

BOROUGH OF PALMYRA
ORDINANCE 2021-17

ORDINANCE OF THE BOROUGH OF PALMYRA, COUNTY OF BURLINGTON, NEW JERSEY APPROVING AN APPLICATION FOR A LONG-TERM TAX EXEMPTION AND AUTHORIZING THE EXECUTION OF A FINANCIAL AGREEMENT FOR A TAX EXEMPTION FOR AN URBAN RENEWAL PROJECT WITH RESPECT TO THE PROPERTY COMMONLY KNOWN AS BLOCK 156, LOTS 2, 2.01, 3.01, 4.01, 5.01 & 6.01 (FUTURE LOT 2.03) ON THE TAX MAP OF THE BOROUGH OF PALMYRA

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., as amended and supplemented (the “**Act**”), provides a process for municipalities to participate in the redevelopment and improvement of areas in need of redevelopment; and

WHEREAS, in order to stimulate redevelopment, on September 9, 2002, the Borough adopted Resolution # 2002-92, designating certain properties as being in need of redevelopment known as the Route 73 South Redevelopment Area (the “**Redevelopment Area**”) in accordance with the Act; and

WHEREAS, the Borough Council has adopted an ordinance approving and adopting the Route 73 South Redevelopment Plan (the “**Redevelopment Plan**”) in accordance with the Act; and

WHEREAS, the Borough, by ordinance has amended the Redevelopment Plan, all of which shall be referred to as the “Redevelopment Plan” and subsequently designated the **Palmyra Urban Renewal Entity, LLC** (the “**Entity**”) as the Redeveloper of the entire Redevelopment Area; and

WHEREAS, the Borough Council adopted Resolution 2020-173 on September 21, 2020 authorizing execution of a redevelopment agreement with the Entity; and

WHEREAS, the Entity and the Borough entered in to a redevelopment agreement dated September 21, 2020 (the “**Original Redevelopment Agreement**”) for the entire Redevelopment Area;

WHEREAS, the Entity through an affiliate of one of its members (Stock Development Group, Inc.) is the contract purchaser of property from which property is designated as Block 156, Lots 2, 2.01, 3.01, 4.01, 5.01 and 6.01 on the official tax map of the Borough which land is located within the Redevelopment Area; and

WHEREAS, the Entity intends to construct on Block 156, Lots 2, 2.01, 3.01, 4.01, 5.01 and 6.01 (which is being re-designated as Block 156, Lot 2.03 as a result of the November 20, 2020 subdivision) (the “**Project Area**”) a state-of-the-art industrial distribution warehouse building totaling approximately 704,182 square feet in size and including Trailer Parking Stalls, Car Stalls and associated site improvements (the “**Project**”);

WHEREAS, the Borough approved and the Entity and the Borough have entered into a Bifurcated Redevelopment Agreement dated April 2021 (the “**Bifurcated Redevelopment Agreement**”).

WHEREAS, pursuant to and in accordance with the provisions of the Long-Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the “**LTTE Law**”), the Borough is authorized to grant a long-term tax exemption (a “Tax Exemption”) within a redevelopment area and to provide for and accept, in lieu of taxes, an annual service charge paid by the Entity to the Borough (the “**Annual Service Charge**”)

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the Entity has submitted an application to the Borough for the approval of a Tax Exemption for the Project in accordance with N.J.S.A. 40A:20-8 (the “**Exemption Application**”, a copy of which is attached hereto as **Exhibit A**); in accordance with N.J.S.A. 40A:20-8, along with a proposed form of Financial Agreement (the “**Financial Agreement**”); and

WHEREAS, pursuant to N.J.S.A. 40A:20-8, the Mayor has reviewed the Exemption Application and the Mayor has submitted the Exemption Application and Financial Agreement to the Borough Council with a recommendation for approval of a Tax Exemption, subject to the condition that the Entity pay, in lieu of real property tax payments on the Project, an Annual Service Charge, such that the combined tax payment on the land and the Annual Service Charge paid by the Entity each year shall be no less than the amount of the total property taxes that the Borough has received from the Project Area, prior to redevelopment; and

WHEREAS, upon review of the proposed Exemption Application, the proposed form of Financial Agreement, and the Mayor's recommendation, the Borough has found and determined in accordance with the LTTE Law, including without limitation N.J.S.A. 40A:20-11, that the grant of the Tax Exemption and the entry into the Financial Agreement is to the direct benefit of the health, welfare and financial well-being of the Borough and its citizens because it allows for the redevelopment of a vacant, environmentally contaminated site into a productive, useful and job-creating property and further:

1. The costs associated with the Tax Exemption granted herein are minor compared to the estimated Total Project Cost of \$80,875,303 and the benefit created by (i) the construction of the Project; (ii) the employment of approximately 300 skilled construction workers during the construction period; and (iii) the creation of between 150 and 400 permanent jobs.

2. Given the high development costs as well as the uncertainty and instability of current economic and market conditions as well as aggressive competition within the region, the investment risk makes the financing of the Project infeasible in the absence of the Tax Exemption provided by the Borough.

3. Without the Tax Exemption granted herein, the Project would not otherwise be undertaken.

4. The grant of the Tax Exemption will permit the Entity to redevelop and environmentally remediate the Project Area through construction of the Project.

5. The Project is consistent with the Redevelopment Plan, will further its objectives and will contribute to the economic growth of the Borough.

6. The Property currently generates only about \$7,205 annual property taxes, whereas the Project will generate an initial Annual Service Charge of \$999,938 and total annual service charges over the term of this Agreement projected to be in excess of \$36,000,000.

WHEREAS, in accordance with the provisions of the LTTE Law, the Borough desires to approve the Tax Exemption for the Project and to authorize the execution of the Financial Agreement between the Borough and the Entity.

NOW THEREFORE, BE IT ORDAINED BY THE BOROUGH COUNCIL OF THE BOROUGH OF PALMYRA, NEW JERSEY AS FOLLOWS:

Section 1. The forgoing recitals are incorporated herein as if set forth in full.

Section 2. The Tax Exemption as set forth in the Exemption Application is hereby approved and granted to the Entity with respect to the Project in accordance with the terms set forth in the Financial Agreement; provided that in no event shall the term of the Financial Agreement exceed the earlier of (i) thirty-five (35) years from the date of execution of the Financial Agreement or (ii) to the extent permitted by the LTTE Law, thirty (30) years from the Entity's receipt of a Certificate of Occupancy (as defined in the Financial Agreement) for the Project and only so long as the Entity remains subject to and in compliance with the Financial Agreement and the LTTE Law.

Section 3. The form of Financial Agreement submitted by the Entity, attached hereto as **Exhibit A** and made a part hereof, is hereby approved in accordance with Section 8 of the LTTE Law.

Section 4. The Mayor, in consultation with counsel to the Borough, is hereby authorized to execute the Financial Agreement and prepare, amend or execute any other agreements necessary to effectuate this ordinance, subject to modification or revisions, as deemed necessary and appropriate.

Section 5. In accordance with Section 40A:20-10a., the Borough consents to the sale of the Project and the transfer of the Tax Exemption and Financial Agreement by the Entity to another duly formed urban renewal entity, their successors, and assigns provided that at the time of such sale: (a) the transferee urban renewal entity owns no other project, and (b) the transferee urban renewal entity assumes all of the transferor's obligations under the Financial Agreement. The Borough further specifically authorizes the transfer of the Tax Exemption and the Financial Agreement to Sansone Urban Renewal Entity I, LLC upon that entity's purchase of the Project and Project Area.

Section 6. The Clerk of the Borough is hereby authorized and directed, upon execution of the Financial Agreement by the Mayor, to attest to the signature of the Mayor and to affix the corporate seal of the Borough upon such document.

Section 7. The executed copy of the Financial Agreement shall be certified by and filed with the Office of the Borough Clerk. Further, the Clerk shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the Borough and the Director of the Division of Local

Government Services with the Department of Community Affairs, in accordance with Section 12 of the LTTE Law.

Section 8. The Project shall conform with all federal, state and Borough laws, ordinances and regulations relating to its construction and use.

Section 9. This ordinance shall take effect in accordance with all applicable laws.

Approved for introduction at the regular meeting of the Borough of Palmyra Mayor and Council on **October 18, 2021**. Public Notice of the second reading and public hearing was published in the Burlington County Times on **October 21, 2021**. Public Notice and second reading will be held **November 15th, 2021**.

RECORDED VOTE	MOTION	SECOND	INFAVOR	AGAINST	ABSTAIN	ABSENT
MR. ALLMOND						X
DR. CLOUD						X
MRS. JENKINS			X			
MRS. MCCANN		X	X			
MRS. RUSSELL	X		X			
PRESIDENT HOWARD			X			
MAYOR GINA RAGOMO TAIT						

Approved for final adoption at the regular meeting of the Borough of Palmyra Mayor and Council on **November 15th, 2021** after a public hearing was held. Public Notice was given for the public hearing by being published in the Burlington County Times on October 21, 2021.

RECORDED VOTE	MOTION	SECOND	INFAVOR	AGAINST	ABSTAIN	ABSENT
MR. ALLMOND			X			
MRS. CLOUD						X
MRS. JENKINS			X			

MRS. MCCANN			X			
MRS. RUSSELL		X	X			
PRESIDENT HOWARD	X		X			
MAYOR GINA RAGOMO TAIT						

DATE OF FINAL PUBLICATION: November 28th, 2021