

**THE TOWNSHIP OF EWING
COUNTY OF MERCER, NEW JERSEY**

ORDINANCE NO. 17-01

1st Reading 01-10-17 Date to Mayor 1-25-17

2nd Reading & Public Hearing 1-24-17 Date Returned 1-25-17

Date Adopted: Date Resubmitted to Council _____

1-24-17 Approved as to Form of Legality

Effective Date: _____ Township Attorney

2-13-17

AN ORDINANCE AUTHORIZING THE TOWNSHIP OF EWING UNDER THE LONG TERM TAX EXEMPTION LAW, N.J.S.A. 40A:20-1, ET SEQ., TO ENTER INTO A PAYMENT IN LIEU OF TAXES (“PILOT”) AGREEMENT WITH PARKWAY TOWN CENTER URBAN RENEWAL, LLC IN WHICH PARKWAY WILL PAY THE TOWNSHIP OF EWING, IN LIEU OF CONVENTIONAL REAL PROPERTY TAX PAYMENTS, AN ANNUAL MONETARY PAYMENT COMPUTED IN ACCORDANCE WITH N.J.S.A. 40A:20-12(B)(1).

First Reading

MEMBER	AYE	NAY	ABS	NV	RES	SEC
Baxter	X					
Keyes-Maloney	X				X	
Schroth	X					X
Wollert	X					
Steward	X					

Second Reading

MEMBER	AYE	NAY	ABS	NV	RES	SEC
Baxter				X		
Keyes-Maloney	X					X
Schroth	X				X	
Wollert	X					
Steward	X					

By _____ Date _____ Accepted _____ Rejected _____
Mayor

Reconsidered
By Council _____ Override Vote YEA _____ NAY _____

President of the Council

Municipal Clerk

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ORDINANCE NO. 17-01

AN ORDINANCE AUTHORIZING THE TOWNSHIP OF EWING UNDER THE LONG TERM TAX EXEMPTION LAW, N.J.S.A. 40A:20-1, ET SEQ., TO ENTER INTO A PAYMENT IN LIEU OF TAXES (“PILOT”) AGREEMENT WITH PARKWAY TOWN CENTER URBAN RENEWAL, LLC IN WHICH PARKWAY WILL PAY THE TOWNSHIP OF EWING, IN LIEU OF CONVENTIONAL REAL PROPERTY TAX PAYMENTS, AN ANNUAL MONETARY PAYMENT COMPUTED IN ACCORDANCE WITH N.J.S.A. 40A:20-12(B)(1).

BE IT ORDAINED by the Council of the Township of Ewing (the “Township”) that the Township is authorized pursuant to N.J.S.A. 40A:20-9, to enter into a Payment in Lieu of Taxes (“PILOT”) financial agreement with Parkway Town Center Urban Renewal, LLC (“Parkway”) in which Parkway will pay the Township of Ewing (“Township”), in lieu of conventional real property tax payments, an annual monetary payment computed in accordance with N.J.S.A. 40A:20-12(b)(1).

Section 1:

The Ewing Township Redevelopment Agency has received an application from Parkway seeking a long term tax exemption pursuant to the Long Term Tax Exemption Law (“LTTE Law”), N.J.S.A. 40A:20-1, et seq. to redevelop a parcel of land with an area of approximately 78.275 acres and located at Block 343, Lots 1.01 and 1.02 in the Township (the “Project Site”), which has been designated by the Mayor and Council as an “area in need of redevelopment” pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq. (hereinafter, the “Project”). Parkway qualifies for a tax exemption pursuant to the LTTE Law.

The Mayor and Council have adopted a redevelopment plan for the redevelopment of the Project Site (the “Redevelopment Plan”). Parkway has entered into an agreement with the Township governing its redevelopment of the Project Site pursuant to the Redevelopment Plan (the “Redevelopment Agreement”). Under the Redevelopment Agreement, Parkway will construct certain project improvements on the Project Site, which shall consist of the structures and infrastructure improvements described in the Redevelopment Agreement (the “Project Improvements”).

Parkway’s application for a long term tax exemption pursuant to the LTTE Law includes a financial agreement between Parkway and the Township in accordance with N.J.S.A. 40A:20-9 (the “Agreement”), which outlines the terms and conditions of this long term tax exemption.

Pursuant to N.J.S.A. 40A:20-9, the Township is authorized to enter into an agreement with Parkway in which Parkway will pay to the Township, in lieu of conventional real property tax payments, an annual service charge computed in accordance with N.J.S.A. 40A:20-12(b)(1). That annual service charge shall be an amount equal to the minimum annual service charge, which shall be equal to the total taxes levied against all real property in the area covered by the Project, or the phase of the project for which the exemption is in effect, in the last full tax year in which the Project Site was subject to taxation (the “Minimum Annual Service Charge”). The Annual Service Charge shall otherwise be as follows:

For the first 15 years following substantial completion of each phase or unit of the Project, Ten Percent (10%) of Annual Gross Revenues

For the 16-30 years following substantial completion of each phase or unit of the Project, Twelve Percent (12%) of Annual Gross Revenues.

Annual Gross Revenues shall be defined as annual gross rents, as appropriate, and other income, received by Parkway as defined by N.J.S.A. 40A:20-3(a), specifically excluding, without limitation, extraordinary items, condemnation awards, insurance proceeds, gains from sales, transfers, or assumption of the Project Improvements or any part thereof, proceeds of any

financing or refinancing, proceeds from any disposition of a partner or a partner's interest in Parkway or any successor entity.

The Annual Service Charge shall be reviewed and, if and as necessary, adjusted in stages over the term of the PILOT agreement in accordance with N.J.S.A. 40A:20-12(b) as follows:

In years 16-21, the Annual Service Charge shall be an amount equal to the greater of either 12% of Annual Gross Revenues for each phase or unit of the Project that has been substantially completed or 20% of the amount of the taxes otherwise due on the value of the Project Site and Project Improvements.

In years 22-27, the Annual Service Charge shall be an amount equal to the greater of either 12% of Annual Gross Revenues for each phase or unit of the Project that has been substantially completed or 40% of the amount of the taxes otherwise due on the value of the Project Site and Project Improvements.

In years 28-29, the Annual Service Charge shall be an amount equal to the greater of either 12% of Annual Gross Revenues for each phase or unit of the Project that has been substantially completed or 60% of the amount of the taxes otherwise due on the value of the Project Site and Project Improvements.

In year 30, the Annual Service Charge shall be an amount equal to the greater of either 12% of Annual Gross Revenues for each phase or unit of the Project that has been substantially completed or 80% of the amount of the taxes otherwise due on the value of the Project Site and Project Improvements.

The Agreement shall take effect the first day of the month following the Project's date of completion (the "Commencement Date"). The Project's date of completion shall occur on the first day of the month following the issuance of a Certificate of Occupancy for the Project Improvements (or any part thereof for which application is made for a Certificate of Occupancy) (the "Date of Completion"). The Agreement shall remain in effect from the Commencement Date until the earlier of (i) the expiration of thirty-five (35) years from the execution of the Agreement or (ii) thirty (30) years from the Commencement Date, unless it is sooner terminated under the terms of the Agreement.

If Parkway fails to timely pay the Annual Service Charge, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens in the Township until paid.

The Residential Land (as defined in the Agreement) shall also be exempt from conventional real property taxation pursuant to N.J.S.A. 40A:20-12. The Retail Land (as defined in the Agreement) shall be subject to conventional real property taxation and Parkway shall be entitled to a credit against the Annual Service Charge in the amount, without interest, of the land taxes on the Retail Land paid by Parkway in the last four preceding quarterly installments.

The Township shall remit to the County of Mercer five percent (5%) of the Annual Service Charge received each year from the Parkway, pursuant to N.J.S.A. 40A:20-12(b)(2)(e).

Section 2. This ordinance shall take effect upon final adoption and publication in accordance with law.

STATEMENT

This Ordinance authorizes the Township to enter into a PILOT agreement with Parkway Town Center Urban Renewal, LLC to redevelop a parcel of land with an area of approximately 78.275 acres and located at Block 343, Lots 1.01 and 1.02 in the Township.

Adopted: