

THIS ORDINANCE SECURES BONDS OR OTHER OBLIGATIONS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE REDEVELOPMENT AREA BOND FINANCING LAW, N.J.S.A. 40A:12A-64 ET SEQ., AND THE LIEN HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-MUNICIPAL LIENS HEREAFTER RECORDED

BOROUGH OF PALMYRA
ORDINANCE 2022-10

PROVIDING FOR THE SPECIAL ASSESSMENT AGAINST A PORTION OF THE PROPERTY IDENTIFIED AS BLOCK 156, LOTS 2, 2.01, 3.01, 4.01, 5.01 & 6.01 (FUTURE BLOCK 156, LOT 2.03), IN THE BOROUGH OF PALMYRA, IN THE COUNTY OF BURLINGTON, STATE OF NEW JERSEY, IN THE AMOUNT OF \$3,000,000, FOR CERTAIN COSTS TO BE INCURRED IN CONNECTION WITH AN AFFORDABLE HOUSING REDEVELOPMENT PROJECT ON BLOCK 156, LOT 1.02 (FUTURE BLOCK 156, LOT 1.07), IN THE BOROUGH OF PALMYRA, IN THE COUNTY OF BURLINGTON, STATE OF NEW JERSEY, AND AUTHORIZING THE EXECUTION OF CERTAIN AGREEMENTS IN CONNECTION THEREWITH

WHEREAS, the New Jersey Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. as amended and supplemented (the “**Redevelopment Law**”) authorizes municipalities to determine whether certain parcels of land in the municipality constitute areas in need of redevelopment; and

WHEREAS, the Redevelopment Law confers certain contract, planning and financial powers upon a redevelopment entity, as defined at Section 3 of the Redevelopment Law, in order to implement redevelopment plans adopted pursuant thereto; and

WHEREAS, in order to stimulate redevelopment, on September 9, 2002, the Borough adopted Resolution # 2002-92, designating Block 135.01, Lot 1 (formerly Bl. 135.A, Lot 1); Block 138, Lot 1; Block 139, Lot 1; Block 140, Lots 1, 2 & 3; Block 142.01 Lot 1 (formerly Bl. 142.A, Lot 1); Block 143, Lot 1; Block 144, Lot 1; Block 145, Lot 1; Block 146, Lots 1& 2; Block 154 Lot 2.01 (formerly Bl. 154, L. 2.A); Block 154, Lot 4.01 (formerly Bl. 154, Lot 4.A); Block 156, Lots 1, 1.01, 1.02, 1.03, 1.04, 1.05, 1.06, 2, 2.01, 3.01, 4.01, 5.01, 6.01 & 16 (formerly Bl. 156, Lots 1, 1.A, 1.B, 1.C, 1.D, 1.E, 1.F, 2, 2.A, 3.A, 4.A, 5.A, 6.A & 16); Block 156.01, Lots 1, 1.01, 1.02 & 1.03 (formerly Block 156.A, Lots 1, 1.A, 1.B & 1.C) 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 Redevelopment Law and the Exemption Law (together the “**Acts**”); 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 Palmyra Urban Renewal Entity LLC (the “**PURE**”) 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 **PURE**; and

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

WHEREAS, affiliates of **PURE** are the fee simple owners of the property from Fillit, Inc., which property is designated as Block 156, Lots 2, 2.01, 3.01, 4.01, 5.01 & 6.01 on the official tax map of the Borough (which shall be re-designated as Block 156, Lots 2.03 and 3.02 as a result of a not yet perfected subdivision approved on November 20, 2020) (future Lot 2.03 only, the “**Specially Assessed Fillit Property**”), which land is located within the Redevelopment Area; and

WHEREAS, **PURE** (or its assignees) intends to construct a state of the art industrial distribution warehouse building totaling approximately 704,182 square feet in size and including approximately 253 trailer parking stalls, 439 car stalls, and associated site improvements (the “**Specially Assessed Fillit Improvements**”) to be located upon the Specially Assessed Fillit Property (the Specially Assessed Fillit Improvements, together with the Specially Assessed Fillit Property, the “**Specially Assessed Fillit Project**”); and

WHEREAS, the Borough approved and **PURE** and the Borough have entered into an amended redevelopment agreement dated December 6, 2021, which applies to the Specially Assessed Fillit Project; and

WHEREAS, pursuant to and in accordance with the provisions of the Exemption Law, the Borough is authorized to provide for tax abatement within a redevelopment area and for payments in lieu of taxes; and

WHEREAS, on November 15, 2021, the Borough Council adopted Ordinance No. 2021-17 approving **PURE**’s application and authorizing a tax exemption for the Specially Assessed Fillit Improvements, and a financial agreement setting forth the terms and conditions in connection therewith; and

WHEREAS, the Borough entered into a Settlement Agreement dated November 15, 2016 with the Fair Share Housing Center (“**FSHC**”), an Intervenor-Defendant and interested party as designated by the Supreme Court in In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30, (2015) (“**Mount Laurel IV**”), which Settlement Agreement was approved by the court on January 9, 2020, following a fairness hearing on May 10, 2017; and

WHEREAS, in connection with the November 15, 2016 Settlement Agreement, the Borough subsequently amended the Redevelopment Plan to include the construction of a 100% affordable housing development within the

Redevelopment Area, to be located on the property identified on the Borough tax maps as Block 156, Lot 1.02 (future Block 156, Lot 1.07) (the “**Affordable Housing Project**”); and

WHEREAS, the Borough, PURE, and FSHC intend to enter into a First Amended Settlement Agreement (the “**Amended Settlement Agreement**”), which shall supersede the November 15, 2016 Settlement Agreement; and

WHEREAS, it is anticipated that the Amended Settlement Agreement shall provide that PURE and the Borough shall commit a total of \$13.6 million in funding toward the Affordable Housing Project to ensure its completion, which funding shall be made available to the developer of the Affordable Housing Project (the “**Affordable Housing Project Developer**”) based on a specific order of funding options (the “**Tranches**”), which Tranches are anticipated to be set forth in Section 9 of the Amended Settlement Agreement; and

WHEREAS, pursuant to the Redevelopment Area Bond Financing Law (N.J.S.A. 40A:12A-64 et seq., the “**RAB Law**”), a municipality may issue non-recourse bonds or notes (“**RABs**”) to finance redevelopment projects pursuant to a redevelopment plan within an area in need of redevelopment, such as the Affordable Housing Project to be undertaken pursuant to the Redevelopment Plan, which RABs may be secured by, among other things, a special assessment on certain property within an area in need of redevelopment; and

WHEREAS, it is anticipated that Section 9(g) of the Amended Settlement Agreement will require as Tranche 7, that the Borough issue a RAB pursuant to the RAB Law, in an amount not to exceed \$3,000,000 in order to finance a portion of the Affordable Housing Project (the “**Affordable Housing Project RAB**”), but only to the extent the funds raised in Tranches 1-6 pursuant to the Amended Settlement Agreement are insufficient to complete the Affordable Housing Project; and

WHEREAS, to the extent the Affordable Housing Project RAB is required to finance a portion of the Affordable Housing Project pursuant to the terms of the Amended Settlement Agreement, PURE has agreed that such Affordable Housing Project RAB be secured by a special assessment to be imposed against the Specially Assessed Fillit Project; and

WHEREAS, in furtherance thereof, PURE has requested that the Borough: (i) impose a special assessment upon the Specially Assessed Fillit Project in the amount of \$3,000,000 (the “**Special Assessment**”) pursuant to the Redevelopment Law, the RAB Law and the Local Improvements Law (N.J.S.A. 40:56-1 et seq., the “**Local Improvements Law**”); (ii) issue RABs pursuant to the Redevelopment Law and the RAB Law (i.e., the Affordable Housing Project RAB); and (iii) if necessary and desirable, assign the Special Assessment to a trustee or banking institution in order to make payment of the debt service on the Affordable Housing Project RAB; provided, however, that the Borough shall only take the actions set forth in (ii) and (iii) above upon the Borough’s receipt of a duly delivered “Request for RAB Funding Certificate” pursuant to and in accordance with the redevelopment agreement to be entered into by and between the Borough and the Affordable Housing Project Developer (the “**Affordable Project Redevelopment Agreement**”); and

WHEREAS, the Affordable Housing Project shall contribute to the Borough’s satisfaction of its fair share of affordable housing requirement; and

WHEREAS, the Borough has determined to authorize the imposition of the Special Assessment and the Affordable Housing Project RAB relating thereto.

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

Section 1. The recitals hereof are incorporated by reference as it is set forth at length herein.

Section 2. The Special Assessment shall be imposed against the Specially Assessed Fillit Project in accordance with the Redevelopment Law, the RAB Law, and the Local Improvements Law. Notice is hereby given to the owner of Block 156, Lots 2, 2.01, 3.01, 4.01, 5.01, & 6.01 (future Block 156, Lot 2.03) that the Borough intends to make and levy special assessments against a portion of such property as follows:

Amount: An amount not to exceed \$3,000,000, together with the soft costs and financing costs relating thereto, including but not limited to the debt service due on the Affordable Housing Project RAB, shall collectively be deemed the “benefit conferred” by the Affordable Housing Project, and such benefit conferred shall equal the amount of the Special Assessment; provided, however, that such amount is accepted by the owner of the property benefitted.

Payment Dates: The Special Assessment shall equal the debt service on the Affordable Housing Project RAB and the Special Assessment due to the Borough in each year shall be paid to the Borough in four equal quarterly installments on February 1, May 1, August 1, and November 1 (each a “**Special Assessment Payment Date**”) in such year, with the first such installment to be due and payable on: (i) if there is no capitalized interest period on the Affordable Housing Project RAB, the first Special Assessment Payment Date following the issuance of the Affordable Housing Project RAB; or (ii) if there is a capitalized interest period on the Affordable Housing Project RAB, on the first Special Assessment Payment Date to allow for the sufficient and timely payment of all Debt Service Charges following the expenditure of all capitalized interest on the Affordable Housing Project RAB.

Term of Special Assessment: The obligation of any owner of the Specially Assessed Fillit Project to make payments of the Special Assessment shall remain in effect: (i) if the Affordable Housing Project RAB is issued, for a period of thirty (30) years from the date that the first Special Assessment amount is due in accordance with the terms hereof but in no event exceeding the period of years for which the Affordable Housing Project RAB is issued; or (ii) if a temporary certificate of occupancy for the Affordable Housing Project is issued without receipt by the Borough of a duly delivered “Certificate Requesting RAB Funding” pursuant to and in accordance with the Affordable Housing Project Redevelopment Agreement, until the issuance of such temporary certificate of occupancy, at which time the obligation to pay the Special Assessment shall automatically terminate. The owner of the Specially Assessed Fillit Project shall have the privilege of paying the full balance of installments of the Special Assessment with accrued interest thereon at any time.

Special Assessment Agreement: The form of Special Assessment Agreement attached hereto as Exhibit A is hereby approved, with such changes, revisions or alterations therefor as may be approved by the officer executing the same after consultation with the Borough’s counsel, such approval to be conclusively evidenced by the execution thereof.

Section 3. This Ordinance and the Special Assessment shall constitute a municipal lien against the Specially Assessed Fillit Project. Compliance with the Special Assessment shall be enforced in accordance with the New Jersey Tax Sale Law, N.J.S.A. 54:5-1 et seq., including, if applicable, by means of in rem foreclosure.

Section 4. In accordance with the RAB Law, specifically N.J.S.A. 40A:12A-66(c), an event of a default by any owner of the Specially Assessed Fillit Project under the Special Assessment Agreement, including, without limitation, with respect to the timely payment of the Special Assessment, shall not subject the Special Assessment to acceleration and any subsequent installments (following such uncured default) of the Special Assessment which would not yet have become due except for the default shall be considered as not in default and that the lien for such installments not yet due shall continue.

Section 5. Each of the Mayor, Borough Clerk, Business Administrator and Chief Financial Officer are authorized to execute such agreements, documents and certificates, and take such actions, as may be necessary to carry out the terms of this Ordinance.

Section 6. This Ordinance shall take effect as provided by law.

Attachments:

Exhibit A

Form of Special Assessment Agreement

Approved for introduction at the regular meeting of the Borough of Palmyra Mayor and Council on **October 3, 2022** Public Notice of the second reading and public hearing was published in the Burlington County Times on **October 19th, 2022** Public Notice and second reading will be held **November 7th, 2022**.

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


Approved for final adoption at the regular meeting of the Borough of Palmyra Mayor and Council on **November 7th, 2022** after a public hearing was held. Public Notice was given for the public hearing by being published in the Burlington County Times on October 19th, 2022.

RECORDED VOTE	MOTION	SECOND	INFAVOR	AGAINST	ABSTAIN	ARSENT
MR. ALLMOND		X	X			
MRS. CLOUD						X
MS. LATIMORE			X			
MRS. MCCANN			X			
MRS. RUSSELL			X			
PRESIDENT HOWARD	X		X			
MAYOR GINA RAGOMO TAIT						

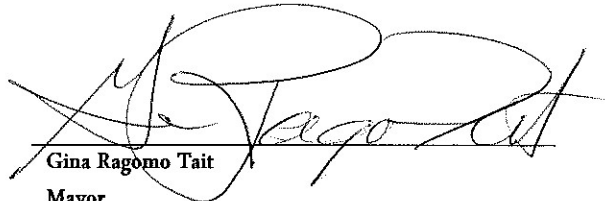
DATE OF FINAL PUBLICATION: **November 15, 2022**

ATTEST:

SIGNED:



 Doretha Jackson
 Municipal Clerk



 Gina Ragomo Tait
 Mayor