

ORDINANCE No. 2024-07

ORDINANCE OF THE BOROUGH OF KEYPORT, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY APPROVING THE NEW APPLICATION FOR A LONG-TERM TAX EXEMPTION AND AUTHORIZING THE EXECUTION OF A FINANCIAL AGREEMENT WITH MARINER'S VILLAGE AT KEYPORT URBAN RENEWAL, LLC

WHEREAS, the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*, as amended from time to time (the “**Redevelopment Law**”), provides a process for municipalities, such as the Borough of Keyport (the “**Borough**”), to participate in the redevelopment and improvement of areas in need of redevelopment; and

WHEREAS, on August 4, 2015, the Borough Council (the “**Council**”) of the Borough adopted a resolution designating the property commonly known as Brown’s Point Marina and identified as Block 20, Lots 5, 6, 6.01, 7, and 9 on the tax map of the Borough as a non-condemnation redevelopment area (the “**Initial Redevelopment Area**”) in accordance with the Redevelopment Law; and

WHEREAS, after a re-investigation by the planning board of the Borough (the “**Planning Board**”) in accordance with the Redevelopment Law, on April 5, 2016, the Borough adopted a resolution designating the property commonly known as Block 20, Lots 1, 2, and 3 on the tax map of the Borough of Keyport, State of New Jersey, as a non-condemnation redevelopment area (together with the Initial Redevelopment Area, the “**Redevelopment Area**” or the “**Project Site**”, which Redevelopment Area or Project Site has been subdivided to form a 9.04 acre site now known as Block 20, Lot 16.01 on the tax map of the Borough); and

WHEREAS, pursuant to *N.J.S.A. 40A:12A-7*, on May 16, 2017 the Borough Council adopted an ordinance approving and adopting a redevelopment plan for the Redevelopment Area (#3-17) (the “**Redevelopment Plan**”); and

WHEREAS, the proposed project to be undertaken by Mariner’s Village at Keyport Urban Renewal, LLC (the “**Entity**”) on the Redevelopment Area is the construction of up to 120 residential rental units, an integrated parking facility and associated supporting facilities, amenities and parking, consistent with the Redevelopment Plan (the “**Project**”); and

WHEREAS, pursuant to the Redevelopment Law, specifically *N.J.S.A. 40A:12A-4*, the Borough is designated as the Redevelopment Entity as such term is defined at *N.J.S.A. 40A:12A-3*, for the Redevelopment Area, with full authority to exercise the powers contained in the Redevelopment Law to facilitate and implement the development of the Redevelopment Area; and

WHEREAS, on December 18, 2018 the Borough Council adopted an ordinance authorizing the execution of a Financial Agreement (the “**Prior Financial Agreement**”), pursuant to the Long-Term Tax Exemption Law, *N.J.S.A. 40A:20-1 et seq.* (the “**LTTE Law**”) with the Entity although such Financial Agreement was never executed by either party; and

WHEREAS, the Borough entered a resolution on July 20, 2021 rescinding the designation of the Entity as Redeveloper and its approval of the Prior Financial Agreement; and

WHEREAS, the Borough entered resolutions on August 17, 2021 reinstating the designation of the Entity as Redeveloper; and

WHEREAS, the Entity has now submitted a new application to the Financial Agreement pursuant to LTTE Law attached hereto as **Exhibit A**; and

WHEREAS, the Entity remains the owner of the Redevelopment Area; and

WHEREAS, the Project will still conform to all applicable municipal zoning ordinances as amended by the Redevelopment Plan and will still be in conformance with the master plan of the Borough; and

WHEREAS, the Borough has made the following findings:

1. The Project Site remains not developed to its maximum potential. The long-term tax exemption remains a critical incentive for the Entity to undertake the Project in the Borough due to extraordinary costs associated with the development of the Redevelopment Area. Upon expiration of the exemption, the Project will be fully assessed and conventionally taxed;

2. In light of market conditions and other factors currently impacting investment risk, it is still not financially feasible to undertake the development of the Project in the absence of the tax exemption provided by this Agreement;

3. The Project will result in the creation of numerous construction jobs at its peak; and

4. Given the scale of the Project and the risks associated with new construction development, without the exemption, the Entity would likely not have developed the Project in New Jersey; and

5. The Project is consistent with the Redevelopment Plan, will further its objectives, and will contribute to the economic growth of the Borough; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the Borough seeks to enter into the new Financial Agreement in the form attached hereto as **Exhibit B**, which shall govern the terms of the tax exemption for the Project and the Annual Service Charge (defined therein) to be paid to the Borough in lieu of conventional taxation; and

WHEREAS, the Borough Council has determined that the Project represents an undertaking permitted by the LTTE Law, and has further determined that the Project is an improvement made for the purposes of clearance, replanning, development or redevelopment of an area in need of redevelopment within the Borough, as authorized by the LTTE Law; and

WHEREAS, the Borough Council has reviewed the Application and the terms of the Financial Agreement and wishes to approve the Application on such terms.

NOW, THEREFORE, BE IT ORDAINED by the Borough Council of the Borough of Keyport, in the County of Monmouth, State of New Jersey:

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

2. The Borough Council hereby approves the Application.

3. An exemption from taxation as set forth in the Application is hereby granted to the Entity with respect to the Project on the Project Site for the term set forth in the Financial Agreement; provided that in no event shall the tax exemption exceed the earlier of (i) thirty-five (35) years from the date of execution of the Financial Agreement or (ii) to the extent permitted by *N.J.S.A. 40A:20-12*, thirty (30) years from the date of issuance of a Certificate of Occupancy for the first residential unit within the Project and only so long as the Entity remains subject to and complies with the Financial Agreement and the LTTE Law and any other agreement related to the Project or the Project Site; and provided further, that in no event shall the Annual Service Charge, for every year the property tax exemption is in effect, be less than the total taxes levied against the Project Site in the last full tax year it was subject to taxation.

4. The Mayor and/or the Mayor's designee, in consultation with counsel to the Borough, are each hereby and directed authorized to execute and/or amend, modify or make such necessary changes to the Application, the Financial Agreement and any other agreements or documents necessary to effectuate this ordinance and the Financial Agreement.

5. The executed copy of the Financial Agreement and this ordinance shall be certified by the Borough Clerk and filed with the Tax Assessor for the Borough and the Director of the Division of Local Government Services.

6. The Project shall conform to all federal and state laws and ordinances and regulations of the Borough relating to its construction and use, including the Redevelopment Plan.

7. The Entity shall, in the operation of the Project, comply with all laws so that no person because of race, religious principles, color, national origin or ancestry, will be subject to discrimination.

8. The Entity shall, from the time the Annual Service Charge becomes effective, pay the Annual Service Charge as set forth in the Financial Agreement.

9. The Entity shall not, without prior consent of the Borough as set forth in the Financial Agreement, convey, mortgage or transfer all or any part of the Project which would sever, disconnect or divide the improvements being tax exempted under the Financial Agreement from the land underlying the exempted improvements.

10. This ordinance shall take effect in accordance with all applicable laws.

ADOPTED ON FIRST READING

DATED: June 11, 2024

/s/ Michele Clark

MICHELE CLARK,

Clerk of the Borough of Keyport

ADOPTED ON SECOND READING

DATED: July 16, 2024

MICHELE CLARK,

Clerk of the Borough of Keyport

APPROVAL BY THE MAYOR ON THIS _____ DAY OF _____, 2024

ROSE P. ARANEO,

Mayor