

CITY COUNCIL**The City of Orange Township, New Jersey**

DATE _____

NUMBER 66-2023

TITLE: ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF ORANGE TOWNSHIP TO APPROVE A TAX EXEMPTION FOR A TWENTY-THREE (23) YEAR PERIOD AND AUTHORIZING THE EXECUTION OF A FINANCIAL AGREEMENT FOR PAYMENTS IN LIEU OF TAXES BETWEEN THE CITY AND VA 100M URBAN RENEWAL, LLC

WHEREAS, the properties commonly known as 92-106 South Main Street and 13-27 Prince Street, and identified as Block 3002, Lots 6, 7, 8, 9, 10, 11, 12, 13, and 14 on the Tax Map of the City of Orange Township (collectively, the **"Property"**) are located within the Main Street Redevelopment Area (the **"Redevelopment Area"**) and is governed by the Main Street Redevelopment Plan (the **"Redevelopment Plan"**); and

WHEREAS, the City of Orange Township, in the County of Essex, New Jersey (the **"City"**) has heretofore designated the Redevelopment Area and adopted the Redevelopment Plan in accordance with the provisions of the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the **"Redevelopment Law"**); and

WHEREAS, VA 100M Urban Renewal, LLC, having its principal place of business at 1449 37th Street, Suite 414, Brooklyn New York 11218 (the **"Entity"**), has proposed the construction of a redevelopment project consisting of the construction of a 307 unit multi-family residential building with 367 on-site parking spaces provided on the ground floor, and other related improvements on the Property (the **"Project"**); and

WHEREAS, the City expects to authorize, by resolution, the execution and delivery of a Redevelopment Agreement with the Entity (the **"Redevelopment Agreement"**), in order to fully set forth the understanding of the City and the Entity with respect to the construction and development of the Project; and

WHEREAS, the Project includes the construction of such reasonably necessary infrastructure improvements along the frontage of and near to the Project that are caused and necessitated as a result of the construction of the Project, including but not limited to curb replacements, street resurfacing, sidewalks, street lighting, landscaping, crosswalks and similar improvements consistent with the Entity's approved site plan, as well as offsite improvements that will enhance the area including funding for the land acquisition and/or for the construction of a public park, to be determined in consultation with the City Planner (collectively, the **"Infrastructure and Offsite Improvements"**); and

WHEREAS, the City expects to issue its general obligation bonds and/or notes in an aggregate principal amount not to exceed \$100,000.00 (collectively, the **"Bonds"**) pursuant to the Redevelopment Area Bond Financing Law, *N.J.S.A. 40A:12A-64 et seq.* (the **"RAB Law"**), and/or the Local Bond Law, *N.J.S.A. 40A:2-1 et seq.* (the **"Local Bond Law"**), as applicable, in order to defray certain eligible costs of the Infrastructure and Offsite Improvements; and

WHEREAS, the Entity has obtained preliminary and final site plan approval for the Project from the City Planning Board, as memorialized in a resolution of the City Planning Board adopted on January 26, 2022, Case No. 21-10; and

WHEREAS, the Project will conform to the Redevelopment Plan and all applicable municipal zoning ordinances, to the extent it contains provisions that are relevant to the Project, and will be in conformation with the master plan of the City; and

WHEREAS, the City is authorized under the provisions of the Long-Term Tax Exemption Law, *N.J.S.A.* 40A:20-1 et seq. (the “**LTTE Law**”) and the RAB Law to grant tax exemptions to qualifying entities constructing redevelopment projects within redevelopment areas and to enter into financial agreements with such entities governing payments made to the City in lieu of real estate taxes on the Project; and

WHEREAS, pursuant to *N.J.S.A.* 40A:20-8, the Entity filed an application (the “**Application**”) with the City for approval of a long-term tax exemption for the Project and has agreed to enter into a financial agreement with the City for payments in lieu of taxes (the “**Financial Agreement**”); and

WHEREAS, the Financial Agreement sets forth the terms and conditions under which the Entity and the City shall carry out their respective obligations with respect to the long-term tax exemption for the Project; and

WHEREAS, the Mayor, together with counsel for the City, has reviewed the Application and found that it complies with the provisions of the LTTE Law and the RAB Law; and

WHEREAS, the Entity has demonstrated to the satisfaction of the Mayor and Municipal Council that the granting of a long-term tax exemption and payments in lieu of taxes will improve the quality of life for the occupants of the Project and the quality of life for the City of Orange; and

WHEREAS, the Mayor and Municipal Council find that the relative benefits of the Project to the City outweigh the costs to the City associated with granting the long-term tax exemption in that it will provide needed housing and parking, as well as create both temporary and permanent jobs within the City, enhance the quality of life for residents in and around the neighborhood, and influence locational decisions of probable new residents; and

WHEREAS, the Municipal Council has determined that the assistance provided to the Project pursuant to the Financial Agreement is necessary for the creation of the Project and will be a significant inducement for the Entity to proceed with the Project; and

WHEREAS, the Financial Agreement represents an arm’s length transaction between the parties and all promises and agreements, express or implied, payment of fees or other benefits, terms or conditions related thereto are incorporated therein as it concerns the Project and the parties hereto as well as their agents and servants; and

WHEREAS, the Entity hereby certifies its compliance with the applicable municipal ordinances as well as the strictures of the LTTE Law and the RAB Law.

NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF ORANGE TOWNSHIP as follows:

SECTION 1: PROVISIONS

1. The Entity's Application is hereby approved.
2. The Financial Agreement providing for a long-term tax exemption and payments in lieu of taxes on the Project is hereby approved with the intent that upon execution of the Financial Agreement and upon the terms set forth therein, the Project will exempt from taxation for a period of twenty-three (23) years.
3. The Mayor of the City is hereby authorized to execute the Financial Agreement substantially in the form as it has been presented to the City Council subject to modification or revision deemed necessary and appropriate in consultation with counsel.
4. The City Clerk is hereby authorized and directed, upon the execution of the Financial Agreement in accordance with the terms set forth herein, 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 City upon such document.
5. The City Clerk shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the City and the Director of the Division of Local Government Services within the Department of Community Affairs in accordance with Section 12 of the LTTE Law.

SECTION 2: INCONSISTENCIES

All other ordinances and parts of ordinances in conflict or inconsistent with this ordinance are hereby repealed but only to the extent of such conflict or inconsistency.

SECTION 3: HEADINGS

All headings within this ordinance are for convenience only and are not deemed to be part of this ordinance.

SECTION 4: EFFECTIVE DATE

This ordinance shall take effect as required by law.

ADOPTED:

Joyce L. Lanier,
Municipal Clerk

Tency A. Eason,
Council President

APPROVED:

Dwayne D. Warren, Esq.,
Mayor

ORDINANCE NO. 66-2023

REGULAR MEETING – October 3, 2023

MOTION TO ADOPT: Ross

SECOND: Eason

YEAS: Coley, Ross, Montague, Wooten & Council President Eason

NAYS: Summers-Johnson

ABSTENTIONS: Hilbert

ABSENCES: None

PUBLIC HEARING– SECOND READING: November 8, 2023

ORDINANCE NO. 67-2023

REGULAR MEETING – October 17, 2023

MOTION TO ADOPT: Summers-Johnson

SECOND: Coley

YEAS: Coley, Hilbert, Montague, III, Ross, Summers-Johnson & Council President Eason

NAYS: None

ABSTENTIONS: None

ABSENCES: Wooten

PUBLIC HEARING– SECOND READING: November 8, 2023