upon review of the Planning Board's recommendation of the Amended Plan, the Municipal Council, on May 21, 2024, adopted the Amended Plan to ensure the success of redevelopment within the Redevelopment Area in conformity with the Township's redevelopment objectives (the Redevelopment Plan, together with the Amended Plan, hereinafter referred to as the “**Redevelopment Plan**”); and

WHEREAS, an affiliate of New Street Developers Urban Renewal, LLC (the “**Entity**”) is the owner of a portion of the Redevelopment Area comprised of the parcels located in Block 538, Lot 1, 2, 3, 4 and 14 (hereinafter, the “**Property**”); and

WHEREAS, the Entity will undertake the design, financing, and construction of a mixed-use building that includes a restaurant and 31 residential rental units, five (5) of which shall be set-aside for affordable housing, and other related site improvements, as more fully described as **Exhibit B** and made a part hereof (the “**Project**”), and the Agency adopted a resolution approving designating the Entity as redeveloper of the Property and approving a redevelopment agreement with the Entity, in furtherance of the Project (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 120 construction jobs at its peak, and 3-5 permanent jobs. Furthermore, the Property currently generates approximately \$141,900 per year in real estate taxes (based on final 2023 taxes), of which \$36,444 is retained by the Township. Upon completion, the Project is estimated to generate an initial annual service charge of approximately \$76,494, as well as total annual service charges of more than \$3,454,238.48 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.

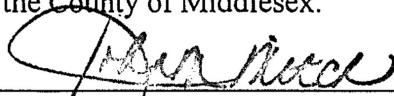
(b) The Entity shall complete the Project within the timeframes set forth in the Redevelopment Agreement.

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, 2024 and finally adopted on 8-6, 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