

**BOROUGH OF PENNS GROVE
MAYOR AND COUNCIL**

ORDINANCE NO. 2022-21

ORDINANCE OF THE BOROUGH OF PENNS GROVE, COUNTY OF SALEM, STATE OF NEW JERSEY, AUTHORIZING AND APPROVING A FIVE-YEAR TAX EXEMPTION AGREEMENT BETWEEN THE BOROUGH OF PENNS GROVE AND ZAWA PENNS GROVE, LLC FOR PROPERTY DESIGNATED AS BLOCK 35, LOT 17 ON THE BOROUGH OF PENNS GROVE TAX MAP PURSUANT TO THE FIVE-YEAR EXEMPTION AND ABATEMENT LAW, N.J.S.A. 40A:21-1, *et. seq.*

WHEREAS, by adoption of Ordinance No. 2019-6 on August 8, 2019, the Borough Council of the Borough of Penns Grove approved an amendment to the Borough's Broad Street/Main Street/Route 130 Study Area Redevelopment Plan to provide for development regulations for the Wawa redevelopment district (the "Redevelopment Area"), which consists of Block 35, Lot 17, as designated on the Borough of Penns Grove Tax Map; and

WHEREAS, said redevelopment plan, as amended, is entitled the "Amendment and Supplement to the Broad Street/Main Street/Route 140 Study Area Redevelopment Plan: Development Regulations for the 'Wawa' Redevelopment District" and dated August 8, 2019 (the "Redevelopment Plan"); and

WHEREAS, Zawa Penns Grove, LLC ("Redeveloper") was appointed Redeveloper of a portion of the Redevelopment Area by the Borough by way of Resolution No. 2019-7-115 on August 8, 2019, said Resolution further authorizing the execution of a Redevelopment Agreement that includes authorization for the Borough to enter into a Five-Year Tax Exemption Agreement with Redeveloper, pursuant to the Five-Year Exemption and Abatement Law, N.J.S.A. 40A:21-1, *et seq.*; and

WHEREAS, pursuant to the New Jersey Constitution, Article VII, Section I, paragraph 6, the governing body of a municipality may adopt an ordinance setting forth the eligibility of dwellings, multiple dwellings, or commercial and industrial structures in areas in need of rehabilitation for an exemption or abatement of taxes;

WHEREAS, in accordance with N.J.S.A. 40A:21-3(d), the governing body may determine that the rehabilitation or construction of a commercial or industrial structure will tend to maintain or provide gainful employment within the municipality, assist in the economic development of the municipality, maintain or increase the tax base of the municipality and maintain or diversify and expand commerce within the municipality; and

WHEREAS, the Borough has actively negotiated with Redeveloper to redevelop the Redevelopment Area with the development of a Wawa convenience store with fueling station, a multi-tenant retail building, and a quick-service restaurant, consistent with the approved Redevelopment Plan; and

WHEREAS, Redeveloper will provide significant new development and jobs to the Borough and help spur further development in the Borough; and

WHEREAS, the ability to enter into a Five-Year Tax Exemption Agreement was a material factor to Redeveloper in securing its financial participation in the development of the Redevelopment Area; and

WHEREAS, the Borough desires to memorialize an agreement with Redeveloper to bring these and other benefits to the Borough, and has agreed to enter into a Five-Year Tax Exemption Agreement to ensure the construction and completion of the proposed project on the Property.

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Mayor and Borough Council of the Borough of Penns Grove, County of Salem, State of New Jersey, that the Borough does hereby agree to enter into a Five-Year Tax Exemption Agreement with Redeveloper on the terms and conditions stated in the Five-Year Tax Exemption Agreement, attached hereto as "Exhibit A", and as further set forth herein:

1. The Governing Body hereby makes such determinations and findings as required by, pursuant to and in conformity with the Five-Year Exemption and Abatement Law, as set forth above.

2. The development of the Redevelopment Area is hereby approved for the grant of a tax exemption under the Five-Year Exemption and Abatement Law, N.J.S.A. 40A:21-1, *et seq.*, pursuant to and in conformity with the provisions of the same.

3. The Five-Year Tax Exemption Agreement and all exhibits and schedules thereto are hereby authorized and approved.

4. The Improvements (as defined in the Five-Year Tax Exemption Agreement) shall be exempt from real property taxation and, in lieu of real property taxes, Redeveloper shall make payments to the Borough of an Annual Service Charge (as defined in the Five-Year Tax Exemption Agreement) during the term and under the provisions set forth in the Five-Year Tax Exemption Agreement.

5. Upon adoption of this Ordinance and execution of the Five-Year Tax Exemption Agreement, a certified copy of this Ordinance and the Five-Year Tax Exemption Agreement shall be transmitted to the Department of Community Affairs, Director of the Division of Local Government Services.

BE IT FURTHER ORDAINED that the Mayor and the Borough Clerk are each hereby authorized to execute the Five-Year Tax Exemption Agreement, attached hereto and made a part hereof, together with any additional documents as are necessary to implement and carry out the intent of this Ordinance and the Five-Year Tax Exemption Agreement.

BE IT FURTHER ORDAINED that this Ordinance shall take effect upon adoption and publication according to law.