

**BOROUGH OF ALLENDALE
COUNTY OF BERGEN
STATE OF NEW JERSEY**

ORDINANCE 21-07

**ORDINANCE OF THE BOROUGH OF ALLENDALE, COUNTY OF BERGEN,
NEW JERSEY APPROVING A FINANCIAL AGREEMENT WITH HAMPSHIRE
ALLENDALE MF URBAN RENEWAL, LLC**

WHEREAS, the Borough Council (the “Borough Council”) of the Borough of Allendale (the “Borough”), a public body corporate and politic of the State of New Jersey, is authorized pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the “Redevelopment Law”), to determine whether certain parcels of land within the Borough constitute an area in need of rehabilitation and/or an area in need of redevelopment; and

WHEREAS, in accordance with the criteria set forth in the Redevelopment Law, the Borough on June 28, 2018 adopted a resolution identifying and designating the property commonly known as Block 1005, Lot 3 and Lot 20 and a portion of Block 1005, Lot 11 having street addresses of 230 West Crescent Avenue and 220 West Crescent Avenue as an area in need of redevelopment (the “Redevelopment Area”); and

WHEREAS, on March 28, 2019 the Borough Council passed Ordinance #19-03 which adopted a redevelopment plan for the Redevelopment Area dated February 12, 2019 entitled “Borough of Allendale 2019 Redevelopment Plan At West Crescent Avenue” (the “Redevelopment Plan”); and

WHEREAS, the Borough determined that certain modifications to such Redevelopment Plan were required based on prevailing economic and related considerations; and

WHEREAS, such modifications are set forth in an Amended Redevelopment Plan dated June 10, 2020 entitled “Borough of Allendale 2020 Amended Redevelopment Plan At West Crescent Avenue” (the “Amended Redevelopment Plan”); and

WHEREAS, on June 30, 2020 the Borough Council passed Ordinance #20-11 which adopted the Amended Redevelopment Plan; and

WHEREAS, the Redevelopment Law authorizes the Borough to arrange or contract for the planning, construction or undertaking of any development project or redevelopment work in an area designated to be an area in need of redevelopment pursuant to N.J.S.A. 40A:12A-8; and

WHEREAS, on December 28, 2018, the Borough, pursuant to Resolution #18-277 adopted on December 27, 2018, authorized the execution of the “Agreement of Purchase of Real Estate” (the “Purchase Agreement”) by and between Hampshire Venture Partners, LLC (“Hampshire”) and the Borough whereby Hampshire, or its designated affiliate(s) agreed to purchase and redevelopment the Redevelopment Area; and

WHEREAS, on December 28, 2018, the Purchase Agreement was fully executed by the Borough and Hampshire; and

WHEREAS, on July 9, 2020, the Borough, pursuant to Resolution #20-176, authorized the execution of an Amended and Restated Agreement Of Purchase Of Real Estate between Hampshire and the Borough (the "Amended Purchase Agreement"); and

WHEREAS, the Amended Purchase Agreement provides for a project (the "Project") to redevelop the Redevelopment Area as provided for in said Agreement; and

WHEREAS, on July 9, 2020, the Amended Purchase Agreement was fully executed by Hampshire and the Borough; and

WHEREAS, on March 28, 2019, the Borough adopted Resolution #19-101 which (a) designated Hampshire, as the contract property owner of the Redevelopment Area, or a successor or related entity of Hampshire organized for the purpose of carrying out the aforementioned Project as the redeveloper of the Redevelopment Area, and (b) authorized the Mayor of the Borough to execute on behalf of the Borough a Redevelopment Agreement between the Borough and Hampshire, or a successor or related entity of Hampshire, to carry out the terms and conditions of the Project, as may be amended or modified; and

WHEREAS, Hampshire Allendale MF Urban Renewal, LLC (the "Entity") an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1, et seq. (the "Exemption Law") and formed by Hampshire for the purpose of acquiring and redeveloping a portion of the Redevelopment Area, proposed to undertake the redevelopment of one portion of the Redevelopment Area comprised of a portion of Block 1005, Lot 20 and a portion of Block 1005, Lot 3, said area being further described as a new parcel designated as Block 1005, Lot 20.02 in the January 20, 2021 Resolution #LUB-21-10 of the Land Use Board of the Borough of Allendale, (the "Residential Redevelopment Area"); and

WHEREAS, the Entity proposes to redevelop the Residential Redevelopment Area by constructing a new four (4) story, seventy (70) unit residential apartment building, which will include six (6) affordable housing units in furtherance of the Borough's Fair Share Housing Settlement, and three (3) housing units to be made available to volunteer first responders of the Borough (the "Residential Project"); and

WHEREAS, the Entity has applied to the Borough Council for tax exemption pursuant to the Exemption Law with respect to the Residential Project (the "Exemption Application"); and

WHEREAS, the Borough Council finds that the tax exemption requested by the Entity will benefit the Borough and its inhabitants by furthering the redevelopment of the Redevelopment Area and in particular the Residential Redevelopment Area, and that the benefits would substantially outweigh the costs, if any, associated with tax exemptions; and

WHEREAS, the Borough Council finds that the requested tax exemptions are important to the Borough and that without the incentives of the tax exemptions the Residential Project would not be undertaken; and

WHEREAS, as part of its application for a tax exemption the Entity has submitted a form of Financial Agreement (the "Residential Financial Agreement") providing for payments in lieu of taxes, incorporated herein by reference; and

WHEREAS, the Entity has presented to this body certain financial information, copies of which are attached as exhibits to the Residential Financial Agreement; and

WHEREAS, the Borough Council deems it to be in the best interest of the Borough to pass an Ordinance authorizing the Borough to enter into the proposed Residential Financial Agreement with the Entity on the terms and conditions stated in the form of the Residential Financial Agreement submitted by the Entity; and

WHEREAS, pursuant to N.J.S.A. 40A:20-8, the Mayor has reviewed the Exemption Application and the Mayor has submitted the Exemption Application and Residential Financial Agreement to the Borough Council with his recommendation for approval, subject to the condition that the Entity pay, in lieu of tax payments on the Residential Project, an annual service charge, such that the combined tax payment on the land and the annual service charge paid by the Entity each year shall be no less than the amount of the total property taxes that the Borough has received from the Residential Redevelopment Area, prior to redevelopment; and

WHEREAS, upon review of the proposed Project, including the Residential Project, the Exemption Application and the Mayor's recommendation, the Borough has made the following findings with respect to the Project, including the Residential Project, pursuant to N.J.S.A. 40A:20-11:

1. The Redevelopment Area is not currently developed to its maximum potential. The Redevelopment Area is partially vacant; not conducive to good working conditions; has been vacant for extended period of time; and is obsolete. Upon expiration of the exemption, the Residential Project shall be fully assessed and conventionally taxed;

2. Given the costs, as well as the uncertainty and instability of current economic and market conditions, as well as aggressive competition within the region, the investment risk makes the financing of the Project, including the Residential Project, not feasible in the absence of the requested Residential Financial Agreement;

3. The construction of the Project, including the Residential Project will result in the remediation of the Redevelopment Area, substantial improvements to the infrastructure on the site as well as community benefits in the form of increased jobs and ratables;

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

5. The Residential Financial Agreement was a material inducement to the Entity to undertake the Residential Project in the Borough and facilitate the redevelopment of the Residential Redevelopment Area; and

WHEREAS, in accordance with the provisions of the Exemption Law, the Borough desires to approve the Residential Project and authorize the execution of the Residential Financial Agreement.

NOW THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE BOROUGH OF ALLENDALE, NEW JERSEY AS FOLLOWS:

Section 1. The development of the Residential Project is hereby approved for the grant of a tax exemption under the Exemption Law by virtue of, pursuant to, and in conformity with the provisions of the Exemption Law.

Section 2. The Mayor is hereby authorized to execute the Residential Financial Agreement with the Entity in substantially the form referenced herein, and subject to any further review, analysis or modifications that Borough counsel may deem appropriate. The Acting Borough Clerk is hereby authorized and directed to attest to the execution of the Residential Financial Agreement by the authorized officers of the Borough as determined hereunder, and to affix the corporate seal of the Borough to the Residential Financial Agreement.

Section 3. The Residential Financial Agreement is not to be signed until the Entity has entered into a Redevelopment Agreement with respect to the Residential Redevelopment Area, with the Borough.

Section 4. The Office of the Borough Clerk shall forthwith file certified copies of this Ordinance and the Residential Financial Agreement with the Director of the Division of Local Government Services pursuant to N.J.S.A. 40A:20-12.

Section 5. Upon the execution of the Residential Financial Agreement as contemplated herein, either the Entity or the Borough (through its Authorized Officers and the Acting Borough Clerk) may file and record this Ordinance and the Residential Financial Agreement with the Bergen County Clerk such that the Residential Financial Agreement and this Ordinance shall be reflected upon the land records of the County of Bergen as a lien upon and a covenant running with the land constituting the Residential Redevelopment Area.

Section 6. This Ordinance shall take effect at the earliest possible time as permitted by and in accordance with all applicable laws.

	Motion	Second	Yea	Nay	Absent	Abstain
Homan					✓	
O'Connell			✓			
O'Toole			✓			
Sasso			✓			
Strauch	✓		✓			
Wilczynski		✓	✓			
Bernstein						

I hereby certify the above to
be a true copy of an Ordinance
adopted by the Governing Body
of the Borough of Allendale on
May 13, 2021

Sasso
Michelle Ryan

Michelle Ryan
Acting Municipal Clerk

Ari Bernstein
Mayor Ari Bernstein