

TOWN OF BORDENTOWN

ORDINANCE NO. 2024-06

AN ORDINANCE GRANTING A FIVE-YEAR TAX EXEMPTION AND ABATEMENT OF LOCAL REAL ESTATE TAXES PURSUANT TO N.J.S.A. 40A:21-1 ET SEQ. TO TEAM CAMPUS PHASE II LLC FOR THE REAL PROPERTY LOCATED AT 400 K JOHNSON BOULEVARD NORTH, BORDENTOWN, BLOCK 58, LOT 36.01 FOR THE SELF STORAGE BUILDING

WHEREAS, the Five-Year Exemption and Abatement Law, N.J.S.A. 40A:21-1 et seq. (the “Act”) enables municipalities to temporarily abate local property taxes imposed upon eligible dwellings, commercial and industrial structures; and

WHEREAS, pursuant to the Act, the Township adopted Ordinance 2020-20 which authorized, in part, a program to attract private investment and ratable growth within industrial areas via a program of tax abatement and exemption; and

WHEREAS, by Resolution 2018-295-15, adopted October 22, 2018, the Township designated certain real properties to be areas in need of rehabilitation pursuant to the New Jersey Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq; and

WHEREAS, conditions within the Township remain a concern with a persistent need to stimulate ratable growth within the Township’s industrial and commercial areas, in competition with other municipalities, both within and outside the State of New Jersey; and

WHEREAS, Team Campus Phase II, LLC (“Team Campus”) is the owner of certain real property within the Township located within the area designated as an area in need of rehabilitation known as 400 K Johnson Boulevard North, Block 58 Lot 36.01, Qualifier C 3 on the Township of Bordentown Tax Map (the “Property”); and

WHEREAS, Team Campus is proposing to construct on the Property a 104,814 square foot self storage building consisting of 787 storage units along with all related site and parking improvements (the “Project”); and

WHEREAS, Team Campus timely filed an application with the Township requesting a five (5) year tax exemption and abatement of local real property taxes in connection with the Project; and

WHEREAS, Team Campus submitted the required application materials and application fee pursuant to N.J.S.A. 40A:21-9 and Township Ordinance 2020-20; and

WHEREAS, having reviewed Team Campus’s application and submission materials, the Township is satisfied that the Project to be constructed by Team Campus satisfies the requirements to qualify for a five (5) year tax exemption and abatement pursuant to N.J.S.A. 40A:20-21 et seq. and Township Ordinance 2020-20;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED, by the Township Committee of the Township of Bordentown that:

1. Pursuant to the Laws of the State of New Jersey, N.J.S.A. 40A:21-1 et seq. and Township Ordinance 2020-20, the Township Committee of the Township of Bordentown hereby approves the

Application of Team Campus for a five (5) year tax exemption and abatement for its Project located at 400 K Johnson Boulevard North, Bordentown, Block 58, Lot 36.01., Qualifier C 3 (“Tax Exemption”).

2. The Committee hereby grants the Tax Exemption for the Project in accordance with N.J.S.A. 40A:21-1 et seq. and Township Ordinance 2020-20 from the date of the issuance of a temporary or permanent certificate of occupancy issued by the appropriate Township official pursuant to N.J.S.A. 52:27D-133 (expected to be April 1, 2024), authorizing the occupancy of the Project, or any portion thereof (the “Completion Date”), and for a period of five (5) years thereafter, provided, however that absent additional future action, the Tax Exemption will lapse if the Township does not issue a temporary or permanent certificate of occupancy for the Project on or before the fifth anniversary of the adoption of this Ordinance.

3. In consideration of the Tax Exemption, Team Campus shall make the following payments to the Township in lieu of full property taxes on the improvements to the Property:

- (a) In the first year commencing with the first day of the month following the Completion Date, - 0% of taxes on the Project improvements;
- (b) In the second full year after the Completion Date - 20% of taxes otherwise due on the Project improvements;
- (c) In the third full year after the Completion Date - 40% of taxes otherwise due on the Project improvements;
- (d) In the fourth full year after the Completion Date - 60% of taxes otherwise due on the Project improvements; and
- (e) In the fifth full year after the Completion Date - 80% of taxes otherwise due on the Project improvements.

During the term of the Tax Exemption, Team Campus shall be responsible for paying the full land taxes due and owing on the Property. For purposes of this Ordinance, “Land Taxes” shall mean the amount of tax otherwise due on the Property as if no project improvements had been constructed and no tax exemption granted pursuant to N.J.S.A. 40A:21-1 et seq.

4. Team Campus and the Township agree that the estimated equalized assessed value for the Property for calendar year 2024 is \$6,512,000.00 representing \$4,906,000.00 for the Project improvements and \$1,606,000.00 for the land. Prior to the Completion Date, the Township Tax Assessor shall confirm the equalized assessed value for the land and improvements for the Property (the “Assessment”), which Assessment shall not be adjusted before the Termination Date (as defined hereinafter) unless between the Tax Assessor’s issuance of the Assessment and the Termination Date, the Township initiates a Township-wide revaluation. Nothing herein shall preclude the Tax Assessor’s issuance of an added assessment in accordance with applicable law for any improvements to the Property after the Tax Assessor issues the Assessment which improvements are not contemplated by and/or included in the Project. At the end of the fifth year after the Completion Date (the “Termination Date”), the Tax Exemption shall expire, and the Project shall thereafter be assessed and conventionally taxed according to applicable law as other real property in the Township, provided, however, that nothing herein shall prohibit the Property from qualifying for and receiving the full benefits of any other tax preferences provided by applicable law.

5. Team Campus agrees that payments in lieu of taxes made pursuant to this Agreement shall be made in quarterly installments on those dates when real estate tax payments are due. Failure to make

timely payments shall result in the assessment of interest at the highest rate permitted for unpaid taxes and a tax lien may be placed on the land in accordance with law but only after any applicable cure period(s). If the Completion Date occurs on a date other than the last day of a quarter, the amount of the payment in lieu of taxes for such period shall be based on the per diem assessment for such quarter.

6. It is agreed and understood that if at any time prior to the Termination Date, Team Campus disposes of the Property or fails to meet the conditions required for qualifying for the Tax Exemption, then, after such occurrence, the Tax Exemption shall terminate and taxes which would have otherwise been payable with respect to the Property shall become due and payable from that point in time forward. However, pursuant to N.J.S.A. 40A:21-12, with respect to the disposal of the Property, if the new owner of the Property continues to use the Property pursuant to the conditions which qualified the Property, then the Tax Exemption shall continue and remain in full force and effect. Further, if Team Campus sells, transfers or in any manner disposes of the Property to an entity in which it or any of its subsidiaries or affiliates are a majority owner and that entity agrees to continue to use the Property pursuant to the qualifying conditions, then the Tax Exemption shall continue and remain in effect.

7. The Township shall notify Team Campus in writing of any breach of the terms of the Tax Exemption. If Team Campus fails to cure the breach identified within thirty (30) days after the actual delivery of such notice by the Township, or within any additional periods to which the parties may agree to, in writing, the Township may move to invalidate the Tax Exemption upon thirty (30) days final written notice to Team Campus, which shall inform Team Campus that the Tax Exemption shall terminate due to the breach. The Township shall not unreasonably refuse to grant a reasonable extension of the cure period.

8. Team Campus agrees to waive the filing of any tax appeal, or withdraw any pending tax appeal for the Property between the Effective Date and the Termination Date of the Tax Exemption, except for an appeal of: (1) a reassessment pursuant to a Township-wide revaluation; or (2) an added assessment in accordance with applicable law for any improvements to the Property after the Tax Assessor issues the Assessment. In the event a tax appeal is filed between the Effective Date and the Termination Date, other than for one of the two exceptions identified above, the Tax Exemption shall cease as of January 1st of the first tax year for which the appeal is filed.

9. Team Campus and the Township agree to act in good faith in all of their dealings with each other.

10. The Township Clerk shall maintain a copy of the Application and this Ordinance on file in the Township Clerk's Office, and shall forward a copy of this Ordinance to the Director of the Division of Local Government Services in the Department of Community Affairs within thirty (30) days of adoption.

11. The Township Tax Assessor and Township Tax Collector are hereby authorized to take any and all necessary actions granted under law to implement the provisions of this Ordinance.

12. Team Campus shall provide to the Township all required information concerning construction costs and any other relevant information requested by the Township Tax Assessor or Tax Collector.

13. Team Campus, or any subsequent owner of the Property, shall notify the Township in writing of any alternations and/or improvements made to the Property that were not specifically approved by the Township as qualifying for the Tax Exemption. Such notice shall include a description of the alterations and/or improvements, a copy of any permits issued for the alterations and/or improvements, and the total cost of said alterations and improvements.

14. In the event that alterations and/or improvements are made to the Property pursuant to Paragraph 13 immediately above, the additional costs shall be added to the initial cost of the development and included in the payment in lieu of taxes calculated in accordance with the terms of this Ordinance.

15. Fraud or misrepresentation of material facts surrounding the Application and related documents thereto shall be grounds to rescind this Ordinance *ab initio*.

BE IT FURTHER ORDAINED that if any section, paragraph, subsection, clause or provision of this Ordinance shall be adjudged by the courts to be invalid, such adjudication shall apply only to the section, paragraph, subsection, clause or provision so adjudicated, and the remainder of the Ordinance shall be deemed valid and effective.

BE IT FURTHER ORDAINED, any ordinances or parts thereof in conflict with the provisions of this Ordinance are repealed to the extent of such conflict.

BE IT FURTHER ORDAINED, this Ordinance shall take effect upon passage.

INTRODUCED: March 25, 2024

ADOPTED: April 8, 2024

RECORD OF VOTE													
First Reading						Second Reading							
COMMITTEE	AYE	NAY	NV	AB	ORD	SEC	COMMITTEE	AYE	NAY	NV	AB	ORD	SEC
Grayson	✓					✓	Grayson	✓					✓
Holliday	✓				✓		Holliday	✓				✓	
Lozito	✓						Lozito	✓					
Miller	✓						Miller	✓					
Fuzy	✓						Fuzy	✓					

✓ - indicates Vote AB - absent NV - not voting ORD - moved SEC - seconded

I, MARIA S. CARRINGTON, Township Clerk, do hereby certify that this is a true copy of an ordinance adopted by the Township Committee of the Township of Bordentown on the 8th day of April, 2024.



MARIA S. CARRINGTON, Township Clerk