

O-18-16

AN ORDINANCE AUTHORIZING AND APPROVING A FIVE YEAR TAX AGREEMENT FOR NEW CONSTRUCTION BETWEEN THE BOROUGH OF WHARTON AND EQUINET PROPERTIES, LLC PURSUANT TO N.J.S.A. 40A:21-1 ET SEQ.

WHEREAS, pursuant to the Five-Year Exemption and Abatement Law (P.L. 1991, c. 441), codified at N.J.S.A. 40A:21-1 et seq. (the “Exemption Law”), a municipality having within its corporate limits areas in need of rehabilitation or redevelopment may, by ordinance, provide for the exemption and/or abatement of real property taxes, to encourage and provide incentives for the construction, redevelopment and rehabilitation of industrial and commercial structures; and

WHEREAS, pursuant to the relevant provisions of the Local Housing and Redevelopment Law, N.J.S.A. 40A:12A-1 et seq. (the “Redevelopment Law”), the Governing Body of the Borough of Wharton designated an approximately 1.5 acre parcel of property identified as Block 1319, Lots 1 and 1.01, on the Borough’s tax map, and bounded by North Main Street, Kossuth Street and Washington Street (the “Property”) as an area in need of rehabilitation. The Property is also referred to as the Port Oram Village Rehabilitation Area; and

WHEREAS, on July 9, 2015, the Governing Body of the Borough of Wharton (“Borough”) adopted a Redevelopment Plan, entitled the Green Tent Company Redevelopment Plan (“Redevelopment Plan”) for the Property; and

WHEREAS, Equinet Properties, LLC (“Applicant”) has obtained all necessary local, County and State land use approvals to redevelop the Property into a four story, forty-nine (49) unit, market rate multi-family residential apartment project, consisting of approximately 55,415 square feet, with ninety-five (95) off-street parking spaces, including four (4) handicap spaces (the “Project”) in accordance with the Redevelopment Plan ; and

WHEREAS, the Borough desires to provide for real estate tax incentives for improvements constructed and/or altered within the boundaries of the Port Oram Village Rehabilitation Area; and

WHEREAS, N.J.S.A. 40A:21-1 et seq. provides for the exemption of assessments for five years following completion of a project as defined in the Exemption Law, and the exemption or abatement of property taxes for new construction for a five year period following completion of the Project as defined in the Exemption Law; and

WHEREAS, the Borough has indicated its intention to utilize the Exemption Law for improvements and projects by the adoption of Ordinance O-17-16 on October 3, 2016; and

WHEREAS, on October 24, 2016, the Governing Body adopted a resolution formally designating the Applicant as the Redeveloper of the Property known as the Port Oram Village Rehabilitation Area and authorizing the execution of a Redevelopment Agreement by and between the Applicant and the Borough of Wharton; and

WHEREAS, the Applicant has applied for a five year tax exemption to construct the Project on the Property pursuant to N.J.S.A. 40A:21-1 et seq.; and

WHEREAS, the Governing Body has reviewed the application and has determined that it would be in the best interest of the residents of the Borough to enter into a tax agreement pursuant to the Exemption Law with the Applicant, in substantially the same form as said agreement attached hereto as Exhibit A, to provide for exemption of local real property taxes relating to the Project in that the exemption will further the redevelopment of the Property and permit the Borough to rely upon it as a source of payment of future tax revenue and enhance its long term value.

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the Borough of Wharton as follows:

- 1. The application of Equinet Properties, LLC for a five year tax exemption pursuant to N.J.S.A. 40A:21-1 et seq. is hereby approved; and**
- 2. The Mayor or his designee are hereby authorized to negotiate and execute a Tax Agreement with Equinet Properties, LLC, in substantially the same form attached hereto as Exhibit A, for the Property identified as Block 1319, Lots 1 and 1.01 on the Borough Tax Map, which provides for exemption and abatement of local real property taxes for a period of five years pursuant to N.J.S.A. 40A:21-1 et seq.**

First Reading: October 24, 2016

Second Reading: November 14, 2016

ATTEST:

**Gabrielle Evangelista,
Borough Clerk**

BOROUGH OF WHARTON

**WILLIAM CHEGWIDDEN,
MAYOR**