

**TOWNSHIP OF WEST DEPTFORD  
GLOUCESTER COUNTY, NEW JERSEY**

**ORDINANCE NO. 2018-13**

**ORDINANCE OF THE TOWNSHIP OF WEST DEPTFORD, COUNTY OF  
GLOUCESTER, STATE OF NEW JERSEY APPROVING A FINANCIAL  
AGREEMENT, DETERMINING THE AMOUNT OF THE ANNUAL  
SERVICE CHARGE AND AUTHORIZING THE EXECUTION OF THE  
FINANCIAL AGREEMENT BETWEEN THE TOWNSHIP OF WEST  
DEPTFORD AND GROVE LAND URBAN RENEWAL LLC, THE  
REDEVELOPER OF THE PROPERTY KNOWN AS BLOCK 328, LOT 3.01,  
PURSUANT TO THE LONG TERM TAX EXEMPTION LAW, N.J.S.A.  
40A:20-1, ET SEQ.**

**WHEREAS**, the Township of West Deptford (the "Township") is a municipal entity organized and existing under the laws of the state of New Jersey and is empowered, pursuant to the provisions of the Local Redevelopment and Housing Law, as amended and supplemented, N.J.S.A. 40A:12A-1 et seq. ("the LRHL"), to declare certain properties located within the Township as areas in need of redevelopment, and to adopt and implement redevelopment plans, and carry out redevelopment projects; and

**WHEREAS**, pursuant to N.J.S.A. 40A:12A-4, a municipality may designate a redevelopment entity for purposes of undertaking municipal redevelopment efforts, as prescribed in the LRHL, or may execute those responsibilities directly as a redevelopment entity; and

**WHEREAS**, the Township has elected to directly act as the redevelopment entity, through the Township Committee ("the Township and/or Committee"), for purposes of redevelopment matters; and

**WHEREAS**, on or about April 6, 1999, the Township Committee directed the West Deptford Township Planning Board to undertake a preliminary investigation to determine if the area known as the "River Center at West Deptford Redevelopment Area," which included the property designated as Block 328, Lots 3.01 on the Township's Tax Map (the "Redevelopment Area"), satisfied the criteria for designation as an area in need of redevelopment pursuant to the LRHL, such that the municipality may use all of those powers provided in the LRHL for the use in a in a designated area in need of redevelopment, pursuant to N.J.S.A 40A:12A-1 et seq.; and

**WHEREAS**, after receiving the recommendation from the Planning Board, the Township Committee, after a public hearing held on June 3, 1999, adopted an ordinance approving the recommendation of the West Deptford Planning Board concerning the River Center Redevelopment Plan and declared the Redevelopment Area as an area in need of redevelopment under the LRHL; and

**WHEREAS**, Grove Land Urban Renewal LLC ("Grove") is the fee simple owner of part of Parcel 2 within the Redevelopment Area, Block 328, Lot 3.01, on the Township's Tax Maps (the

“Property”) and the Township has conditionally appointed Grove as the redeveloper for the Property; and

**WHEREAS**, Grove is a recognized developer, experienced in projects for the construction of residential, commercial, office and mixed use types of development; and

**WHEREAS**, on June 29, 2018, Grove filed an Application with the Township dated June 28, 2018 pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1, et seq. (“Law” and/or “PILOT”) for the Improvements proposed for the Project as described below as permitted by the Law and the payments in lieu of taxes on such Improvements; and

**WHEREAS**, it is contemplated that the Township will receive stable, ascertainable, long-term payments in lieu of taxes from Grove during the operations of this Project, consistent with the Financial Agreement; and

**WHEREAS**, it is important to the viability of the Improvements and the Project for the PILOT thereon to be stable and ascertainable on a long-term basis; and

**WHEREAS**, the Township believes that the in lieu tax consideration to be given to the Improvements pursuant to the Financial Agreement in order to allow maximum redevelopment of the Property and is, therefore, in the best interest of the Township and the health, safety, morals and welfare of its residents and is in accordance with the provisions of the Law and the public purposes pursuant to which the redevelopment of the Township is being undertaken in accordance with the applicable provisions of State Law;

**WHEREAS**, Grove has provided conceptual proposals to redevelop the Property, together with related improvements and facilities, and has provided information to the Township to address the proposed Project. Specifically, Grove has proposed a four-story senior age restricted apartment building consisting of a total of 78 senior low-income, moderate income and market rate rental apartments comprised of 17 two-bedroom and 61 one-bedroom units and related amenities (the Property and Improvements are sometimes collectively called the “Project”); and

**WHEREAS**, pursuant to N.J.S.A. 40A:12A-8, et seq., a redevelopment entity is authorized to enter into contracts for the planning, construction or undertaking of any redevelopment project or redevelopment work in an area designated as an area in need of redevelopment, including, but not limited to, contracts designating a private entity to serve as a redeveloper for a specific redevelopment project; and

**WHEREAS**, the Township, having reviewed the proposed Project and Grove’s Application, and has determined that it is in the Township’s best interests to designate Grove as the Redeveloper for the Project subject to execution by Grove and the Township of the Administrative Cost Reimbursement Agreement (“Reimbursement Agreement”) and satisfaction of all its terms and conditions and with the understanding that Grove shall not be formally designated as redeveloper until the negotiation and execution of a mutually-acceptable Redevelopment Agreement; and

**WHEREAS**, Grove has agreed to enter into the Reimbursement Agreement to, among other things, reimburse the Township for costs incurred by the Township on or after the date of the

Reimbursement Agreement in order to review Grove's proposals for redevelopment and negotiation and execution of a Financial Agreement and Redevelopers Agreement; and for such other costs as the Parties may agree including, without limitation, costs of outside professional consultants, attorneys, planners, engineers, financial consultants; and

**WHEREAS**, the provisions of the Law, and such other statutes as may be sources of relevant authority, if any, authorize the Township to accept, in lieu of real property taxes, an annual service charge paid by Grove to Township as set forth in such laws; and

**WHEREAS**, the Township has made the following further findings:

1. That the Project site is currently undeveloped and underutilized; and annual real estate taxes currently generated by the Project site are approximately \$12,774.00, whereas, based upon the information provided by Grove in Exhibit D attached to its June 28, 2018 Application for a PILOT, the Annual Service Charge to be generated by the completed Project in its first full year of operation is expected to be approximately \$41,157.00 in year one, increasing to \$71,826.00 in year thirty (30);
2. That, based upon said Exhibit D referenced above, the aggregate Annual Service Charges projected for the Project over the thirty (30) year term of the Financial Agreement are estimated to be approximately \$1,654,105.00;
3. Based upon the analysis of the Project by the Township, including its professional financial advisor, in light of market conditions and other factors impacting investment risk, in the absence of a PILOT Agreement, the Project would likely not generate a return on investment sufficient to justify the financial risks associated with such a project;
4. The Project will provide construction jobs, permanent employment opportunities, and will provide senior rental apartments that will add to the diversity of the housing types available within the Township; and will significantly strengthen and diversify the economic vitality of the Township;
5. Grove has agreed to set aside a number of affordable housing units for low and moderate income persons in accordance with the provisions of the Redeveloper's Agreement for the duration of the Financial Agreement;
6. The Project is consistent with the River Center Redevelopment Plan, will further its objectives and will contribute significantly to the economic growth of the Township in general, and the Redevelopment Area in particular.

**WHEREAS**, the Township has determined that a PILOT agreement was necessary to render the project economically feasible and has opined that the Project could accommodate a payment in lieu of taxes set at 5% of the Annual Gross Rents received; and

**WHEREAS**, the Financial Agreement is attached hereto and incorporated herein as Exhibit A; and

**WHEREAS**, pursuant to the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-9, any subsequent amendments to the Financial Agreement shall be made by mutual consent of the Township and the Redeveloper and shall be subject to approval by ordinance of the Township; and

**WHEREAS**, in accordance with the provisions of the Long Term Tax Exemption Law, the Township is now desirous of adopting an ordinance and authorizing the execution and delivery of the Financial Agreement and making certain other determinations in connection therewith.

**NOW, THEREFORE, BE IT ORDAINED** by the Township Committee of the Township of West Deptford, County of Gloucester and State of New Jersey, that the Township will adopt and enter into the Financial Agreement with Grove on the terms and conditions stated in the Financial Agreement attached to this Ordinance as Exhibit A and as further set forth herein:

1. The Township Committee makes this determination and findings by virtue of and pursuant to and in conformity with the Long Term Tax Exemption Law.
2. The Financial Agreement and all exhibits and schedules thereto are hereby authorized and approved.
3. Upon adoption of this Ordinance and execution of the Financial Agreement, a certified copy of this Ordinance and the Financial Agreement shall be transmitted to the Department of Community Affairs, Director of the Division of Local Government Services.

**BE IT FURTHER ORDAINED**, that the Mayor of the Township of West Deptford is hereby authorized to execute the Financial Agreement on behalf of the Township, and any additional documents as are necessary to implement and carry out the intent of this Ordinance and the Financial Agreement.

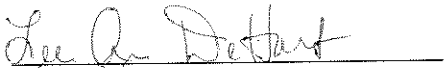
TOWNSHIP OF WEST DEPTFORD

BY:



Denice DiCarlo, Mayor

Attest:



Lee Ann DeHart,  
Township Clerk

**INTRODUCED** at a meeting of the Township Committee of the Township of West Deptford, held on Wednesday, July 2, 2018.

<b>ROLL CALL VOTE</b>				
	<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Denice DiCarlo	✓			
Megan Kerr	✓			
James Mehaffey	✓			
Adam Reid	✓			
James Robinson	✓			
<b>TALLY:</b>	5			

**ADOPTED** at a meeting of the Township Committee of the Township of West Deptford, held on July 18, 2018.

<b>ROLL CALL VOTE</b>				
	<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Denice DiCarlo	✓			
Megan Kerr	✓			
James Mehaffey	✓			
Adam Reid	✓			
James Robinson	✓			
<b>TALLY:</b>	5			