

TOWNSHIP OF VERNON

ORDINANCE #24-06

ORDINANCE OF THE TOWNSHIP OF VERNON, COUNTY OF SUSSEX, NEW JERSEY APPROVING AN APPLICATION FOR A LONG-TERM TAX EXEMPTION AND AUTHORIZING THE EXECUTION OF A FINANCIAL AGREEMENT WITH ONEILL GROUP VERNON I URBAN RENEWAL, LLC

WHEREAS, on April 23, 2018, pursuant to Resolution 18-135, the Vernon Township Council (the “**Township Council**”) designated a total of 173 lots, including that certain property identified as Block 403, Lots 4, 5 and 6 on the official Tax Maps of the Township of Vernon (the “**Township**”), as a non-condemnation “area in need of redevelopment” (collectively, the “**Redevelopment Area**”) in accordance with the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., as amended and supplemented (the “**Redevelopment Law**”); and

WHEREAS, on April 26, 2021, pursuant to Ordinance No. 21-10, the Township Council duly adopted a redevelopment plan for the Redevelopment Area, entitled, “*Town Center Redevelopment Plan*” (as the same may be amended and supplemented from time to time, the “**Redevelopment Plan**”); and

WHEREAS, Oneill Group Vernon I Urban Renewal LLC (the “**Entity**”) is the owner of certain property within the Redevelopment Area identified as Block 403, Lot 4 (formerly Lots 4, 5 and 6) on the official Tax Maps of the Township (the “**Property**”); and

WHEREAS, the Entity proposes to redevelop the Property by constructing thereon a four-story building, containing fifty-five (55) residential age-restricted units, and fifty-five (55) off-street parking spaces, along with associated on-site and off-site improvements (collectively, the “**Project**”); and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the Entity submitted to the Mayor an application (the “**Application**”), which is on file with the Township Clerk, seeking a tax exemption in connection with the Project pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the “**Exemption Law**”), in exchange for which the Entity proposes to make payments to the Township in lieu of taxes; and

WHEREAS, the Entity also submitted to the Mayor a form of financial agreement referenced in the Application, establishing the rights, responsibilities and obligations of the Entity (the “**Financial Agreement**”); and

WHEREAS, upon review of the Application and the Project, the Township has made the following findings:

A. Relative Benefits of the Project:

The Property is currently underutilized and will benefit from the construction of the Project, which will generate revenue and create jobs. Furthermore, the Property currently generates approximately \$21,000 annually in real estate taxes. Upon completion, the Project would generate an initial annual service charge of approximately \$160,000 at stabilization, as well as total annual service charges of approximately \$9,265,000 over the thirty (30) year term of the tax exemption.

B. Assessment of the importance of the tax exemption in obtaining development of the Project and influencing the locational decisions of probable occupants:

The Entity is making a significant equity contribution toward the cost of the Project. In order to improve the economic viability of the development of the Project so that the Project can compete on an equitable footing with comparable projects within the Township and surrounding market, the Township has agreed to provide the tax exemption for the Project pursuant to the Financial Agreement. The stability and predictability of the tax exemption and payment of the annual service charge will make the Project more competitive thereby contributing to the overall success of the Project; and

WHEREAS, the Entity has represented to the Township that the Project would not be feasible in its intended scope but for the provision of financial assistance by the Township; and

WHEREAS, after review of the Application, the Mayor recommended that the Application be approved; and

WHEREAS, after review of the Application, the Township Council now desires to approve the Application and to authorize the execution of the proposed form of Financial Agreement; and

WHEREAS, the Township hereby determines that the assistance provided to the Project pursuant to the Financial Agreement will be a significant inducement for the Entity to proceed with the Project and that based on information set forth in the Application, the Project would not be feasible without such assistance,

NOW, THEREFORE, be it ordained by the Township Council of the Township of Vernon, New Jersey, as follows:

I. GENERAL

The aforementioned recitals are incorporated herein as though fully set forth at length.

II. APPLICATION FOR EXEMPTION APPROVED

The Application, which is on file with the Township Clerk and which has been recommended for approval to the Township Council by the Mayor, is hereby accepted and approved.

III. EXECUTION OF FINANCIAL AGREEMENT AUTHORIZED

- (a) The Mayor is hereby authorized to execute the Financial Agreement, substantially in the form on file with the Township Clerk, subject to modification or revision deemed necessary or appropriate by the Township in consultation with counsel, and to take all other necessary or appropriate action to effectuate such Financial Agreement.
- (b) The Township Clerk is hereby authorized and directed, upon the execution of the Financial Agreement in accordance with the terms of Section III(a) hereof, to attest to the signature of the Mayor upon such document and is hereby further authorized and directed to affix the corporate seal of the Township upon such document.
- (c) In accordance with N.J.S.A. 40A:20-12, within ten (10) calendar days following the later of the effective date of this Ordinance or the execution of the Financial Agreement by the Entity, the Township Clerk shall transmit a certified copy of this Ordinance and the Financial Agreement to the chief financial officer of Sussex County and to the Sussex County Counsel for informational purposes, as well as to the Tax Assessor of the Township.

IV. 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.

IV. AVAILABILITY OF THE ORDINANCE


A copy of this Ordinance shall be available for public inspection at the offices of the Township.

V. EFFECTIVE DATE

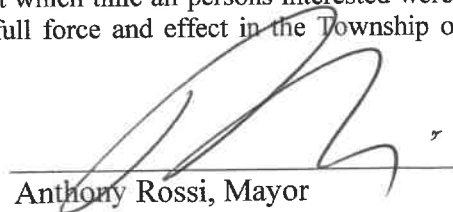
This Ordinance shall take effect according to law.

CERTIFICATION

This is to certify that the above Ordinance was introduced and passed on first reading at the Meeting of the Township Council held on March 11, 2024, and the same came up for final passage and was adopted at the Meeting of the Township Council held on March 25, 2024 at which time all persons interested were given an opportunity to be heard. The above ordinance will be in full force and effect in the Township of Vernon according to law.



Marcy Gianattasio, Clerk
Township of Vernon



Anthony Rossi, Mayor

Township of Vernon

INTRODUCED: March 11, 2024

NAME	M	S	YES	NO	ABSTAIN	ABSENT
Buccieri, N.	X		X			
DeBenedetto, J.			X			
Higgins, W.			X			
Sparta, B.		X	X			
Rizzuto, P.			X			

ADOPTED: March 25, 2024

NAME	M	S	YES	NO	ABSTAIN	ABSENT
Buccieri, N.			X			
DeBenedetto, J.		X	X			
Higgins, W.			X			
Sparta, B.	X		X			
Rizzuto, P.			X			