

TOWNSHIP OF FLORENCE, NEW JERSEY

ORDINANCE NO. 2019-25

AN ORDINANCE AUTHORIZING THE TOWNSHIP OF FLORENCE TO IMPLEMENT THE FIVE-YEAR EXEMPTION AND ABATEMENT LAW, GRANTING TAX EXEMPTIONS FOR CERTAIN INDUSTRIAL AND COMMERCIAL IMPROVEMENTS AND PROJECTS, AND SUPERSEDING ALL OTHER ORDINANCES GRANTING SUCH EXEMPTIONS

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, since that designation in 1975, the conditions within the Township remain a concern with a persistent lack of ratable growth within the Township's industrial and commercial areas and the continued underutilization of the 200 acre tract known as the Roebing Steel Plant which was the cornerstone of the Township's economy but continues to lay fallow and polluted due to its past as a center for heavy industry; and

WHEREAS, since 1994, the Township has attempted to attract private investment and ratable growth within these industrial areas via a program of tax abatement and exemption as permitted under the Act but that a majority of the parcels within these areas remain underutilized and lacking in private investment; and

WHEREAS, the Act states that an authorizing municipal ordinance must be re-adopted every ten years and the Township's existing program is due to sunset in 2021; and

WHEREAS, the Township Council of the Township of Florence has determined that the continued use of a program of tax abatement and exemption as permitted under the Act is in the best interest of the Township and its citizens to encourage additional private investment through the construction of new commercial and industrial structures and by the expansion of existing commercial and industrial enterprises within the Township;

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

1. All previous ordinances adopted by the Township of Florence and relating to the Act

are superseded by the within ordinance; and

2. The Township Council hereby determines to utilize the authority granted under Article VIII, Section I, paragraph 6 of the New Jersey Constitution to establish the eligibility of dwellings, and commercial and industrial structures for exemptions as provided in the within ordinance and as permitted by the Act throughout the entire municipality; and

3. This ordinance authorizes the Township of Florence to grant exemptions up to a 5-year period to commence and take effect in the 2020 tax year and thereafter. This ordinance shall lapse, unless readopted, in the 2029 tax year and no exemptions shall be granted after December 31, 2029 tax year without such re-adoption.

4. For purposes of this ordinance, the following definitions are incorporated herein:

A. Qualifying commercial or industrial structures under this ordinance refer to

(1) Structures or parts thereof used for the manufacturing, processing or assembling of material or manufactured products, or for research, office, industrial, commercial, retail, recreational, hotel or motel facilities, or warehousing purposes, or for any combination thereof, which will tend to maintain or provide gainful employment within the Township, assist in the economic development of the Township, maintain or increase the tax base of the Township and maintain or diversify and expand commerce within the Township.

(2) Not included as qualifying commercial or industrial structures are structures or parts thereof used or to be used by any business relocated from another qualifying municipality unless: the total square footage of the floor area of the structure or part thereof used or to be used by the business at the new site together with the total square footage of the land used or to be used by the business at the new site exceeds the total square footage of that utilized by the business at its current site of operations by at least 10%; and the property that the business is relocating to has been the subject of a remedial action plan costing in excess of \$250,000 performed pursuant to an administrative consent order entered into pursuant to authority vested in the Commissioner of Environmental Protection under P.L. 1970, c. 33 (C. 13:10-1 et seq.), the "Water Pollution Control Act," P.L. 1977, c. 74 (C. 58:10A-1 et seq.), the "Solid Waste Management Act," P.L. 1970, c. 39 (C. 13:1E-1 et seq.), and the "Spill Compensation and Control Act," P.L. 1976, c. 141 (C. 58:10-23.11 et seq.).

B. An exemption means that portion of the assessor's full and true value of any improvement, conversion, alteration, or construction not regarded as increasing the taxable value of a property pursuant to the Act.

C. All other terms utilized in this ordinance not specifically defined herein shall conform to the meaning identified in the Act.

5. This ordinance authorizes the exemption for up to the assessor's full and true value of the "improvements" to existing commercial and industrial structures as may be granted only by the governing body on an individual basis after review, evaluation and approval of each application by resolution. The application procedure for seeking such an exemption shall be consistent with the procedures outlined in paragraph 8 of this ordinance. However, the granting of an exemption under this paragraph 5 shall not require the adoption of an ordinance nor a written tax agreement. An "improvement" is defined under N.J.S.A. 40A:21-3n, which definition is fully incorporated herein, and includes the renovation, rehabilitation, repair, and alteration of an existing building that improves the safety and attractiveness of the building, but does not include ordinary painting, repairs, and replacement of maintenance items nor the enlargement of the volume of an existing structure by more than 30%.

6. The Township Council hereby further determines to grant exemptions from taxation for the construction of commercial and industrial structures pursuant to the procedures set forth in the Act and in this ordinance. The term "construction" is defined under N.J.S.A. 40A:21-3g, which definition is fully incorporated herein, and includes the construction of a new commercial or industrial building or the enlargement of an existing commercial or industrial building by more than 30%, but shall not mean the conversion of an existing building or structure to another use.

7. For purposes of paragraphs 5 and 6, the term commercial structure relates to office, retail and like uses, but does not include multiple dwelling type (three or more rental units) structures. In the event a structure includes a mix of commercial and multiple dwelling uses, the exemption shall only apply to that component of the structure relating to commercial, as opposed to multiple dwelling, use.

8. Applicants for tax exemption under paragraphs 5 and 6 above shall provide the governing body of the Township of Florence with an application setting forth the following information:

- A. A general description of a project for which exemption is sought;
- B. A legal description of all real estate necessary for the project;
- C. Plans, drawings and other documents as may be required by the governing body to demonstrate the structure and design of the project;
- D. A description of the number, classes and type of employees to be employed at the project site within two years of completion of the project;
- E. A statement of the reasons for seeking tax exemption on the project, and a description of the benefits to be realized by the applicant if a tax agreement is granted;
- F. Estimates of the cost of completing such project;

- G. A statement showing (1) the real property taxes currently being assessed at the project site; (2) estimated tax payments that would be made annually by the applicant on the project during the period of the agreement, and (3) estimated tax payments that would be made by the applicant on the project during the first full year following the termination of the tax agreement;
 - H. A description of any lease agreement between the applicant and proposed users of the project, and a history and description of the users' businesses;
 - I. Such other pertinent information as the governing body may require on a case-by-case basis.
 - J. The original and six (6) copies of the application shall be submitted to the Clerk of the Township Council no later than thirty (30) days following completion of the project, including Saturdays and Sundays. An application may be filed with the Township Clerk any time prior to such deadline. "Completion" means that the subject improvement is substantially ready for the intended use for which it is constructed. Such completion may be evidenced by the issuance of a certificate of occupancy or like document by the Township's building inspectors.
 - K. The Council shall have full discretion to accept, deny or revise the application and shall not be subject to any time limitations to make a determination.
 - L. Notwithstanding the deadline for filing exemption applications reflected in paragraph 8 (J) herein, which deadline is statutorily mandated, this ordinance is adopted with the intent of encouraging applicants to seek approvals of tax exemptions for eligible properties as early as possible, preferably prior to commencement of construction.
- 9.
- A. If the Council grants the exemption for the project, the Council shall adopt an ordinance authorizing a tax agreement for a particular project. The Council shall enter into a written agreement with an applicant for the exemption of local property taxes. The agreement shall provide for the applicant to pay the municipality in lieu of full property taxes an annual amount to be computed in accordance with N.J.S.A. 40A:21-10 utilizing one of the following: (a) the Cost Basis, (b) the Gross Revenue Basis or (c) the Tax Phase-In Basis, as set forth therein.
 - B. All tax agreements entered into shall be in effect for no more than the five full years next following the date of completion of the project.
 - C. All projects subject to tax agreement as provided herein shall be subject to all applicable federal, State and local laws and regulations on pollution control, worker safety, discrimination in employment, housing provision, zoning, planning and building code requirements.

D. That percentage which the payment in lieu of taxes for a property bears to the property tax which would have been paid had an exemption and abatement not been granted for the property under the agreement shall be applied to the valuation of the property to determine the reduced valuation of the property to be included in the valuation of the municipality for determining equalization for county tax apportionment and school aid during the term of the tax agreements covering the properties, and at the termination of an agreement for a property the reduced valuation procedure required under this section shall no longer apply.

10. The Clerk of the Township of Florence is authorized to forward a copy of all executed agreements entered into pursuant to this ordinance to the Director of the Division of Local Government Services in the Department of Community Affairs within thirty (30) days of the date of execution.

11. In the event a property owner subject to a tax agreement ceases to operate or disposes of the property or fails to meet the conditions for qualifying for the exemption, the local property taxes due for all the prior years subject to exemption and for the current year shall be payable as if no exemption had been granted. The Tax Collector of the Township of Florence shall notify the property owner within fifteen (15) days of the date of disqualification of the amount of taxes due. In the event the subject property has been transferred to a new owner and it is determined that the new owner will continue to use the property pursuant to the qualifying conditions, and no tax or payment in lieu of tax shall be delinquent, the exemption shall continue and the agreement shall remain in effect.

12. The Township Council hereby determines that an additional improvement, conversion or construction completed on a property already granted a previous exemption pursuant to this ordinance during the period in which the previous exemption is in effect, shall qualify for an additional exemption under the standards identified in this ordinance. The additional improvement, conversion or construction shall be considered as separate for purposes of calculating the exemption, except that the assessed value of any previous improvement, conversion or construction shall be added to the assessed valuation as it was prior to that improvement, conversion or construction for the purpose of determining the assessed value of the property for which any additional exemption is to be subtracted.

13. No exemption shall be granted or tax agreement entered into pursuant to this ordinance for any property for which property taxes are delinquent or remain unpaid, or for which penalties for nonpayment of taxes are due.

14. An applicant for tax exemption under this ordinance shall agree, as a condition to receiving the exemption, not to file a tax appeal challenging the assessment granted under this ordinance.

15. In the event that the Township implements a revaluation or reassessment during the exemption period for any property, the exemption shall continue to apply but at a valuation level consistent with the revaluation or reassessment.

16. The granting of an exemption for a particular property shall not prejudice the right of the Township to appropriately examine and revise the assessment during the five-year exemption period in the event the base assessment is found to be improperly valued and assessed.

17. At the termination of an agreement for tax exemption authorized pursuant to this ordinance, the project or improvement shall be subject to all applicable real property taxes as provided by State laws and regulations and local ordinances, provided that nothing herein shall be deemed to prohibit the project or improvement at the termination of the agreement for tax exemption from qualifying for and receiving the full benefits of any other tax preference provided by law.

18. This ordinance shall take effect for tax year 2020 upon final passage, approval and publication as provided by law.

JERRY SANDUSKY
President - Township Council

NANCY L. ERLSTON, RMC
Township Clerk

FLORENCE TOWNSHIP

ORDINANCE NO. 2019-25

NOTICE OF PENDING ORDINANCE AND SUMMARY

PUBLIC NOTICE IS HEREBY GIVEN that an ordinance, the summary terms of which are included herein, was duly introduced and passed upon first reading at a regular meeting of the Township Council of the Township of Florence, in the County of Burlington, New Jersey, held on November 6, 2019. It will be further considered for final passage and adoption, after public hearing thereon, at a regular meeting of said Township Council to be held in the Municipal Building, 711 Broad Street, Florence, New Jersey on December 4, 2019 at 8:00 o'clock p.m. During the week prior to and up to and including the date of such meeting, copies of the full ordinance will be made available at no cost and during regular business hours, at the Township Clerk's office in the Municipal Building to the members of the general public who shall request the same. The summary of the terms of such ordinance follows:

Title: AN ORDINANCE AUTHORIZING THE TOWNSHIP OF FLORENCE TO IMPLEMENT THE FIVE-YEAR EXEMPTION AND ABATEMENT LAW, GRANTING TAX EXEMPTIONS FOR CERTAIN INDUSTRIAL AND COMMERCIAL IMPROVEMENTS AND PROJECTS AND SUPERSEDING ALL OTHER ORDINANCES GRANTING SUCH EXEMPTIONS

Summary: The Five Year Tax Exemption and Abatement Act permits New Jersey municipalities to adopt an ordinance authorizing tax abatements for improvements made to several classes of property. This ordinance would reauthorize Florence Township's existing program to encourage investment in the Township's industrial and commercial properties.

Under the ordinance, a property owner would be allowed to petition the Township Council for an exemption for the value of the improvement from the assessed value of the commercial or industrial property for up to five years. Any exemption granted for new construction would be done via a written agreement between the taxpayer and the Township and would be approved by a separate ordinance adopted at the time the agreement is approved. Any exemption granted for renovations and minor expansions would be approved by a resolution of the governing body adopted at the time the taxpayer's application was approved. The ordinance would reauthorize the existing program for calendar years 2020-2029.

NANCY L. ERLSTON, RMC
TOWNSHIP CLERK