

**TOWNSHIP OF NORTH BERGEN
ORDINANCE #**

**AN ORDINANCE AMENDING ORDINANCE #530-22 APPROVING THE
AMENDMENT OF FINANCIAL AGREEMENT PURSUANT TO THE PROVISIONS
OF N.J.S.A. 40A:20-1, ET SEQ., FOR PROPERTY DESIGNATED AS BLOCK 316,
LOTS 22.02, 23 AND 24 ON THE TOWNSHIP'S TAX MAP AND MORE COMMONLY
KNOWN BY THE STREET ADDRESS OF 7711-7815 RIVER ROAD,
NORTH BERGEN, NEW JERSEY**

WHEREAS, 7711-7815 River Road Urban Renewal Associates, LLC ("Owner") is the owner of certain property located at and commonly known as 7711-7815 River Road, Township of North Bergen, County of Hudson, State of New Jersey and designated as Block 316, Lots 22.02, 23 and 24 on the Tax Assessor's Map [Property]; and

WHEREAS, on or about December 13, 2021, the owner applied for a long-term tax exemption to construct a residential development consisting of 130 residential units and a 3,000 square foot retail facility on the Property [Improvements] pursuant to N.J.S.A. 40A:20-1 et seq.; and

WHEREAS, the Township reviewed the application, approved the construction of the Improvements and authorized the execution of a Financial Agreement by the adoption of Ordinance No. 5300-22 on January 26, 2022; and

WHEREAS, pursuant thereto, the Township and Owner entered into a Financial Agreement dated March 10, 2022; and

WHEREAS, 7711-7815 River Road Urban Renewal Associates, LLC obtained an amended approval from the North Bergen Zoning Board of Adjustment on July 5, 2023 which approval increased the number of residential units to 157 and eliminated the retail component; and

WHEREAS, after a full review of all information provided by 7711-7815 River Road Urban Renewal Associates, LLC, including the change in the number of residential units and revenue projection, it is now necessary to amend the payment schedule set forth in the original financial agreement dated March 10, 2022.

NOW, THEREFORE, BE IT ORDAINED by the Board of Commissioners of the Township of North Bergen that:

Section 1

1. The Mayor or Township Administrator is hereby authorized to execute an amendment to the financial agreement which shall contain at a minimum, the following terms and conditions:

(a) Section 4.3 "Staging Schedule for Annual Service Charged"

The Annual Service Charge shall be scheduled over the term of the Agreement in accordance with N.J.S.A. 40A:20-12(b) as follows:

4.3.1 Stage One In years one (1) through ten (10), after the ASC Commencement Date, the Annual Service Charge shall be eleven (11%) percent of Gross Revenue, provided, however, that if Gross Revenue is less than Six Million Two Hundred Fifty-nine Thousand Ninety-one Dollars and Eighteen Cents (\$5,181,818.18) in years one (1) through ten (10) after the ASC Commencement Date then the aforementioned percentage of Gross Revenue as is necessary to apply to the Gross Revenue in order to result in an Annual Service Charge in the amount of Six Hundred Eighty-eight Thousand Five Hundred Dollars (\$688,500.00).

4.3.2 Stage Two ; In years eleven (11) through fifteen (15), after the ASC Commencement Date, the Annual Service Charge shall be the greater of (I) eleven (11%) percent of the Gross Revenue, provided, however, that if gross revenue is less than Six Million Five Hundred Seventy-two Thousand Forty-five Dollars and Seventy-three Cents (\$6,572,045.00), the aforementioned percentage (%) of Gross Revenue shall be such percentage as is necessary to apply to the Gross Revenue in order to result in an Annual Service Charge in the amount of Seven Hundred Twenty-two Thousand Nine Hundred Twenty-five Dollars (\$722,925.00), or (ii) twenty percent (20%) of the amount of taxes otherwise due on the value of the Land and Improvements, whichever is greater.

4.3.3 Stage Three In years sixteen (16) through twenty (20), after the ASC Commencement Date, the Annual Service Charge shall be the greater of (I) eleven (11%) percent of Gross Revenue, provided, however, that if Gross Revenue is less than Six Million Nine Hundred Thousand Six Hundred Eighty-two Dollars (\$6,900,682.00), then the aforementioned percentage (%) of Gross Revenue shall be such percentage as is necessary to apply to the Gross Revenue in order to result in an Annual Service Charge in the amount of Seven Hundred Fifty-nine Thousand Seventy-five Dollars (\$759,075.00) or (ii) Forty percent (40%) of the amount of taxes otherwise due on the value of the Land and Improvements, whichever is greater.

4.3.4 Stage Four In years twenty-one (21) through twenty-five (25), after the ASC Commencement Date, the Annual Service Charge shall be the greater of (I) eleven (11%) percent of Gross Revenue provided, however, that is Gross Revenue is less than Seven Million Two Hundred Forty-five Thousand Seven Hundred Nine Dollars (\$7,245,709.00), then the aforementioned percentage (%) of Gross Revenue shall be such percentage as is necessary to apply to the Gross Revenue in order to result in an Annual Service Charge in the amount of Seven Hundred Ninety-seven Thousand Twenty-eight Dollars (\$797,028.00), or (ii) sixty percent (60%) of the amount of taxes otherwise due on the value of the Land and Improvements, whichever is greater.

4.3.5 Stage Five In years twenty-six (26) through thirty (30), after the ASC Commencement Date, the Annual Service Charge shall be the greater of (I) eleven (11%) percent of the Gross Revenue provided, however, that if the Gross Revenue is less than Seven Million, Six Hundred Seven Thousand Nine Hundred Ninety-one Dollars (\$7,607,991.00), then the

aforementioned percentage (%) of Gross Revenue shall be such percentage as is necessary to apply to the Gross Revenue in order to result in an Annual Service Charge in the amount of Eight Hundred Thirty-six Thousand Eight Hundred Seventy-nine Dollars (\$836,879.00) or eighty percent (80%) of the amount of taxes otherwise due on the value for the Land and Improvements, whichever is greater.

The Annual Service Charge shall be subject to any adjustments provided for in this Article 4.

2. The form of amended Financial Agreement is attached hereto as Exhibit A., subject to such modification as the Township Attorney or Township Administrator deems necessary.

3. The Township Administrator shall send a copy of the fully executed Amended Financial Agreement to the Director of the Division of Local Government Services in the Department of Community Affairs within thirty (30) days of execution pursuant to N.J.S.A. 40A:21-11(d).

Section 2.

All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

Section 3.

This ordinance shall take effect at the time and the manner provided by law.

Introduced: September 6, 2023

Published: September 9, 2023
September 26, 2023

Adopted: September 20, 2023

Attest: Erin Barillas
Township Clerk

<u>Comm. Pascual</u>	<u>YES</u>
<u>Comm. Rodriguez</u>	<u>YES</u>
<u>Comm. Vainieri</u>	<u>YES</u>
<u>Mayor Sacco</u>	<u>YES</u>

AMENDMENT TO FINANCIAL AGREEMENT

This Amendment to the Financial Agreement is made this _____ day of _____, 2023 by and between **7711-7815 RIVER ROAD URBAN RENEWAL ASSOCIATES, LLC**, (hereinafter the “Entity”) and the **TOWNSHIP OF NORTH BERGEN** (hereinafter the “Township”).

A. 7711-7815 River Road Urban Renewal Associates LLC and the Township are parties to a Financial Agreement dated March 10, 2022, the terms of which are incorporated herein by reference (the “Financial Agreement”). Any terms used in this Amendment which are not defined herein, but are defined in the Financial Agreement shall have the meanings respectively ascribed to them in the Financial Agreement.

B. Pursuant to the terms of the Financial Agreement, the Agreement was to cover the residential development to be constructed solely on Block 316, Lots 22.02, 23 and 24, commonly known as 7711-7809 River Road, North Bergen, New Jersey.

C. 7711-7815 River Road Urban Renewal Associates, LLC’s ownership interest have been transferred and restructured as set forth as follows:

Fee Owner Entity:

7711-7815 River Road Urban Renewal Associates, LLC
1 Bridge Plaza North, Suite 519
Fort Lee, New Jersey 07024

Fee Owner Entity consists of:

Oliver, McCartney & Holmes, LLC (“OMH”)
1 Bridge Plaza North, Suite 519
Fort Lee, New Jersey 07024

Membership Interest of OMH, LLC is:

Arianne Schreer
175 Buckingham Road
Tenafly, New Jersey 07670

Alexis Pizzurro
207 Churchill Road
Tenafly, New Jersey 07670

David Carmel
1 Bridge Plaza North, Suite 519
Fort Lee, New Jersey 07024

Manager without any membership interest:

James Demetrakis
1 Bridge Plaza North, Suite 519
Fort Lee, New Jersey 07025

D. The Township of North Bergen adopted Ordinance No. 608-23 entitled "An Ordinance Amending Ordinance No. 530-22 with 7711-7815 River Road Urban Renewal Associates, LLC on September 20, 2023 approving the change of owner of the Entity.

E. 7711-7815 River Road urban Renewal Associates, LLC filed and application for amendment of the approvals granted by the North Bergen Zoning Board of Adjustment increasing the size of the project and received approval of the amendments by resolution adopted July 5, 2023; the result of which will require a change in the terms and conditions of Article 4 of the Financial Agreement.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties intending to be legally bound, agree as follows:

1. *Amendment of Financial Agreement.* The Financial Agreement is hereby amended as follows:

- a. **Article 4, Exemption and Annual Service Charge, of the Financial Agreement entered into between 7711-7815 River Road Urban Renewal Associates, LLC dated March 10, 2022 as follows:**

ARTICLE 4

EXEMPTION AND ANNUAL SERVICE CHARGE

4.1 Exemption

The Township agrees that the Project (including the Land) shall be exempt from real property taxation, as provided in the Law, from the date of this Agreement to and through the date that is thirty (30) years from the date of substantial completion, consistent with Section 3.1 above.

4.2 Annual Service Charge

- (a) In consideration of the Township granting the Entity the exemption set forth in Section 4.1 of this Agreement, the Entity shall make payment to the Township for municipal services, as provided in the Law, by payment to the Township of the Annual Service Charge in the amounts provided for in Section 4.3. Notwithstanding the above, N.J.S.A. 40A:20-12 requires that the minimum Annual Service Charge shall be the amount of total taxes levied against all real property in the area covered by the PILOT Project in the last full tax year in which that area was subject to taxation, and the minimum Annual Service Charge shall be paid in each year in which the other provisions of this Financial Agreement would result in less than the minimum Annual Service Charge being paid.
- (b) The Annual Service Charge shall first begin to accrue on the earlier of January 1, 2026 or the issuance of a Certificate of Occupancy (ASC commencement date). . In the event the Entity 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 on the land until paid, the Township shall have the same rights and remedies to collect such charges as provided by law for collection of general municipal taxes.
- (c) The Annual Service Charge shall not be in lieu of sewer charges or other special assessments imposed in accordance with applicable law.

4.3 Staging Schedule for Annual Service Charges

The Annual Service Charge shall be scheduled over the term of the Agreement in accordance with N.J.S.A. 40A:20-12(b) as follows:

- 4.3.1 Stage One In years one (1) through ten (10), after the ASC Commencement Date, the Annual Service Charge shall be eleven (11%) percent of Gross Revenue, provided, however, that if Gross Revenue is less than Six Million Two Hundred Fifty-nine Thousand Ninety-one Dollars and Eighteen Cents (\$5,181,818.18) in years one (1) through ten (10) after the ASC Commencement Date then the aforementioned percentage of Gross Revenue as is necessary to apply to the Gross Revenue in order to result in an Annual Service Charge in the amount of Six Hundred Eighty-eight Thousand Five Hundred Dollars (\$688,500.00).
- 4.3.2 Stage Two ; In years eleven (11) through fifteen (15), after the ASC Commencement Date, the Annual Service Charge shall be the greater of (I) eleven (11%) percent of the Gross Revenue, provided, however, that if gross revenue is less than Six Million Five Hundred Seventy-two Thousand Forty-five Dollars and Seventy-three Cents (\$6,572,045.00), the aforementioned percentage (%) of Gross Revenue shall be such percentage as is necessary to apply to the Gross Revenue in order to result in an Annual Service Charge in the amount of Seven Hundred Twenty-two Thousand Nine Hundred Twenty-five Dollars (\$722,925.00), or (ii) twenty percent (20%) of the amount of taxes otherwise due on the value of the Land and Improvements, whichever is greater.
- 4.3.3 Stage Three In years sixteen (16) through twenty (20), after the ASC Commencement Date, the Annual Service Charge shall be the greater of (I) eleven (11%) percent of Gross Revenue, provided, however, that if Gross Revenue is less than Six Million Nine Hundred Thousand Six Hundred Eighty-two Dollars (\$6,900,682.00), then the aforementioned percentage (%) of Gross Revenue shall be such percentage as is necessary to apply to the Gross Revenue in order to result in an Annual Service Charge in the amount of Seven Hundred Fifty-nine Thousand Seventy-five Dollars (\$759,075.00) or (ii) Forty percent (40%) of the amount of taxes otherwise due on the value of the Land and Improvements, whichever is greater.
- 4.3.4 Stage Four In years twenty-one (21) through twenty-five (25), after the ASC Commencement Date, the Annual Service Charge shall be the greater of (I) eleven (11%) percent of Gross Revenue provided, however, that is Gross Revenue is less than Seven Million Two Hundred Forty-five Thousand Seven Hundred Nine Dollars (\$7,245,709.00), then the aforementioned percentage (%) of Gross Revenue shall be such percentage as is necessary to apply to the Gross Revenue in order to result in an Annual Service Charge in the amount of Seven Hundred Ninety-seven Thousand Twenty-eight Dollars (\$797,028.00), or (ii) sixty percent (60%)

of the amount of taxes otherwise due on the value of the Land and Improvements, whichever is greater.

- 4.3.5 Stage Five In years twenty-six (26) through thirty (30), after the ASC Commencement Date, the Annual Service Charge shall be the greater of (I) eleven (11%) percent of the Gross Revenue provided, however, that if the Gross Revenue is less than Seven Million, Six Hundred Seven Thousand Nine Hundred Ninety-one Dollars (\$7,607,991.00), then the aforementioned percentage (%) of Gross Revenue shall be such percentage as is necessary to apply to the Gross Revenue in order to result in an Annual Service Charge in the amount of Eight Hundred Thirty-six Thousand Eight Hundred Seventy-nine Dollars (\$836,879.00) or eighty percent (80%) of the amount of taxes otherwise due on the value for the Land and Improvements, whichever is greater.

The Annual Service Charge shall be subject to any adjustments provided for in this Article 4.

4.4 Preliminary Construction Stage

The parties agree that during the preliminary construction stage commencing January 1, 2022 through the ASC Commencement Date payments shall be made as follows:

January 1, 2022 - December 31, 2022	\$100,000
January 1, 2023 - December 31, 2023	\$100,000
January 1, 2024 - December 31, 2024	\$100,000
January 1, 2025 - December 31, 2025	\$344,250 per annum until issuance of a Certificate of Occupancy

If a Certificate of Occupancy is issued in 2025, the ASC shall be pro-rated for the period commencing from the issuance of the Certificate of Occupancy, but in no event shall the payment be less than \$344,250.00.

In the event that a Certificate of Occupancy is not issued in 2025, the ASC shall commence on January 1, 2026 notwithstanding that a Certificate of Occupancy may not be issued for the project.

4.5 Payments to the County of Hudson

The township shall be required to remit to the County of Hudson five (5%) percent of the annual service charged received pursuant to N.J.S.A. 40A:20-12.

4.6 Cost for Education

In addition to the payments required in subparagraphs 4.3 and 4.4, if more than ten (10) school-age children inhabit the development, the Entity agrees to pay for every school-age child in excess of ten (10) children the average per pupil cost based upon the educational cost in the North Bergen School system over the past 3 years. This payment shall be adjusted every five (5) years as payment adjustments are made pursuant to Subparagraph 4.3 herein.

4.7 Quarterly Installments.

The Entity expressly agrees that the Annual Service Charge shall be billed in quarterly installments on those dates when real estate tax payments are due, i.e., February 1, May 1, August 1 and November 1; subject nevertheless to adjustment for over or underpayment within thirty (30) days after close of each fiscal or calendar year, as the case may be. In the event that the Entity fails to pay the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

4.8 Land Tax Credit

The Land Tax Credit does not apply and the Entity shall not be entitled to any credit against the Annual Service Charge for land taxes as the land is included in the Annual Service Charge.

4.9 Administrative Fee

The Entity shall also pay an annual administrative fee to the Township in addition to the Annual Service Charge. The administrative fee shall be calculated as two (2%) per cent for each year's prior Annual Service Charge and shall be due and payable as of February 1st of each applicable year. In the event that the Entity fails to pay the administrative fee, the unpaid amount shall bear the highest interest permitted in the case of unpaid taxes or tax liens on the land until paid.

4.10 Material Condition

It is expressly agreed that the timely payment of land taxes, Annual Service Charges, including adjustments thereto, and the administrative fee and any interest thereon are material conditions of this Agreement.

4.11 Payments Required.

Notwithstanding anything to the contrary herein, the payments required pursuant to subparagraphs 4.3 and 4.4 shall be made during the time periods specified in such

subparagraphs irrespective of the status of construction or the status of substantial completion.

B) The ownership of the entity is amended as follows:

7711-7815 River Road Urban Renewal Associates, LLC
1 Bridge Plaza North, Suite 519
Fort Lee, New Jersey 07024

Fee Owner Entity consists of:

Oliver, McCartney & Holmes, LLC ("OMH")
1 Bridge Plaza North, Suite 519
Fort Lee, New Jersey 07024

Arianne Schreer
175 Buckingham Road
Tenafly, New Jersey 07670

Alexis Pizzurro
207 Churchill Road
Tenafly, New Jersey 07670

David Carmel
1 Bridge Plaza North, Suite 519
Fort Lee, New Jersey 07024

The Township consents to the transfer of ownership interests. The transfer of membership interest is a permitted transfer within Article 7 of the Financial Agreement and the Township has consented to this transfer.

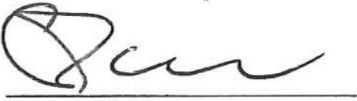
2. Except as specifically set forth herein, the Financial Agreement is hereby ratified and confirmed and shall consist of this Amendment and the Financial Agreement.

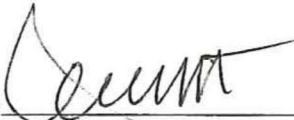
3. *Conflicting Terms.* Wherever the terms and conditions of this Amendment and the terms and conditions of the Financial Agreement conflict, the terms of this Amendment shall be deemed to supersede the conflicting terms of the Financial Agreement.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and
year first above written.

Witness:

7711-7815 RIVER ROAD URBAN RENEWAL, LLC



By: 
_____ manager

Witness:

TOWNSHIP OF NORTH BERGEN



By: 
