



Township of Hillsborough

COUNTY OF SOMERSET
MUNICIPAL BUILDING
379 SOUTH BRANCH ROAD
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ORDINANCE 2015-13

AN ORDINANCE GRANTING A LONG TERM TAX ABATEMENT TO AMWELL COMMONS URBAN RENEWAL ASSOCIATES, L.P. FOR A RESIDENTIAL AFFORDABLE HOUSING PROJECT ON PROPERTY DESCRIBED HEREIN AND AUTHORIZING THE MAYOR TO SIGN A FINANCIAL AGREEMENT WITH AMWELL COMMONS URBAN RENEWAL ASSOCIATES, L.P.

WHEREAS, Amwell Commons Urban Renewal Associates, L.P. ("Amwell Commons") filed an application with Hillsborough Township seeking a long term tax exemption for an affordable housing project consisting of the construction of fifty-four (54) affordable housing units and certain amenities (as described more fully within the tax abatement application, the "Project") on a portion of the property identified on the Official Tax Map of the Township of Hillsborough, Somerset County, New Jersey as Block 163.05, Lots 101, 102, 103, 104 and 105, more commonly known as 495, 503, 505 & 507 Amwell Road, Hillsborough, New Jersey that will be subdivided through a future subdivision application and which proposed subdivided parcel is approximately 3.7434 acres in size and is identified as proposed Lot 101.01 on the minor subdivision plan (sheet 4) prepared by Van Cleef Engineering Associates dated May 1, 2015 attached as Exhibit A to the Financial Agreement (the "Property"); and

WHEREAS, the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the "LTTEL"), authorizes municipalities to grant long term tax abatements to affordable housing projects such as the one proposed by Amwell Commons; and

WHEREAS, the Mayor has recommended that the Township Committee favorably consider the tax abatement sought through this application; and

WHEREAS, the Township Committee has determined pursuant to N.J.S.A. 40A:20-11 that the relative benefits of this Project outweigh any costs associated with this tax abatement and that without the tax abatement granted herein, the Project would not be undertaken; and

WHEREAS, the Township Committee wishes to grant a long term tax abatement to Amwell Commons for the Project and to authorize the Mayor to sign a Financial

Agreement on behalf of the Township with Amwell Commons setting forth the terms and conditions of the tax abatement.

NOW, THEREFORE, BE IT ORDAINED, by the Township Committee of the Township of Hillsborough, County of Somerset, State of New Jersey as follows:

1. The application of Amwell Commons for the development, maintenance and operation of the residential affordable housing project described within Amwell Commons' tax abatement application is hereby approved in accordance with the recommendation of the Mayor.

2. The improvements constructed on the Property shall be exempt from taxation for a period of thirty (30) years from the substantial completion of the Project, subject to the terms and conditions of the Financial Agreement and the LTTEL, and upon the further condition that Amwell Commons does not file a petition of tax appeal for the Property during the term of the Financial Agreement.

3. The Mayor is hereby authorized to execute, on the Township's behalf, the Financial Agreement in the form attached hereto.

4. An executed copy of the Financial Agreement authorized by this ordinance shall be filed and maintained with the Township Clerk.

5. Subject to the requirements of paragraph 6 below, as of the Annual Service Charge Start Date (as defined in the Financial Agreement), Amwell Commons shall pay the Township Annual Service Charges in the manner and amounts required under the Financial Agreement. The annual service charge shall be based on 8% of the Annual Gross Revenue of the Project, subject to the phasing requirements set forth within the Financial Agreement. After the auditor's report required under the Financial Agreement has been accepted by the Township's Chief Financial Officer, the Township and Amwell Associates will adjust any over or under payment so made or needed to be made for the particular period covered by the auditor's report.

6. Amwell Commons shall pay the minimum annual service charge, as calculated pursuant to N.J.S.A. 40A:20-12(b)(2)(e) and the Financial Agreement, in each year in which the annual service charge, as provided in paragraph 5 above, would be less than the minimum annual service charge.

7. The following occurrences and requirements are express conditions of the granting of this tax abatement, to be performed by Amwell Commons, and the failure to comply with these requirements will result in the cancellation of the tax abatement:

(a) Amwell Commons shall pay full taxes on the land and improvements on the Property until the annual service charge becomes effective as provided within the Financial Agreement;

(b) Amwell Commons shall not, without prior consent of the Township Committee, sell, lease, assign, encumber, subordinate, convey, mortgage or transfer all, or any part of the Project, so as to sever, disconnect or divide the improvements from the land on which Project is located;

(c) Amwell Commons shall obtain all land use approvals necessary to construct the Project on the Property;

(d) Amwell Commons shall obtain title to the Property within three years of the date of the execution of the Financial Agreement. This tax abatement shall not take effect until Amwell Commons obtains title to the Property, and the failure of Amwell Commons to do so within this time period shall result in the automatic termination of this tax abatement.

8. In any year that Amwell Commons fails to make four (4) consecutive land tax payments when due and owing in the manner defined in N.J.S.A. 40A:20-12(b)(2)(e), such delinquency shall render Amwell Commons ineligible for any land tax credits against the annual service charge for that year.

9. Amwell Commons understands and agrees that the revenue projections set forth within its tax abatement application are estimates and that the actual payments in lieu of taxes to be paid by Amwell Commons to the Township shall be determined pursuant to the Financial Agreement to be executed between Amwell Commons and the Township.

10. The Project, when completed, shall conform with all State laws and ordinances of Hillsborough Township relating to its construction and use.

11. The Township Clerk shall forthwith submit a certified copy of the ordinance approving the tax exemption and the proposed Financial Agreement to the Director of the Division of Local Government Services.

12. This ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

ATTEST:

TOWNSHIP OF HILLSBOROUGH

Pamela Borek, MBA, RMC
Township Clerk

Douglas Tomson, Mayor

Introduced: June 23, 2015
Published: July 2, 2015
Public Hearing: July 14, 2015
Adoption:
Published: