

ORDINANCE No. 2018-32

ORDINANCE AUTHORIZING THE TOWNSHIP OF FLORENCE, IN THE COUNTY OF BURLINGTON, NEW JERSEY TO ENTER INTO A FINANCIAL AGREEMENT BETWEEN THE TOWNSHIP AND IPT RIVERBRIDGE URBAN RENEWAL, L.L.C. FOR CERTAIN PROPERTY WITHIN THE GRIFFIN PIPE PROPERTIES REDEVELOPMENT AREA

WHEREAS, on December 1, 2010, following a recommendation of the Township of Florence (the "**Township**") Planning Board (the "**Planning Board**"), the Mayor and the Township Council of the Township of Florence (the "**Governing Body**") adopted a Resolution designating the properties located at Block 179, Lots 1.02, 1.03, 1.04, 1.05 and Block 156.01, Lot 90 on the Official Tax Maps of the Township (the "**Griffin Pipe Properties Redevelopment Area**" or "**Redevelopment Area**") as an "area in need of redevelopment" pursuant to the Redevelopment Law and authorizing and directing the Planning Board to prepare a redevelopment plan for the Griffin Pipe Properties Redevelopment Area; and

WHEREAS, in accordance with the procedures and standards set forth in the Redevelopment Law, on December 7, 2016, the Township Council finally adopted an ordinance approving a redevelopment plan for the Griffin Pipe Properties Redevelopment Area (the "**Plan**" or the "**Redevelopment Plan**"); and

WHEREAS, among other things, the Redevelopment Plan established permitted uses and development standards for redevelopment within the Redevelopment Area; and

WHEREAS, IPT Riverbridge Urban Renewal LLC (the "**Entity**") is an affiliate of the contract purchaser of a portion of the Griffin Pipe Properties Redevelopment Area, identified as Block 156.01, Lot 90 ("**Property**"); and; and

WHEREAS, the Entity has proposed the redevelopment of the Property which it currently or will shortly own and the construction of a facility on the Property consisting of an office, warehouse and distribution center and other uses permitted by applicable zoning and the Redevelopment Plan (the "**Project**"); and

WHEREAS, the Property has previously received necessary land use approvals for the Project and will apply to the Township Planning Board for any amendments to such approvals, if required, all of which will be in accord the Redevelopment Plan; and

WHEREAS, the Entity will construct, or cause to be constructed on the Property certain improvements (the "**Improvements**") consisting of facilities that are normally associated with such projects as shown on the approved plans and the exhibits to this Agreement; and

WHEREAS, the Improvements will consist, more or less, of a distribution building measuring approximately 530,000 square feet, as shown on the concept plan (the "**Concept Plan**")

WHEREAS, all insurance, operating and maintenance expenses for the Project shall be paid by the Entity who may in turn pass such expenses through to any tenants or subtenants; and

WHEREAS, in accordance with the Long Term Tax Exemption Law, on December 4, 2018, the Entity has submitted a written application (the "**Application**") to the Municipality for approval of a tax exemption for the Improvements; and

WHEREAS, it is important to the viability of the Project for the payments in lieu of taxes thereon to be stable and ascertainable on a long-term basis; and

WHEREAS, the Application stated and demonstrated that Project would not be viable without the tax exemption due in part to the current economy and due in part to the competitive nature of the warehouse and distribution industry in Central New Jersey and Eastern Pennsylvania; and

WHEREAS, the Township has concluded that (i) although the property has been vacant for a long period, the investment to return the property to a productive asset will result in a direct benefit for the health, welfare and financial well-being of the Township because it allows for redevelopment of the Property into productive, useful and job-creating property. In addition, it has been determined that the Project will not move forward without the inducements contained in this agreement. Further:

- a. The costs associated with the tax exemption granted herein are minimal compared to the total Project cost of approximately \$19,000,000 (including “soft” costs), and the benefit created in the first several years by approximately 200 temporary construction jobs and up to 75 permanent jobs with an expected annual payroll of approximately \$3,000,000.
- b. Without the tax exemption granted herein, the Entity will not proceed with the Project. This agreement is a material inducement to the construction of the Project.
- c. The projected investment and job estimates are a material consideration to the Township in granting the exemption and the payment of the Annual Service Charge as set forth in the Financial Agreement (as hereinafter defined).

WHEREAS, to promote the viability of the Project and based on the Application, the Township desires to grant the requested tax exemption and approve a schedule of payments in lieu of taxes in accordance with the terms and provisions set forth in the financial agreement attached hereto as Exhibit A (the “**Financial Agreement**”); and

WHEREAS, the LTTE permits the use of financial agreements between municipalities and urban renewal entities to advance projects implementing a redevelopment plan for a duly designated redevelopment area; and

WHEREAS, the Project would be located in the Route 130 Redevelopment Area and would be constructed in accordance with the Redevelopment Plan; and

WHEREAS, the LTTE further requires that financial agreements entered into pursuant to its terms be approved by a municipal ordinance; and

WHEREAS, the Township Committee desires to approve the Financial Agreement and authorize the Mayor to execute the same;

NOW THEREFORE BE IT ORDAINED BY THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF FLORENCE as follows:

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.

Paul Ostrander, Council President

I, Nancy 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 the ordinance which was finally adopted by the Township Committee at a meeting held on the _____ day of _____, 2018.

Nancy L. Erlston, RMC

EXHIBIT A
FORM OF FINANCIAL AGREEMENT