

APPROVED

7-11-2018

MAYOR

TOWNSHIP OF FLORENCE

ORDINANCE NO. 2018-17

**AN ORDINANCE AUTHORIZING AN AGREEMENT FOR
TAX EXEMPTION WITH PRIMESTONE PROPERTIES,
L.L.C. FOR PROPERTY LOCATED AT 2066 ROUTE 130,
BLOCK 163.02, LOT 13.02**

WHEREAS, the Five-Year Exemption and Abatement Law, N.J.S.A. 40A:21-1 et seq. (the "Act") enables municipalities which have been designated as in need of rehabilitation to exempt or abate local property taxes imposed upon eligible dwellings, commercial and industrial structures; and

WHEREAS, the certain areas within the Township of Florence (the "Township") were designated by the Planning Board of the Township in accordance with P.L. 1975, Chapter 104 (now, N.J.S.A. 40A:12A-14) as an area in need of rehabilitation and is an area endangered by blight and in need of rehabilitation as measured by physical deterioration of buildings and the maintenance thereof, the age of building stock and other structures and arrearages in real property taxes due on buildings, structures and land; and

WHEREAS, pursuant to the Act, the Township adopted an ordinance (the "Prior Ordinance") which authorized a program to attract private investment and ratable growth within these industrial areas via a program of tax abatement and exemption; and

WHEREAS, in accordance with the Act, on April 18, 2012, the Township adopted Ordinance 2012-13 (the "Authorizing Ordinance") which continued the availability of tax abatement and exemption program originally authorized under the Prior Ordinance and expanded the program to include rehabilitation as well as new construction of industrial and commercial properties; and

WHEREAS, the Planning Board of the Township has granted preliminary and final site plan approval to construct, on Block 163.02, Lot 13.02, known as 2066 Route 130 (the “Property”), a 4 story 82 Room hotel (the “Project”); and

WHEREAS, the Project satisfies the definition of “Qualifying Commercial or Industrial Structure” under the Authorizing Ordinance; and

WHEREAS, the Project will be undertaken by Primestone Properties (the “Property Owner”) with the intent to complete construction of the Project and utilize it for its intended uses; and

WHEREAS, on May 8, 2018, the Property Owner, applied for a Five-Year Tax Abatement for the Project and related site plan improvements, and

WHEREAS, the Application requested the exemption of the taxable value for the improvements to be constructed as part of the Project as follows:

<u>Year</u>	<u>Percent of Exemption</u>
One	100%
Two	80%
Three	60%
Four	40%
Five	20%
Six and thereafter	0%

WHEREAS, the Act and the Authoring Ordinance permits the above abatement for newly constructed Qualifying Commercial or Industrial Structure via a written agreement between the Township and the Property Owner, which agreement shall be authorized by an Ordinance adopted by the Township Council of the Township of Florence; and;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED, by the Mayor and Council of the Township of Florence that:

Section 1. Recitals. The recitals are fully incorporated herein.

Section 2. Approval of the Financial Agreement. The Financial Agreement

substantially in the form attached hereto as Exhibit A, together with any non-substantive changes as may be required, are hereby approved.

Section 3. Execution of the Financial Agreement. The Mayor of the Township of Florence, in the County of Burlington (the "Mayor") is hereby authorized and directed, upon satisfaction of all the legal conditions precedent to the execution and delivery by the Township of the Financial Agreement, to execute the Financial Agreement in substantially the form of the draft attached hereto and with such non-substantive changes, insertions and omissions thereto as the Mayor, after consultation with counsel to the Township, deems in the Mayor's sole discretion to be necessary or desirable for the execution thereof, which execution thereof shall conclusively evidence the Mayor's consent to any such changes thereto.

Section 4. Attestation and Sealing of the Financial Agreement. The Clerk of the Township is hereby authorized and directed, upon the execution of the Financial Agreement in accordance with the terms of Section 3 hereof, to attest to the signature of the Mayor upon such document and is hereby further authorized and directed thereupon affix the corporate seal of the Township upon such document.

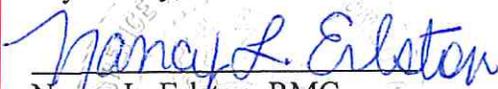
Section 5. Implementation of the Financial Agreement. Upon the execution and attestation and placing of the seal on the Financial Agreement as contemplated by Sections 3 and 4 hereof, the Mayor and Township Administrator, together with the necessary staff and professionals of the Township, are hereby authorized and directed to (i) deliver the fully executed, attested and sealed document to the other parties thereto and (ii) perform such other actions as the Township Administrator deems necessary or desirable in relation to the execution and delivery of the Financial Agreement.

Section 6. Severability. If any part of this Ordinance shall be deemed invalid, such parts shall be severed and the invalidity thereby shall not affect the remaining parts of this Ordinance.

Section 7. Availability Of The Ordinance. A copy of this Ordinance shall be available for public inspection at the offices of the Township.

Section 8. Effective Date. This ordinance shall take effect in accordance law.

I, Nancy L. Erlston, Township Clerk of the Township of Florence, Burlington County, New Jersey, do hereby certify the foregoing to be a true and exact copy of Ordinance No. 2018-17 which was finally adopted by the Township Council at a meeting held on the 11th day of July, 2018.


Nancy L. Erlston, RMC
Township Clerk

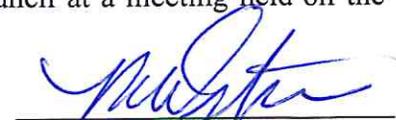

Paul C. Ostrander
Council President

Exhibit A
Form of Agreement

RESOLUTION No. 2018-17
"SCHEDULE A"

TAX ABATEMENT AGREEMENT

THIS AGREEMENT made on this ____ day of _____ 2018, between Primestone Properties (hereinafter designated "Property Owner") and the Township of Florence, a Municipal Corporation in the County of Burlington and State of New Jersey (hereinafter designated as "Township").

WHEREAS, pursuant to N.J.S.A. 40A: 21-1, et seq. and Township Ordinance 2012-13, the Township is authorized to enter into Tax Abatement Agreements with qualified applicants for qualified uses, as defined in said Act and Ordinance, in order to provide gainful employment within the municipality, assist in the economic development of the municipality, maintain and increase the tax base of the municipality and diversify and expand commerce within the municipality; and

WHEREAS, Property Owner, Primestone Properties with a business address of 210 Bennington Terrace, Paramus, New Jersey 07652 owns certain commercial property within the municipality, known as 2066 U.S. Route 130, identified as Block 163.02, Lot 13.02 on the Florence Township tax maps (the "Property"); and

WHEREAS, the Property has an approved Redevelopment Plan for a hotel project and is in the process of obtaining municipal land use approval for the site which will consist of a 4-story Tru by Hilton hotel with 82 rooms on approximately 1.98 acres of land; and

WHEREAS, construction on the Project is slated to commence in the fall of 2018 and a quality hotel is part of the revitalization of the Route 130 Corridor in the Township of Florence; and

WHEREAS, subsequent to the beginning of construction, the property was acquired by Daniel Mark Properties, LLC (the "Property Owner") with the intent to complete construction of the Project and utilize it for its intended uses; and

WHEREAS, the Property Owner shall receive any amended approvals as required by the local municipal land use code; and

WHEREAS, on May 8, 2018, the Property Owner, applied for a Five-Year Tax Abatement for the development of a 4-story, 82 room hotel as described above and related site plan improvements, and

WHEREAS, the Township Administrator has reviewed the application and recommended approval of same; and

WHEREAS, the Governing Body, by adoption of Ordinance No. 2018-17 has authorized the Mayor and Township Clerk to execute an Agreement with the Property Owner for a Tax Abatement.

WITNESSETH:

In consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

1. This Agreement shall be governed by the provision of N.J.S.A. 40A:21-1, et seq., as well as Florence Township Ordinance No. 2012-13, herein collectively designated "THE LAW".
2. It is expressly understood and agreed that Township relies upon the facts, data and representations contained in the exhibits attached hereto. This approval is granted in accordance with Ordinance No. 2012-13 and Ordinance 2018-17. The Township reserves the right to void this Agreement if the facts, data, and representations are determined by the township to be materially false.
3. Township hereby grants approval for the project as described herein to be enrolled in the Tax Abatement Program under the provisions of "THE LAW".
4. Taxes on the land and any improvements not the subject of Tax Abatement shall at all times remain at 100% assessment. Property owner has agreed not to file a tax appeal during the time the Tax Abatement is in effect.
5. In consideration of the Tax Abatement afforded by this Agreement, Property Owner, shall make payments to Township in lieu of full property taxes as follows:
 - A. The parties agree that the project is tentatively scheduled to be complete by the summer or fall of 2019. This means that (i) the Project is ready for its intended use, (ii) the Property Owner has contacted the Township for final inspections and (iii) the Township inspections have been passed. Once this has occurred, the Project will not to be considered to be exempt from taxation from the date of "Completion" until December 31st of the same calendar year following "Completion", hereafter "Completion". The Township must issue a Certificate of Occupancy (CO) for the new building. From the date of Completion until December 31st, the Property Owner shall pay an added assessment for this period only. The issuance of a temporary or final CO is deemed Completion, and exemption and payments shall begin on January 1 following Completion of the Project and shall remain in effect for five (5) annual periods from that date.
 - B. In subsequent years following "Completion", payments in lieu of full taxes shall be due as follows:

1. 1st calendar year following “Completion” – 0% of taxes otherwise due.
 2. 2nd calendar year following “Completion” – 20% of taxes otherwise due.
 3. 3rd calendar year following “Completion” – 40% of taxes otherwise due.
 4. 4th calendar year following “Completion” – 60% of taxes otherwise due.
 5. 5th calendar year following “Completion” – 80% of taxes otherwise due.
 6. 6th calendar year following “Completion” and thereafter – 100% of taxes otherwise due (fair assessment).
6. Property Owner agrees that payment in lieu of taxes made pursuant to this Agreement shall be made to the Township in quarterly installments on those dates when real estate tax payments are due and billed by the township. Failure to make timely payments shall result in interest being assessed at the highest rate permitted for unpaid taxes and a tax lien on the land. During the period that the Agreement is in place, the Property Owner agrees not to appeal the assessed valuation until after the Tax Abatement Agreement expires.
 7. It is agreed and understood that when any payment due and owing by the Property Owner under this Agreement is in default for more than 90 days, or the property fails to continue to meet the conditions for qualifying for abatement, then the tax which would have otherwise been payable for each year shall become due and payable from such Property Owner as if no Abatement had been granted.
 8. It is agreed and understood that if at any time prior to the termination of the Abatement the Property Owner disposes of the property, fails to meet the conditions required for tax abatement or secures a new tenant, the new owner or tenant must make application to the Governing Body for continuance of Tax Abatement. The applicant shall have the obligation to notify the Township Clerk immediately upon any of the above events so that a determination may be made regarding the continuance of Tax Abatement. The new owner or “lessee” must complete and file an application for continuance of Tax Abatement, on an approved form, no later than 30 days following the transfer of the lease or sale of the subject premises. Additionally, the new owner or lessee must simultaneously supply the copies of the Contract of Sale or lease along with any documents deemed relevant to consideration of the application. Failure to comply with the terms of this paragraph shall result in an automatic termination of the Tax Abatement 31 days after the transfer noted above.

9. It is agreed and understood that should this Agreement or "THE LAW" be declared invalid for any reason by a court of law, any corporate body or any agency of the State of New Jersey having valid jurisdiction thereof, the full taxes on said property shall be due and owing as if no Tax Abatement was in effect. This Agreement shall be binding on all parties to same, as well as their heirs and assigns.
10. Anything to the contrary notwithstanding, it is agreed and understood that this Tax Abatement Agreement shall be in effect for a period of not more than five (5) years from the date of "Completion" of the structure.

IN WITNESS WHEREOF, the Parties have caused this Tax Abatement Agreement to be executed as of the date first above written.

Attest:

Primestone Properties

By: _____
President

Attest:

Township of Florence

Nancy L. Erlston, RMC
Township Clerk

By: _____
Craig H. Wilkie, Mayor

(SEAL)