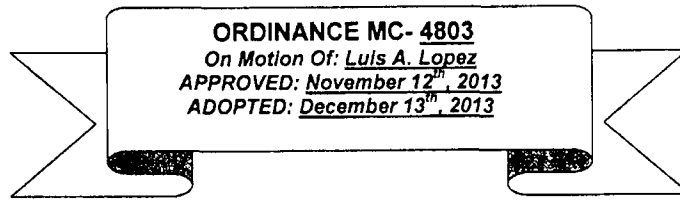


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**AN ORDINANCE AMENDING AND SUPPLEMENTING
CHAPTER 510 TO INCLUDE THE EXEMPTION OF IMPROVEMENTS
TO REAL PROPERTY FROM TAXATION WITHIN THE CITY OF CAMDEN
IN ACCORDANCE WITH THE ECONOMIC OPPORTUNITY ACT OF 2013**

WHEREAS, the New Jersey Legislature has adopted P.L. 2013, c. 161, known as the Economic Opportunity Act of 2013 (“EOA”) for the purpose of revitalizing the State of New Jersey, including the City of Camden.

WHEREAS, the EAO expands the economic development incentive programs administered by the New Jersey Economic Development Authority (EDA) to enhance the ability of the State to attract and retain business to further the overarching goal of creating and retaining jobs.

WHEREAS, the EOA is intended to increase the ability of existing New Jersey businesses, including small and mid-size companies, to use the economic development tools to expand their businesses, and to create and retain New Jersey jobs.

WHEREAS, the EOA, modifies these programs to compete with the financial incentive packages being offered by neighboring and other competing states.

WHEREAS, the EOA expands the areas of the State within which businesses can qualify for tax credits, and reduces the capital investment and employment eligibility requirements for participation in the program.

WHEREAS, the EOA improves the State's sole redeveloper incentive program, sized and scaled to more readily close project financing gaps and build public infrastructure critical to redevelopment projects while also providing bonuses to achieve public policy objectives, such as bringing fresh produce to urban “food deserts.”

WHEREAS, the EOA identified four Garden State Growth Zones, including the City of Camden, within which businesses that make capital investment which creates or retains jobs are entitled to additional tax credits.

WHEREAS, the EOA creates additional tax incentives available only to businesses that make a capital investment that creates or retains jobs in the City of Camden.

WHEREAS, the EOA allows Garden State Growth Zones, including the City of Camden, to provide additional incentives by granting developers that make improvements to real property an exemption from real property taxes for those improvements.

WHEREAS, the EOA has declared the Garden State Growth Zones blighted areas and areas in need of rehabilitation, provided however, that this declaration alone shall not be used to allow any property to be taken or acquired.

WHEREAS, the City of Camden supports the EOA and believes that it will provide much needed capital investment in the City and bring jobs to the City.

WHEREAS, City of Camden desires to provide additional incentives to businesses to encourage them to make capital investment in the City, to create and retain jobs in the City, and to improve real property in the City.

WHEREAS, the City of Camden desires to implement the tax exemptions available pursuant to the EOA; now therefore

BE IT ORDAINED by the City of Camden as follows:

SECTION 1. The City of Camden Code, Chapter 510, is hereby amended to incorporate the following Article VI:

Article VI. Exemption Pursuant to Economic Opportunity Act of 2013.

§510-26. Authority.

The City Council of the City of Camden hereby determines to utilize the authority granted by P.L. 2013, c. 161 (C.52:27D-489s) to establish the eligibility of improvements to real property within the City for exemptions.

§510-27.

Exemptions for improvements to real property.

Pursuant to the authorization contained in N.J.S.A. 52:27D-489s, the Assessor shall be authorized to grant exemptions for improvements to real property in the City that are made after the effective date of this ordinance. The owner of eligible property must obtain a final Certificate of Occupancy on or before September 18, 2023.

§510-28. Implementation of Exemption pursuant to the Economic Opportunity Act.

Upon the issuance of a Certificate of Occupancy, or Temporary Certificate of Occupancy, in determining the value of real property, the City Tax Assessor shall regard up to the assessor's full and true value of the improvements constructed after September 18, 2013 as not increasing the value of the property for the first ten years and then increases by 10% each year of the new improvements until the tax for the new improvements reach 100% when the property is owned by a Garden State Growth Zone Development Entity; and not increasing for five years for all other property owners. A Garden State Growth Zone Development Entity shall provide to the assessor proof that it qualifies as such entity prior to the issuance of a Temporary Certificate of Occupancy.

§510-29. Payment of Taxes.

A. The required payments shall be made in quarterly installments according to the same schedule as real property taxes are due and payable.

B. In addition to the payments required in lieu of taxes, the owner of the property granted an exemption pursuant to this Article shall be liable for all real property taxes assessed and levied

against the land on which the improvement is situated, as well as the value of the improvements on the property in the last full tax year prior to the issuance of the Temporary Certificate of Occupancy.

C. Failure to make the payments set forth in subsections A or B of this section shall result in the termination of the exemption. In addition to the remedy set forth herein, the requirements imposed shall be enforced in the same manner as is provided for real property taxes pursuant to Title 54 of the Revised Statutes of the State of New Jersey.

510-30. Expiration of the Exemption.

Upon the expiration of the tax exemption authorized pursuant to this ordinance, the project shall be subject to all applicable real property taxes, as provided by state laws and regulations and local ordinances, provided that nothing herein shall be deemed to prohibit the project or improvement at the termination of the agreement for tax exemption from qualifying for and receiving the full benefits of any other tax preference provided by law.

§510-31. Applicability of exemption to tax types.

The exemption of real property taxes provided by the City pursuant this ordinance shall apply to property taxes levied for municipal purposes, school purposes, county government purposes and for the purpose of funding any other property tax exemptions.

SECTION 2. Any portion of Chapter 510 of the Municipal Code not herein amended and supplemented shall remain in full force and effect.

SECTION 3. All ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed as to such inconsistency only.

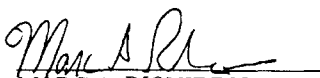
SECTION 4. If any provision of this ordinance is declared invalid, such invalidity shall not affect the other provisions of this ordinance. Furthermore, the other provisions of this ordinance are deemed to be severable and remain in full force and effect.


SECTION 5. This Ordinance shall take effect twenty (20) days after its final passage and publication as provided by law.

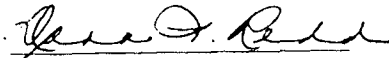
BE IT FURTHER ORDAINED, that pursuant to N.J.S.A. 52:27BBB-23 and N.J.S.A. 40:69A-41, a true copy of this Ordinance shall be forwarded to the Mayor, who shall have ten (10) days from the receipt thereof to approve or veto this Ordinance. Additionally, pursuant to N.J.S.A. 52:27BBB-23, a true copy of this Ordinance shall be forwarded to the State Commissioner of Community Affairs, who shall have ten (10) days from the receipt thereof to veto this Ordinance, and the action by the Commissioner regarding this Ordinance shall supersede any action by the Mayor on the same Ordinance. All notices of approval and/or veto shall be filed in the Office of the Municipal Clerk.


Date of Introduction: November 12, 2013

The above has been reviewed
and approved as to form


MARC A. RIONIDINO
City Attorney


FRANK MORAN
President, City Council


DANA L. REDD
Mayor

ATTEST: 
LUIS PASTORIZA
Municipal Clerk



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
P.O. BOX 240
TRENTON, NJ 08625

CHRIS CHRISTIE
GOVERNOR
KIM GUADAGNO
LT. GOVERNOR

ANDREW P. SIDAMON-ERISTOFF
STATE TREASURER

To: Municipal Clerks, Tax Administrators, and Tax Assessors of the City of Camden,
City of Trenton, City of Passaic, and City of Paterson

From: Thomas J. Reilly, Assistant Director
Division of Taxation

Date: November 29, 2013

RE: Reminder – Tax Abatements under the Economic Opportunity Act of 2013

On September 18, 2013, Governor Chris Christie signed into law the “Economic Opportunity Act of 2013,” P.L. 2013, c. 161. In addition to consolidating and recalibrating New Jersey’s economic development and job creation incentive programs, the Act permits the cities of Camden, Trenton, Passaic, and Paterson (“Garden State Growth Zone”) to encourage redevelopment within their borders through a new statutory authority for tax abatements. See Sections 22, 23, and 24 of the Act (annexed hereto). This notice is intended to remind the aforementioned municipalities that, pursuant to the Act, in order to exercise this statutory authority, a municipality must – by ordinance – opt-in by December 17, 2013, 90 days following enactment of the Act.

Encl.



subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the developer irrespective of whether the parties have notice thereof. Neither the redevelopment incentive grant agreement nor any other instrument by which a pledge under this section is created need be filed or recorded except with the municipality.

21. On or before July 1, 2018, the authority shall submit a written report to the Governor and the Legislature providing a comprehensive review and analysis of the Grow New Jersey Assistance Program, established pursuant to P.L.2011, c.149 (C.34:1B-242 et seq.), the State Economic Redevelopment and Growth Grant program, established pursuant to section 5 of P.L.2009, c.90 (C.52:27D-489e), and other economic incentive laws under the authority's jurisdiction, with particular emphasis on the recalibration of those programs and the creation of Garden State Growth Zones, pursuant to P.L.2013, c.161 (C.52:27D-489p et al.), and the effectiveness of those programs on economic development and private-sector job retention and growth. In order to ensure the independence and objectivity of the report, the authority shall retain a premier, not-for-profit, non-partisan entity to undertake the review and analysis of the State economic incentive laws, which shall include a cost-benefit analysis of each incentive program, an assessment of the success of each program in meeting the goals of the program, and any recommendations for improving the operation and effectiveness of each program, including recommendations for legislation.

C.52:27D-489q Findings, declarations relative to the "New Jersey Economic Opportunity Act of 2013."

22. The Legislature finds and declares that:

- a. Healthy, thriving municipalities are vital to the health, safety, and economic well-being of the State.
- b. Municipalities that are economically distressed adversely impact not only that municipality, but also affect the county and region where they are located as well as the whole State.
- c. Numerous programs have been previously established to assist municipalities in economic and fiscal distress to enable them to regain health and vitality, including programs to provide increasing degrees of oversight and to provide substantial amounts of financial aid and incentives.
- d. While these existing programs have proven successful in aiding a number of municipalities, others are in such difficult straits that such measures have not proven sufficient. Thus, extraordinary measures are required now to turn around the fate of such municipalities.
- e. The new programs provided herein will have a substantial likelihood of achieving success where prior programs have not, and employing these programs now is crucial to the economic well-being of the county, region, and State.
- f. Accordingly, the municipalities identified as Garden State Growth Zones are hereby declared blighted areas and areas in need of rehabilitation, provided however, that this declaration alone shall not be used to allow any property to be taken or acquired.

C.52:27D-489r Definitions relative to the "New Jersey Economic Opportunity Act of 2013."

23. As used in section 24 of P.L.2013, c.161 (C.52:27D-489s):

"Director" means the Director of the Division of Taxation.

"Division of Codes and Standards" means the Division of Codes and Standards located in the Department of Community Affairs.

"Eligible person" means any individual purchasing or renting an eligible residential residence within a growth zone after the enactment of P.L.2013, c.161 (C.52:27D-489p et al.). For the purpose of this definition, an eligible person is limited to those who establish a permanent residency at the eligible residential residence, are subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., and are current with all State and local tax obligations.

"Eligible property" means any residential, commercial, industrial, or other business property, located in a Garden State Growth Zone, that receives a Certificate of Occupancy or is transferred in a legal sale on or after July 1, 2013. Purchasers of newly constructed homes are not the applicant.

"Exemption" means that portion of the assessor's full and true value of any improvement, conversion, alteration, redevelopment, rehabilitation, or construction not regarded as increasing the taxable value of a property pursuant to P.L.2013, c.161 (C.52:27D-489p et al.) for the purposes of encouraging the construction, conversion, improvement, and redevelopment of real property conducted by eligible businesses or residents within a growth zone pursuant to P.L.2013, c.161 (C.52:27D-489p et al.).

"Garden State Growth Zone" or "growth zone" means the four New Jersey cities with the lowest median family income based on the 2009 American Community Survey from the US Census, (Table 708. Household, Family, and Per Capita Income and Individuals, and Families Below Poverty Level by City: 2009).

"Garden State Growth Zone Development Entity" means a private corporation incorporated pursuant to Title 14A of the New Jersey Statutes, or established pursuant to Title 42 of the Revised Statutes, for which the profits of the entity are limited as follows. The allowable net profits of the entity shall be determined by applying the allowable profit rate to the total project cost, and all capital costs, determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits, for the period commencing on the date on which the construction of the project is completed, and terminating at the close of the fiscal year of the entity preceding the date on which the computation is made, where:

"Allowable profit rate" means the greater of 12 percent or the percentage per annum arrived at by adding one and 1/4 percent to the annual interest percentage rate payable on the entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing the allowable profit rate shall be the greater of 12 percent or the percentage per annum arrived at by adding one and 1/4 percent per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in the county.

"Improvements" means any repair, construction, or reconstruction, including alterations and additions, having the effect of rehabilitating a deteriorated property so that it becomes habitable or attains higher standards of safety, health, economic use or amenity, or is brought into compliance with laws, ordinances or regulations governing such standards. Ordinary upkeep and maintenance shall not be deemed an improvement.

C.52:27D-489s Authority of development entity.

24. a. A Garden State Growth Zone Development Entity is authorized to undertake clearance, re-planning, development, or redevelopment of property within a Garden State Growth Zone.

b. Notwithstanding any other law to the contrary, every Garden State Growth Zone Development Entity that owns real property within a Garden State Growth Zone and that undertakes the clearance, re-planning, development, or redevelopment of such property is hereby granted an exemption on improvements to such eligible property for any new construction, improvements, or substantial rehabilitation of structures on real property for a period of 20 years from receiving a final Certificate of Occupancy, provided however, that a municipality located within the Garden State Growth Zone shall, by ordinance, opt-in to such program within 90 calendar days of the enactment of P.L.2013, c.161 (C.52:27D-489p et al.). The exemption allowed by this subsection shall be dependent upon: (1) the owner of the real property making improvements to the real property after the enactment of P.L.2013, c.161 (C.52:27D-489p et al.); and (2) the Division of Codes and Standards, in consultation with the eligible municipality, issuing a final Certificate of Occupancy within 10 years of the date of enactment of P.L.2013, c.161 (C.52:27D-489p et al.).

c. The exemption granted by subsection b. of this section shall be for a period of 20 years. For the first 10 years immediately subsequent to the issuance of a Certificate of Occupancy, the Garden State Growth Zone Development Entity shall be exempt from the payment of taxes on the improvements to the eligible property. Thereafter, the Garden State Growth Zone Development Entity shall pay to the municipality in lieu of full property tax payments an amount equal to a percentage of taxes otherwise due, according to the following schedule:

- (1) In the eleventh year after completion, 10 percent of taxes otherwise due;
- (2) In the twelfth year after completion, 20 percent of taxes otherwise due;
- (3) In the thirteenth year after completion, 30 percent of taxes otherwise due;
- (4) In the fourteenth year after completion, 40 percent of taxes otherwise due;
- (5) In the fifteenth year after completion, 50 percent of taxes otherwise due;
- (6) In the sixteenth year after completion, 60 percent of taxes otherwise due;
- (7) In the seventeenth year after completion, 70 percent of taxes otherwise due;
- (8) In the eighteenth year after completion, 80 percent of taxes otherwise due;
- (9) In the nineteenth full year after completion, 90 percent of taxes otherwise due;
- (10) In the twentieth year after completion, and each year thereafter, 100 percent of taxes.

An amount not less than five percent of all payments pursuant to this subsection shall be paid to the county in which the municipality is located.

d. Upon the termination of the exemption granted pursuant to subsection c. of this section, the project, all affected parcels, land, and all improvements made thereto shall be assessed and subject to taxation as are other taxable properties in the municipality. After the date of termination, all restrictions and limitations upon the Garden State Growth Zone Development Entity shall terminate and be at an end upon the entity's rendering its final accounting to and with the municipality.

e. Notwithstanding subsection b. of this section, the owner of any property located within a Garden State Growth Zone, that does not qualify as a Garden State Growth Zone Development Entity, that performs any new construction, improvements, or substantial rehabilitation improvements to property, shall be entitled to an exemption from taxation regarding such improvements as provided herein. For purposes of such exemption, the

municipality shall consider the assessor's full and true value of the improvements as not increasing the value of the property for a period of five years, notwithstanding that the value of the property to which the improvements are made is increased thereby.

f. Any exemption obtained under this section shall be fully transferable upon the sale of real property, as long as the new owner meets all requirements for exemption set forth pursuant to this section.

25. Section 6 of P.L.2010, c.57 (C.34:1B-209.4) is amended to read as follows:

C.34:1B-209.4 Credit to business for wind energy facility; eligibility.

6. a. (1) A business, upon application to and approval from the authority, shall be allowed a credit of 100 percent of its capital investment, made after the effective date of P.L.2010, c.57 (C.48:3-87.1 et al.) but prior to its submission of documentation pursuant to subsection c. of this section, in a qualified wind energy facility located within an eligible wind energy zone, pursuant to the restrictions and requirements of this section. To be eligible for any tax credits authorized under this section, a business shall demonstrate to the authority, at the time of application, that the State's financial support of the proposed capital investment in a qualified wind energy facility will yield a net positive benefit to the State. The value of all credits approved by the authority pursuant to this section may be up to \$100,000,000, except as may be increased by the authority if the chief executive officer judges certain qualified offshore wind projects to be meritorious. Credits provided pursuant to this section shall not be applicable to the cap on the credits provided in section 3 of P.L.2007, c.346 (C.34:1B-209).

(2) (a) A business, other than a tenant eligible pursuant to subparagraph (b) of this paragraph, shall make or acquire capital investments totaling not less than \$50,000,000 in a qualified wind energy facility, at which the business, including tenants at the qualified wind energy facility, shall employ at least 300 new, full-time employees, to be eligible for a credit under this section. A business that acquires a qualified wind energy facility after the effective date of P.L.2010, c.57 (C.48:3-87.1 et al.) shall also be deemed to have acquired the capital investment made or acquired by the seller.

(b) A business that is a tenant in the qualified wind energy facility, the owner of which has made or acquired capital investments in the facility totaling more than \$50,000,000, shall occupy a leased area of the qualified wind energy facility that represents at least \$17,500,000 of the capital investment in the qualified wind energy facility at which at least 300 new, full-time employees in the aggregate are employed, to be eligible for a credit under this section. The amount of capital investment in a facility that a leased area represents shall be equal to that percentage of the owner's total capital investment in the facility that the percentage of net leasable area leased by the tenant is of the total net leasable area of the qualified business facility. Capital investments made by a tenant shall be deemed to be included in the calculation of the capital investment made or acquired by the owner, but only to the extent necessary to meet the owner's minimum capital investment of \$50,000,000. Capital investments made by a tenant and not allocated to meet the owner's minimum capital investment threshold of \$50,000,000 shall be added to the amount of capital investment represented by the tenant's leased area in the qualified wind energy facility.

(c) The calculation of the number of new, full-time employees required pursuant to subparagraphs (a) and (b) of this paragraph may include the number of new, full-time positions resulting from an equipment supply coordination agreement with equipment