

ORDINANCE 2022-09

*Borough of Metuchen
County of Middlesex
State of New Jersey*

ORDINANCE APPROVING THE APPLICATION AND FINANCIAL AGREEMENT FOR A LONG-TERM TAX EXEMPTION WITH 212 DURHAM URBAN RENEWAL, LLC FOR BLOCK 37, LOT 7.01, 7.02, 17.01, AND A PORTION OF LOTS 5.12 AND 16.02, AND BLOCK 42, LOTS 1, 2, 3, 4, 5, 6, AND 7, ALONG WITH THE FORMER GULTON STREET ROW IN THE BOROUGH OF METUCHEN, COUNTY OF MIDDLESEX, STATE OF NEW JERSEY

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

WHEREAS, by way of Resolution 2015-226, adopted on September 8, 2015, the Mayor and Council of the Borough of Metuchen (the “Borough Council”) designated Block 37, Lots 5.03, 5.05, 5.12, 5.22, 6, 7.01, 7.02, 13, 14, 15.01, 16.02, 16.03, 17.01 and 17.02; Block 42, Lots 1-7; and Block 66, Lots 1-3 as an “Area in Need of Redevelopment” (the “Redevelopment Area” or “Property”) in accordance with the Redevelopment Law; and

WHEREAS, by way of Resolution 2020-50, adopted on February 3, 2020, Borough Council formally declared the entirety of the Borough as an “Area in Need of Rehabilitation” (the “Boroughwide Rehabilitation Area”); and

WHEREAS, by way of Ordinance 2020-10, adopted on May 11, 2020, the Borough Council adopted a redevelopment plan entitled “Redevelopment Plan for Rehabilitation Area in the Borough of Metuchen March 2020,” as amended or supplemented (the “Redevelopment Plan dated May 26, 2020”); and

WHEREAS, by way of Ordinance No. 2021-19, adopted on September 13, 2021, the Borough Council adopted in accordance with the Local Redevelopment and Housing Law a more specific redevelopment plan for the Redevelopment Area, entitled, “Gulton Tract Redevelopment Plan,” prepared by LRK, Inc.; and

WHEREAS, by way of Ordinance No. 2022-04, adopted on March 28, 2022, the Borough Council adopted the “Amended Gulton Tract Redevelopment Plan,” prepared by LRK, Inc., dated March 11, 2022, which superseded all previously adopted redevelopment plans for the Redevelopment Area (as amended, the “Redevelopment Plan”); and

WHEREAS, pursuant to the Local Redevelopment and Housing Law, the Borough of Metuchen intends to enter into a Redevelopment Agreement (the

“Redevelopment Agreement”), designating the 212 Durham Urban Renewal, LLC (the “URE”) as redeveloper of a portion of the Redevelopment Area known as Block 37, Lots 5.12, 5.22, 6, 7.01, 7.02, 13, 14, 15.01, 16.02, 16.03, 17.01 and 17.02; Block 42, Lots 1-7 (“Project Area”), and setting forth the terms and conditions to which the Project Area is to be redeveloped by URE, who proposes the construction of a five (5) story building with up to two hundred and seventy-two (272) residential units, fifteen percent (15%) of which shall be affordable housing units, and associated amenities which may include a business center, conference room, fitness center, clubrooms, game room, outdoor patio and dining area, and other amenities, together with landscaping, parking areas and a walking path and any and all other buildings, structures, improvements, site preparation work and amenities necessary for the implementation and completion of the same (the “Residential Project Improvements”); and

WHEREAS, pursuant to the Redevelopment Agreement, the Entity has agreed to undertake financing, construction and completion of the Project Improvements, the obtaining of all Governmental Approvals (as defined in the Redevelopment Agreement), the site preparation of the Property and such other obligations as is set forth in the Redevelopment Agreement (the “Project”); and

WHEREAS, under the Redevelopment Agreement, the Project shall include the construction of certain open space and recreation facilities as part of the creation of a southern gateway to the Peter J. Barnes III Wildlife Preserve on property known as Block 37, Lots 5.05, 5.22, 6, 13, 14, 15.01, 16.03, 17.02 and portions of Lots 5.12, 16.02, identified as “Prop. County Parcel” and consisting of approximately ± 18.7 acres, as shown on the “Existing vs. Proposed Lot Exhibit” prepared by Bohler Engineering, dated 04/28/2021 and attached hereto as Exhibit A, along with Block 37, Lot 5.03, pursuant to a three-party agreement to be entered into between the Borough, the Redeveloper and the County of Middlesex, a portion of which shall be financed with governmental bonds; and

WHEREAS, in order to effectuate the development, financing, and renovation of the Project, the Borough Council have agreed to enter into a Financial Agreement (the “Financial Agreement”) with URE, substantially in the form attached hereto as Exhibit B, authorizing a long-term tax exemption pursuant to the Long Term Tax Exemption Law (“LTTEL”), N.J.S.A. 40A:20-1, et seq. for the Project Area and the Residential Project Improvements; and

WHEREAS, pursuant to the requirements of the LTTEL, the URE provided the Borough with the information required by Section 8 of the LTTEL in the form of an application for long-term tax exemption (the “Application”); and

WHEREAS, such information in the Application provided the Borough with the basis for determining to execute the Financial Agreement; and

WHEREAS, the Mayor and Borough Council find that the relevant benefits of the redevelopment of the Property and the undertaking of the Project outweigh the loss, if any, of property tax revenue in granting the long-term tax exemption; and

WHEREAS, the Borough Council has determined that the assistance provided to the Project pursuant to the Financial Agreement is a significant inducement for the URE to proceed with the Project; and

WHEREAS, the Borough and the URE have agreed to execute a Financial Agreement.

NOW, THEREFORE, BE IT ORDAINED, by the Borough Council of the Borough of Metuchen as follows:

Section 1. The foregoing recitals are incorporated herein by reference as if fully set forth at length.

Section 2. That the Application for long-term tax exemption filed by 212 Durham Urban Renewal, LLC hereby be granted; and

Section 3. That the Financial Agreement be approved and that the Mayor and/or Borough Administrator and the Borough Clerk are hereby authorized to execute the Financial Agreement, upon the review and approval of its final form by the Borough Administrator, Borough Solicitor and Borough Redevelopment Counsel, which such final form will be on file with the Borough Clerk.

Section 4. All ordinances or parts of ordinances inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

Section 5. In the event any clause, section or paragraph of the ordinance and/or the Financial Agreement is deemed invalid or unenforceable for any reason, it is the intent of the Borough Council that the balance of the Ordinance and/or Financial Agreement remain in full force and effect to the extent it allows the Borough to meet the goals of the Ordinance.

Section 6. This Ordinance shall take effect immediately after final adoption in accordance with law.

Introduction: May 9, 2022

Date of Publication: May 12, 2022

COUNCILMEMBER	YES	NO	NV	AB	COUNCILMEMBER	YES	NO	NV	AB
BRANCH	X				KANDEL				X
DELIA	X				KOSKOSKI	X			
HIRSCH	X				RASMUSSEN	X			
MOTION	DELIA			SECOND			RASMUSSEN		
X – INDICATES VOTE				AB- ABSENT			NV- NOT VOTING		

I hereby certify the foregoing to be a true copy of an ordinance introduced by the Borough Council of the Borough of Metuchen, Middlesex County, New Jersey at a regular meeting held on May 9, 2022.

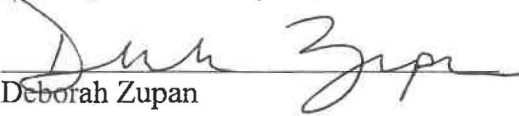

 Deborah Zupan
 Acting Borough Clerk



Adopted: **May 23, 2022**
 Date of Publication: **May 26, 2022**

COUNCILMEMBER	YES	NO	NV	AB	COUNCILMEMBER	YES	NO	NV	AB
BRANCH	X				KANDEL	X			
DELIA	X				KOSKOSKI	X			
HIRSCH				X	RASMUSSEN	X			
MOTION	DELIA				SECOND	RASMUSSEN			
X - INDICATES VOTE		AB- ABSENT			NV- NOT VOTING				

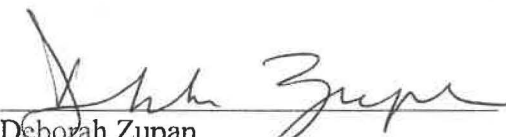
I hereby certify the foregoing to be a true copy of an ordinance adopted by the Borough Council of the Borough of Metuchen, Middlesex County, New Jersey at a regular meeting held on May 23, 2022.



 Deborah Zupan
 Acting Borough Clerk



ATTEST:

BOROUGH OF METUCHEN


 Deborah Zupan
 Acting Borough Clerk


 Jonathan M. Busch
 Mayor