

ORDINANCE 2020-009

AN ORDINANCE OF THE TOWNSHIP OF LAKEWOOD, COUNTY OF OCEAN, STATE OF NEW JERSEY, AUTHORIZING THE MAYOR TO EXECUTE A FINANCIAL AGREEMENT BY AND BETWEEN THE TOWNSHIP OF LAKEWOOD AND CBRC HOLDINGS URBAN RENEWAL LLC PURSUANT TO N.J.S.A. 40A:20-1, ET SEQ. FOR PROPERTY LOCATED AT LOT 1.04 IN BLOCK 961.02, AS SHOWN ON THE OFFICIAL TAX MAP OF THE TOWNSHIP OF LAKEWOOD LOCATED IN THE CEDARBRIDGE REDEVELOPMENT PLAN AREA.

BE IT ORDAINED, by the Township Committee of the Township of Lakewood that:

Section 1. The Township Committee of the Township of Lakewood (the "Township") designated Lot 1.04 in Block 961.02 (the "Property") as part of the Cedarbridge Redevelopment Plan Area (the "Redevelopment Area") and adopted the Redevelopment Plan for the Redevelopment Area on January 25, 1990 (the "Plan"), which Plan has been amended from time to time.

Section 2. CBRC Holdings Urban Renewal LLC (the "Entity") is the owner of the Property.

Section 3. On May 9, 2019 the Entity obtained preliminary and final major site plan approval from the Township Planning Board for the Property for to redevelop the subject property with a non-residential development consisting of one (1) multi-tenant retail building containing approximately 28,734 sq. ft and one (1) pad site for a single-tenant retail building containing approximately 3,943 sq. ft of space along with associated site improvements such as parking lots, internal roadways, landscaping, stormwater management features.

Section 4. Pursuant to and in accordance with the provisions of the Long Term Tax Exemption Law (the "Long Term Tax Exemption Law", as codified in N.J.S.A. 40A:20-1 et seq.), the Township is authorized to provide for long term tax exemptions within a redevelopment area and for payments in lieu of taxes.

Section 5. The Entity has submitted an application for the approval of a Project, as such term is used in Long Term Tax Exemption Law, all in accordance with N.J.S.A. 40A:20-8 (the "Exemption Application").

Section 6. The Exemption Application requests a 30 year term for the Financial Agreement and an annual service charge equal to 50% of the conventional taxes otherwise due for the Property, but no less than 10% of annual gross rental income for the Property, subject to statutory staged increases, which terms are set forth in detail in the Exemption Application and the proposed financial agreement between the Entity and Township.

Section 7. The Township previously adopted a resolution at its regular meeting of February 6, 2020, which approved the Exemption Application.

Section 8. The Township and the Entity have since negotiated the following terms to be included in the Financial Agreement: thirty (30) year term, eleven percent (11%) rate for the first four years increasing twenty-five basis points (0.25%) each year, with a cap at seventeen percent (17%); provided that in no event would the Annual Service Charge be less than fifty percent (50%) of conventional taxes.

Section 9. The Township and the Entity have reached agreement with respect to, among other things, the terms and conditions relating to the Annual Service Charges and desire to execute the Financial Agreement.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED, by the Township Committee of the Township of Lakewood, County of Ocean, State of New Jersey as follows:

Section 1. The Township acknowledges that the Entity, by effectuating the redevelopment, will significantly limit its profits in accordance with the Long Term Tax Exemption Law due to the development costs to be borne by the Entity, which will provide significant and long-term benefits to the Township.

Section 2. The Township makes the following findings:

- A. Relative benefits of the Project when compared to the costs:
 1. The Property formerly generated \$0 in real estate tax revenue to the Township. The projected Annual Service Charge and land tax portion will generate revenue to the Township of approximately \$70,000.00 once the project reaches stabilization (anticipated in Year 3).
 2. It is estimated that the Project will create jobs during construction and new permanent jobs.
 3. The Project should stabilize and contribute to the economic growth of existing local business and to the creation of new business, which will serve the new residents and attract additional people to Lakewood.

4. The Project will further the redevelopment objectives of the Redevelopment Plan for the Redevelopment Area.
5. The clearance and remediation of the property will greatly improve the neighborhood.
6. The Township has determined that the benefits of the Project significantly outweigh the costs to the Township.

B. Assessment of the importance of the Tax Exemption defined in obtaining development of the Project and influencing the locational decisions of probable occupants:

1. The relative stability and predictability of the Annual Service Charge will make the Project more attractive to investors and lenders needed to finance the Project; and
2. The relative stability and predictability of the Annual Service Charge will allow stabilization of the Project operating budget, allowing a high level of urban design, aesthetics and amenities as well as the use of high quality materials which will maintain the appearance of the buildings over the life of the Project, which will insure the likelihood of the success of the Project and insure that it will have a positive impact on the surrounding area.

Section 3. The Financial Agreement is hereby accepted and approved.

Section 4. The Financial Agreement shall be for a term of 30 years from Substantial Completion of the Project, but no longer than 35 years from the Mayor's execution of the Financial Agreement.

Section 5. The Financial Agreement is hereby authorized to be executed and delivered on behalf of the Township by the Mayor in substantially the form attached hereto. The Township Clerk is hereby authorized and directed to attest to the execution of the Financial Agreement by the Mayor and to affix the corporate seal of the Township to the Financial Agreement.

Section 6. This Ordinance shall take effect immediately upon final passage and publication as required by law.

FORM OF FINANCIAL AGREEMENT