

ORDINANCE NO: 2018-13

**ORDINANCE APPROVING THE APPLICATION AND FINANCIAL
AGREEMENT FOR A LONG TERM TAX EXEMPTION
WITH HARTFORD SQUARE URBAN RENEWAL, LLC
FOR THE MEDICAL OFFICE BUILDING LOCATED ON
BLOCK 401, LOT 14.01 ON THE OFFICIAL TOWNSHIP TAX MAP**

WHEREAS, the Township of Medford (the “Township”), County of Burlington, State of New Jersey by Resolution designated, pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.*, certain properties of the Township, including the property now known as Block401, Lot 14.01 on the Official Tax Map of the Township (the “Property”), as an “area in need of redevelopment” (the “Redevelopment Area”); and

WHEREAS, the Township by Ordinance 2017-19 adopted a Redevelopment Plan for the Redevelopment Area; and

WHEREAS, in order to implement the development, financing and renovation of the Redevelopment Area, by adoption of Resolution 91-2018, on May 22, 2018, the Mayor and Township Council authorized the execution of a Redevelopment Agreement (the “Redevelopment Agreement”) with Hartford Square Urban Renewal, LLC, a New Jersey limited liability company (“Redeveloper”) for construction of a redevelopment project (the “Project”) consisting of certain improvements on the Property, being a medical office building (the “Project Improvements”), which Redevelopment Agreement specifies the rights and responsibilities of the Township and Redeveloper with respect to the Project Improvements and provides for a Financial and Tax Abatement Agreement between the Township and the Redeveloper (the “Financial Agreement”) establishing a long term tax exemption pursuant to the Long Term Tax Exemption Law (“LTTE”), N.J.S.A 40A:20-1, *et seq.*, and

WHEREAS, pursuant to the requirements of the LTTE, the Redeveloper provided the Township with the information required by Section 8 of the LTTE in order to constitute an application for long-term tax exemption; and

WHEREAS, such information provided the Township with the basis for determining that the relevant benefits of the redevelopment of the Redevelopment Area outweigh the loss, if any, of property tax revenue in granting the long term tax-exemption, and more particularly assisted the Township in meeting its constitutional obligation to provide for its fair share of the regions affordable housing; and

WHEREAS, the Township Council has determined that the assistance provided to the Project pursuant to the Financial Agreement are a significant inducement for the Redeveloper to proceed with the Project, and more particularly finds that the Project includes a lot that has been deed restricted for a 100% affordable housing project that would not have been available if the Financial Agreement was not authorized.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED, by the Township Council of the Township of Medford, County of Burlington, State of New Jersey, that the Township Attorney is hereby directed to negotiate and prepare a Tax Abatement and Financial Agreement, subject to input from the Township Manager, Township Chief Financial Officer and Township Tax Assessor, with the Redeveloper for consideration and ultimate adoption by the Township Council by adoption of this Ordinance on Second Reading after public hearing as required by law.

AND BE IT FURTHER ORDAINED that the Tax Abatement and Financial Agreement contemplated herein shall be applicable by way of the provisions of the LTTE, pursuant to

which, the Redeveloper shall pay to the municipality, full taxes on the land component of the property, and then, a separate payment in an amount equal to a percentage of the full property tax payments on the improved value of the property, which would otherwise be due, according to the following schedule:

1. In the first full Tax Years 1 – 6, after completion of the project, an amount equal to twenty percent (20%) of the income/rents received.
2. In Tax Year 7, after completion of the project, an amount equal to the greater of twenty percent (20%) of the income/rents received or 20% of the property taxes otherwise due on the approved, improved value of the property, including a credit for land taxes;
3. In Tax Year 8, after completion, an amount equal to the greater of twenty percent (20%) of the income/rents received or 40% of the property taxes otherwise due on the approved, improved value of the property, including a credit for land taxes;
4. In Tax Years 9 and 10, after completion, an amount equal to the greater of twenty percent (20%) of the income/rents received or 60% of the property taxes otherwise due on the approved, improved value of the property, including a credit for land taxes;
5. In Tax Years 11 - 15, after completion, an amount equal to the greater of twenty percent (20%) of the income/rents received or 70% of the property taxes otherwise due on the approved, improved value of the property, including a credit for land taxes;
6. In Tax Years 16 - 30, after completion, an amount equal to the greater of twenty percent (20%) of the income/rents received or 80% of the property taxes otherwise due on the approved, improved value of the property, including a credit for land taxes.

In the event Redeveloper fails to pay either taxes due, or the PILOT payment due, within thirty (30) days of notice of delinquency, the Financial Agreement may be declared null and void

by the Township Council and the property shall be fully assessed and full ad valorem taxes shall become due and payable retroactive to the quarter of the year in which Redeveloper first defaults.

BE IT FURTHER ORDAINED that this Ordinance shall take effect upon final passage on second reading after public hearing, in accordance with the law, and that upon said adoption and passage, the Mayor and Clerk are hereby authorized to execute and deliver the Financial Agreement.

BE IT FURTHER ORDAINED that, within thirty (30) days after the execution of the Financial Agreement signed by and between the parties, the Township Clerk shall forward a copy of the Agreement to the Director of the Division of Local Government Services, the Department of Community Affairs and the County of Burlington.

Certification: