

BOROUGH OF FRENCHTOWN

ORDINANCE NO. #850

AN ORDINANCE OF THE BOROUGH OF FRENCHTOWN, COUNTY OF HUNTERDON, AUTHORIZING THE BOROUGH OF FRENCHTOWN TO ENTER INTO FINANCIAL AGREEMENTS (PAYMENT IN LIEU OF TAXES PROGRAM "PILOT") WITH CC AT FRENCHTOWN APT URBAN RENEWAL, LLC AND CC AT FRENCHTOWN FS URBAN RENEWAL, LLC FOR THE FORMER CERAMICS PLANT SITE

WHEREAS, by Resolution No. 2017-59 adopted on January 26, 2017, the Common Council of the Borough of Frenchtown ("Council") designated certain real property located at Block 3, Lots 1 and 2 and Block 10, Lot 1 and a portion of the Eighth Street right-of-way as shown on the Tax Map of the Borough of Frenchtown as "a non-condemnation area in need of redevelopment" ("Redevelopment Area"); and

WHEREAS, by Ordinance No. 833 adopted on August 7, 2019, the Borough adopted the Eighth Street Redevelopment Plan ("Redevelopment Plan") for the Redevelopment Area; and

WHEREAS, by Resolution 2019-93, adopted on August 7, 2019, the Council designated Country Classics at Frenchtown, LLC ("Country Classics") as the conditional redeveloper of the Redevelopment Area in accordance with the Local Redevelopment and Housing Law; and

WHEREAS, Country Classics intends to redevelop the Redevelopment Area by constructing a residential development consisting of two apartment buildings and duplex townhomes, containing the following unit mix: Building 1, 52 total units with 9 affordable housing rental units; Building 2, 40 total units with 8 affordable housing rental units; 19 duplex townhomes; representing an aggregate of 111 units and other amenities and site improvements thereon ("Development"); and

WHEREAS, CC at Frenchtown APT Urban Renewal, LLC ("APT Urban Renewal") and CC at Frenchtown FS Urban Renewal, LLC ("FS Urban Renewal") are wholly owned subsidiaries of Country Classics; and

WHEREAS, CC at Frenchtown APT Urban Renewal, LLC ("FS Urban Renewal") is, or is about to be, the owner of a portion of the Property upon which it, together with Country Classics, its owner, will develop a portion of the Development that is proposed to consist of Building 1 (52 total units with 9 affordable housing rental units) and Building 2 (40 total units with 8 affordable housing rental units) ("Rental Component"); and

WHEREAS, CC at Frenchtown FS Urban Renewal, LLC is, or is about to be, the owner of a portion of the Property upon which it, together with Country Classics, its owner, will develop a portion of the Development that is proposed to consist of 19 duplex townhomes ("Townhome Component"); and

WHEREAS, Country Classics and the Borough are about to enter into a Redevelopment Agreement; and

WHEREAS, the Council has determined that the Development will qualify for a tax exemption under the Long-Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. ("LTTEL") by virtue of the fact that is located in a Redevelopment Area; and

WHEREAS, in accordance with the LTTEL, APT Urban Renewal and FS Urban Renewal have filed with the Mayor of the Borough an application ("Application") for approval of a long term tax exemption ("Exemption") for the Development, which Application is hereby incorporated by reference as if fully-set forth herein; and

WHEREAS, the Mayor submitted the Application to the Council with his recommendation for approval; and

WHEREAS, the Council approved the Application by Resolution No. 2020-72 dated May 20, 2020; and

WHEREAS, as part of the Application, APT Urban Renewal and FS Urban Renewal submitted to the Borough a form of Financial Agreement for each of the Rental Component and Townhome Component (respectively, the "Financial Agreements"), to be executed by the Council and APT Urban Renewal and FS Urban Renewal, respectively, establishing the rights, responsibilities and obligations of APT Urban Renewal and FS Urban Renewal relative to the Rental Component and Townhome Component in accordance with the LTTEL; and

WHEREAS, the Council has authorized the transfer of a portion of the Development, Country Classics' rights under the Redevelopment Agreement, and the property comprising the Redevelopment Area from Country Classics to APT Urban Renewal and FS Urban Renewal, respectively, to the extent such transfer is required in order for Country Classics, APT Urban Renewal, and FS Urban Renewal to carry out and implement the Development and the Redevelopment Plan; and

WHEREAS, the Council makes the following findings in accordance with N.J.S.A. 40A:20-11.a and N.J.S.A. 40:20-11.b regarding the relative benefits and costs of granting the Exemption for the Development, and the importance of the Exemption in realizing the implementation of the Development:

The Borough finds that the Exemption granted pursuant to the Financial Agreements will benefit the Borough and the community by assuring the success of the redevelopment of the Redevelopment Area, which has exhibited the statutorily recognized redevelopment criteria for years. The benefits of granting the Exemption will substantially outweigh the costs, if any, associated with the Exemption. The Exemption is important to the Borough and Country Classics, APT Urban Renewal, and FS Urban Renewal, because without the incentive of the Exemption, it is unlikely that the Development, which will address a portion of the Borough's affordable housing obligation, would be undertaken. The high costs associated with the development and construction of the Development and the real estate taxes that would otherwise be levied upon the Development would operate as a disincentive to the redevelopment of the Property, and would therefore frustrate the goals and objectives of the Redevelopment Plan and would make the Development materially less competitive in the marketplace.

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the Borough of Frenchtown, County of Hunterdon, State of New Jersey, as follows:

1. The Mayor and Borough Clerk are hereby authorized to execute the Financial Agreements in substantially the form attached hereto as Exhibits A and B, respectively.

2. Executed copies of the Financial Agreements shall be certified by and be filed with the Office of the Borough Clerk.

3. Within ten (10) calendar days following the later of (i) the effective date of this Ordinance following its final adoption by the Borough Council approving the Exemption or (ii) the execution of the Financial Agreements by APT Urban Renewal and FS Urban Renewal, respectively, the Borough Clerk shall file certified copies of this Ordinance and the Financial Agreement with the Tax Assessor of the Borough and the Chief Financial Officer of Hunterdon County and to Hunterdon County Counsel, in accordance with N.J.S.A. 40A:20-12.

4. The Mayor and Borough Clerk are hereby authorized to take such action and to execute such other documents on behalf of the Borough as is necessary to effectuate the terms of the Financial Agreements, as deemed advisable by the Borough Attorney.

5. This Ordinance shall take effect upon adoption and publication according to law.

ATTEST:

BOROUGH OF FRENCHTOWN

Brenda S. Shepherd, RMC,
Borough Clerk

The Honorable Brad Myhre, Mayor