

## VILLAGE OF RIDGEFIELD PARK

### ORDINANCE NO. 2022-12

#### **AN ORDINANCE APPROVING THE APPLICATION AND FINANCIAL AGREEMENT AUTHORIZING A TAX EXEMPTION AND PAYMENT IN LIEU OF TAXES PROGRAM FOR 64 CHALLENGER ROAD URBAN RENEWAL I, LLC FOR THE CONSTRUCTION OF A REDEVELOPMENT PROJECT LOCATED IN THE "SKYMARK" REDEVELOPMENT AREA**

**WHEREAS**, in 1979, the Village of Ridgefield Park designated a number of parcels adjacent to Challenger Road as an area in need of redevelopment pursuant to the *Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq.* (the "Challenger Road Redevelopment Area"); and

**WHEREAS**, on or about June 26, 1979, the Village adopted a Redevelopment Plan (later amended and, as amended, the "Prior Redevelopment Plan") with respect to the Challenger Road Redevelopment Area; and

**Whereas**, Hartz Mountain Industries ("Hartz") was designated as the redeveloper under the Prior Redevelopment Plan; and

**WHEREAS**, under the Prior Redevelopment Plan (which has since expired), Hartz and the Village entered into a certain Master Leasing and Option Agreement, dated June 30, 1981, and amended thereafter (the "Master Lease"), pursuant to which Hartz was given the option to lease and the right to develop Parcels within the entire Overall Redevelopment Area; and

**WHEREAS**, Hartz entered into a ground lease for five (5) separate Parcels of land, each of which has now been Redeveloped; and

**WHEREAS**, Hartz, however, did not lease and develop all of the Parcels within the entire Overall Redevelopment Area; and

**WHEREAS**, the Master Lease expired by its terms as of June 29, 2004, after which the three vacant parcels in the Challenger Road Redevelopment Area which were not leased or redeveloped by Hartz reverted back to the Village free of the Master Lease; and

**WHEREAS**, on October 25, 2005, the Village adopted a resolution (the "Redevelopment Resolution") declaring these three parcels to be "an area in need of redevelopment" pursuant to the *LRHL*; and

**WHEREAS**, on December 27, 2005, after a public hearing and recommendation by the Planning Board, the Village adopted, by Ordinance #5-13, a Redevelopment Plan (the "Redevelopment Plan") setting forth the parameters for redevelopment of the remaining parcels, including office, hotel, retail, residential, restaurant and health club uses; and

**WHEREAS**, since 2011, the Village issued multiple Requests For Proposals and other informal inquiries seeking development proposals from experienced developers for the sale and redevelopment of two of the three remaining parcels, 95 Challenger Road, Block 24.03, Lot 4, and 64 Challenger Road, Block 24.02, Lot 1; and

**WHEREAS**, in response to these requests, numerous proposals have been received from multiple different developers; and

**WHEREAS**, in 2017, the Village received an inquiry from The KABR Group, LLC, which was interested in developing 64 Challenger Road in conjunction with their proposed development of 95 Challenger Road as an office complex or alternatively, a multi-family residential housing facility; and

**WHEREAS**, the Board of Commissioners did enter into discussions and negotiations with KABR concerning this proposal; and

**WHEREAS**, during the course of these negotiations, KABR formed a separate entity named 64 Challenger Road, LLC, for the purpose of executing and implementing a Redevelopment Agreement; and

**WHEREAS**, after these discussions and negotiations, it was determined that it is in the best interests of the Village of Ridgefield Park to designate 64 Challenger Road, LLC as the Redeveloper for the parcel located at 64 Challenger Road, Block 24.02, Lot 1; and

**WHEREAS**, the Village did designate 64 Challenger Road, LLC as Redeveloper for the Property by resolution No. 2018-006 adopted on January 9, 2018; and

**WHEREAS**, the parties successfully negotiated a Redevelopment Agreement with 64 Challenger Road Urban Renewal I, LLC, an urban renewal entity qualified to do business under the provisions of the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., as amended and supplemented (the "Long Term Tax Exemption Law"), for the purpose of setting forth their respective undertakings, rights and obligations in connection with the construction of the Project which shall be undertaken by the Redeveloper, which agreement was approved by the Board of Commissioners by resolution on November 8, 2022; and

**WHEREAS**, despite the Redeveloper's current and future substantial investment of "at-risk" equity and traditionally borrowed funds for acquisition, development and construction of the Project, such amounts of equity and traditionally borrowed funds are insufficient to pay for all of the costs associated with the acquisition, development and construction of the Project; and

**WHEREAS**, pursuant to and in accordance with the provisions of the *Redevelopment Area Bond Financing Law*, N.J.S.A. 40A:12A-64 et seq., as amended and supplemented (the "Bond Financing Law"), the Village is authorized to provide for and accept, in lieu of real property taxes, an annual service charge paid by the Redeveloper and any Successor Entity (as defined herein) to the Village in accordance with certain applicable provisions of the Long Term Tax Exemption Law; and

**WHEREAS**, the Redeveloper has submitted an application to the Mayor of the Village for the approval of an urban renewal project (as may be amended, the "Application"), all in accordance with N.J.S.A. 40A:20-8, which application is on file with the Village Clerk and may be reviewed upon request; and

**WHEREAS**, the Redeveloper also submitted to the Mayor a form of financial agreement (the "Financial Agreement"), a copy of which is attached to the Application, which sets forth the rights, responsibilities and obligations of the Redeveloper; and

**WHEREAS**, said Financial Agreement provides for, among other things, the exemption described above, the payment of an annual service charge in lieu of taxes, the issuance of Redevelopment Bonds, and the pledge of the Pledged Annual Service Charge (as described therein) to the payment of debt service on the Redevelopment Bonds; and

**WHEREAS**, the Mayor submitted the Application and Financial Agreement to the Board of Commissioners with his recommendation for approval, a copy of which recommendation is on file with the Village Clerk; and

**WHEREAS**, the Board of Commissioners has reviewed the terms of the Application and the Financial Agreement and hereby finds that the relevant benefits of the Project to the redevelopment of the Redevelopment Area outweigh the loss, if any, of property tax revenue in granting the long-term tax exemption for the Project; and

**WHEREAS**, the Board of Commissioners has determined that the Project will remediate existing environmental conditions and accelerate the development of longstanding, vacant and currently unusable Property while providing new retail commercial goods, services and jobs, market rate and affordable housing, real estate tax revenues and benefits, traffic management and renewal and revitalization of the Redevelopment Area; and

**WHEREAS**, the Board of Commissioners has further determined that the requested tax exemption permits and provides better use of the Redevelopment Area and completion or enhancement of significant infrastructure improvements; and

**WHEREAS**, the Board of Commissioners has further determined that the Project constitutes improvements made for the purposes of clearance, re-planning, development and/or redevelopment or an area in need of redevelopment within the Village, as authorized by the Local Redevelopment and Housing Law, the Bond Financing Law and the Long Term Tax Exemption Law; and

**WHEREAS**, the Board of Commissioners has further determined that the assistance provided to the Project pursuant to the Financial Agreement will be a significant inducement for the Redeveloper to proceed with the Project and that based on information and representations set forth in the Application, the Project would not be feasible without such assistance.

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Commissioners of the Village of Ridgefield Park, as follows:

1. The aforementioned recitals are incorporated as if set forth herein at length.
2. The Application filed by the Redeveloper, a copy of which is on file with the Village Clerk and which has been recommended for approval by the Mayor, is hereby approved.
3. The Mayor, Village Clerk and all other appropriate officials are hereby authorized to execute the Financial Agreement substantially in the form attached to the Application, subject to approval as to form by the Village Attorney. The Mayor is further authorized to undertake all actions necessary and permitted to effectuate the purposes of this Resolution and the Financial Agreement.

4. The executed copy of the Financial Agreement shall be certified by and be filed with the Office of the Village Clerk. Further, the Village Clerk shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the Village and the Director of the Division of Local Government Services with the Department of Community Affairs, in accordance with the Long Term Tax Exemption Law.
5. This Ordinance shall sunset upon the occurrence of any of the following events, upon which this Ordinance shall be deemed null and void and the Financial Agreement be deemed void and of no further effect:
  - a. The Redeveloper fails to pay all real estate taxes due and owing on the Land by December 31<sup>st</sup> of each year prior to the issuance of the first series of Redevelopment Bonds.
6. All Ordinance or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.
7. If any section, paragraph, subparagraph, clause or provision of this Ordinance shall be adjudged invalid, such adjudication shall apply only to the specific section, paragraph, subparagraph, clause or provision so adjudged and the remainder of this Ordinance shall remain valid and effective.
8. This Ordinance shall take effect 20 days after adoption and publication as required by law.

  
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Commissioner Gerken

  
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Commissioner MacNeill

Absent  
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Commissioner Olson

Absent  
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Commissioner Portorreal

  
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Mayor Anlian

  
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Village Clerk

Adopted on December 27, 2022