

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

ORDINANCE NO. 18-34

1st Reading 11-20-18

Date to Mayor 12-13-18

2nd Reading &
Public Hearing 12-11-18

Date Returned 12-13-18

Date Adopted:
12-11-18

Date Resubmitted to Council _____
Approved as to Form of Legality _____

Effective Date:
1-6-19

Township Attorney

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 HOMES BY TLC, INC., (“TLC”) IN WHICH TLC 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	ABSENT	ABSTAIN	MOVE	SECOND
Baxter			X			
Keyes-Maloney	X					X
Schroth	X				X	
Steward			X			
Wollert	X					

Second Reading

MEMBER	AYE	NAY	ABSENT	ABSTAIN	MOVE	SECOND
Baxter	X					X
Keyes-Maloney	X				X	
Schroth	X					
Steward				X		
Wollert	X					

By _____ Date _____ Accepted _____ Rejected _____
Mayor

Reconsidered
By Council _____ Override Vote YEA _____ NAY _____

President of the Council

Municipal Clerk

ORDINANCE NO. 18-34

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 HOMES BY TLC, INC., (“TLC”) IN WHICH TLC 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)

WHEREAS, the Township of Ewing, County of Mercer, State of New Jersey (“Township”) is a municipal corporation, having a principal office at 2 Jake Garzio Drive, Ewing, New Jersey 08628; and

WHEREAS, Homes by TLC, Inc. (“TLC”) is a non-profit corporation of the State of New Jersey, having a principal office at 1880 Princeton Avenue, Lawrenceville, New Jersey 08648 (the “Sponsor”); and

WHEREAS, the Ewing Township Redevelopment Agency has received an application from TLC 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.; and

WHEREAS, TLC plans to develop, construct and operate a fourteen (14) unit residential facility which shall be restricted to occupancy for persons of moderate, low and very low income to be situated on a parcel of land designated as Block 414, Lot 2.01, as shown in the official assessment map of the Township and more commonly referred to as the “Sullivan Green Project at 208 Sullivan Way, in the Township of Ewing, County of Mercer, State of New Jersey” (“Project”); and

WHEREAS, the Township and TLC desire to enter a Payment in Lieu of Taxes (“PILOT”) financial agreement pursuant to N.J.S.A. 40A:20-9 (“Agreement”) setting forth the terms and conditions of this long term tax exemption, under which TLC will pay the Township, in lieu conventional real property tax payments, an annual monetary payment computed in accordance with N.J.S.A. 40A:20-12(b)(1); and

WHEREAS, pursuant to N.J.S.A. 40A:20-9, the Township is authorized to enter into an agreement with TLC in which TLC 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); and

WHEREAS, as of the date the improvements shall have been substantially completed, the improvements comprising the Project shall be exempt from real property taxes, provided that the Sponsor shall make payments for municipal services in lieu of taxes to the Township as provided;

WHEREAS, this exemption of the Project from real property taxation and the Sponsor’s obligation to make payments in lieu of taxes shall extend for a period of thirty (30) years; and

NOW, THEREFORE, BE IT ORDAINED, by the Council of the Township of Ewing, County of Mercer that the Ewing Township Redevelopment Agency is authorized pursuant to N.J.S.A. 40A:20-9, to enter into a PILOT financial agreement with TLC, in which TLC will pay the 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) in such amount as follows:

Section 1

1. From the date of substantial completion of the Project and for the thirty (30) year term of the exemption period, the Sponsor shall make payment to the Municipality in an amount equal to five percent (5%) of the annual gross revenue of the total Project.
2. As used herein, “annual gross revenue” means the total annual gross rental or carrying charge or other income of the Sponsor from the Project less the cost of utilities furnished by the Project, which shall include the cost of gas, electricity, heating fuel, water supplied, and sewer charges, if any. The Project revenue shall

not include any rental subsidy contributions received from any federal or state program.

3. Notwithstanding the provisions of this Agreement, in the event that the annual gross revenue cannot be ascertained, the minimum annual service charge shall be in the amount of 1% of the total project cost calculated from the first day of the month following substantial completion of the project (\$2,340,000.00) which is \$23,400.

Payments by the Sponsor shall be made on a quarterly basis in accordance with the tax bills issued by the tax collector of the Township in the same manner and on the same dates as real estate taxes are paid to the Township, and shall be based upon annual gross revenues of the total Project for the previous quarter. No later than ninety (90) days following the end of the first fiscal year of operation for the Project and each year thereafter that this Agreement remains in effect, the Sponsor shall submit an audited financial statement of the operation of the Project (the "Audit") setting forth the annual gross revenues and the total payments in lieu of taxes due to the Township calculated at five percent (5 %) of Project revenues as set forth in the Audit (the "Audit Amount"), to the Mayor and Council of the Township and to the Director of the Division of Local Government Services in the Department of Community Affairs.

TLC shall simultaneously pay the difference, if any, between the Audited Amount that should have been paid and the actual payments made by the Sponsor to the Township for the preceding fiscal year. The Township may accept any such payment without prejudice to its right to challenge the amount due. In the event that the payments made by the Sponsor for any fiscal year shall exceed the audited amount for such fiscal year, the Township shall credit the amount of such excess to the account of the Sponsor.

Any delinquency in the aforesaid payments shall be charged interest at the rates set forth in the New Jersey Statutes for unpaid taxes.

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

Section 3 Repealer. All prior Ordinances or parts of the same inconsistent with any provisions of this article are hereby repealed to the extent of such inconsistency.

Section 4 Effective Date. This Ordinance shall take effect upon final adoption and publication in accordance with law.

Adopted: