

**Cranbury Township Ordinance # 03-17-05**

**AN ORDINANCE OF THE TOWNSHIP OF CRANBURY IN MIDDLESEX COUNTY, STATE OF NEW JERSEY AUTHORIZING AND APPROVING A FINANCIAL AGREEMENT BETWEEN THE TOWNSHIP OF CRANBURY AND CRANFAM URBAN RENEWAL ASSOCIATES, LLC PURSUANT TO THE LONG TERM TAX EXEMPTION LAW, N.J.S.A. 40A:20-1 ET SEQ.**

**WHEREAS**, Cranfam Urban Renewal Associates, LLC (“Developer”) proposes to construct a twenty-four (24) unit affordable multi-family rental development (the “Project”) within the Township of Cranbury (the “Township”) on a portion of a site described as Block 33, Lot 13.04 as shown on the official tax map of the Township of Cranbury, Middlesex County, commonly known as Paul’s Auto Site (the “Property”); and

**WHEREAS**, pursuant to the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.* (the “LRHL”), the Township adopted Resolution No. 03-16-065 on March 28, 2016, designating the Property as an area in need of Redevelopment (the “Redevelopment Area”); and

**WHEREAS**, on May 9, 2016, by Ordinance No. 04-16-08, the Township adopted a Redevelopment Plan as defined in the LRHL (the “Redevelopment Plan”); and

**WHEREAS**, MBID of Delaware, LLC (“Redeveloper”) was designated as the redeveloper of the Property pursuant to Resolution No. 10-16-153; and

**WHEREAS**, the Township and Redeveloper have entered into a Redevelopment Agreement dated March 13, 2017; and

**WHEREAS**, pursuant to the Redevelopment Agreement, Redeveloper will form a condominium on the Property consisting of two (2) Units (“Redeveloper Condominium”); and

**WHEREAS**, pursuant to the Redevelopment Agreement, one Unit (the “Family Unit”) within the Redeveloper Condominium will be dedicated to the development of the Project; and

**WHEREAS**, pursuant to the Redevelopment Agreement, following the creation of the condominium, Redeveloper will assign its rights to the necessary portion of the Property and the Redevelopment Agreement with respect to the Project to Developer (the “Assignment”); and

**WHEREAS**, the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 *et seq.* (the “LTTE Law”) permits the Township to enter into a financial agreement granting a tax exemption and accepting payments in lieu of taxes for qualified projects; and

**WHEREAS**, the Project will qualify for a tax exemption and/or abatement under the LTTE Law; and

**WHEREAS**, the Developer has presented to the Township Committee a form of Financial Agreement (“Financial Agreement”) providing for, among other things, payments in lieu of taxes, a copy of which is attached hereto as Exhibit “A” and made a part hereof.

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and Committee of the Township of Cranbury, in Middlesex County, New Jersey as follows:

**Section 1. Findings.**

- a. The Annual Service Charge will exceed the amount of taxes generated in the last full year attributable to the portion of the Property upon which the Project is to be developed;
- b. The Project will provide for the redevelopment of the Redevelopment Area, prevent decline in its condition and value, permit the Township to rely upon it as a source of payment of future tax revenues and enhance its long-term value;
- c. The tax exemption is important to obtain development of the Project and provide affordable housing:
  - I. Without the exemption, the Project is not financially viable, and
  - II. The exemption permits private development of affordable housing in the Redevelopment Area.

**Section 2. Authorization of PILOT.**

- a. The development of the Project is hereby approved for a grant of a tax exemption under the LTTE Law; and
- b. The Committee authorizes the execution of an agreement substantially in the form attached hereto as Exhibit “A” and made a part hereof authorizing a payment in lieu tax (“PILOT”) payment as provided therein; and
- c. The Improvements shall be exempt from real property taxation and in lieu of real property taxes, Developer shall make payments to the Township of an annual service charge during the term under the provisions set forth in the Financial Agreement; and
- d. The Committee hereby authorizes and directs the Mayor and the Township Clerk to execute, on behalf of the Township, the agreement attached hereto as Exhibit “A”; and
- e. The Committee understands and agrees that the revenue projections set forth in Exhibit “A” of the Financial Agreement are estimates and the actual PILOT payments

to be paid by the Developer to the Township shall be determined pursuant to the agreement; and

- f. The Committee understands that Developer has formed an urban renewal entity limited liability company, and that the Committee may enter into the payment in lieu of taxes agreement with such urban renewal entity limited liability company; and
- g. The Township Clerk is hereby authorized to forward a certified true copy of this Ordinance to Cranfam Urban Renewal Associates, LLC. The Township Clerk is hereby authorized to forward a certified true copy of this Ordinance, and the Financial Agreement implementing it, to the Township Tax Assessor.

**Section 3. Repealer.** All ordinances and resolutions or parts thereof inconsistent with this ordinance are repealed.

**Section 4. Severability.** If any section, paragraph, subsection, clause or provision of this ordinance shall be adjudged by the courts to be invalid, such adjudication shall apply only to the section, paragraph, subsection, clause or provision so adjudged and the remainder of this ordinance shall be valid and enforceable.

**Section 5. Effective Date.** This ordinance shall take effect upon passage, publication and in accordance with N.J.S.A. 40:69A-181.

The Ordinance published herewith was introduced and passed on first reading at a meeting of the Township Committee of the Township of Cranbury, in the County of Middlesex, State of New Jersey, held on March 13, 2017. It will be further considered for final passage, after public hearing thereon, at a meeting of the Township Committee to be held in the meeting room of Town Hall, 23-A North Main Street, in the Township of Cranbury on March 27, 2017 at 7:00 p.m., and during the week prior and up to and including the date of such meeting, copies of said ordinance will be made available at the Clerk's Office to the members of the general public who shall request the same.

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Kathleen R. Cunningham, RMC  
Municipal Clerk