

**ORDINANCE NO. 06-13**

**ORDINANCE AUTHORIZING THE EXECUTION OF A FINANCIAL AGREEMENT WITH VALLEY ROAD DEVELOPMENT URBAN RENEWAL LLC IN CONNECTION WITH BLOCK 61, LOTS 42.01 AND 42.02 REDEVELOPMENT AREA AND PURSUANT TO THE PROVISIONS OF THE LONG-TERM TAX EXEMPTION LAW, N.J.S.A. 40A:20-1, *ET SEQ.***

**WHEREAS**, Valley Road Development Urban Renewal, LLC (“Valley Road URE”), an urban renewal entity, and the successor in interest to Valley Road Development, LLC has been duly authorized to be the redeveloper of property identified as Block 61, Lots 42.01 and 42.02 on the Tax Map of the Borough of Mt. Arlington (“Property” and “Redevelopment Area”); and

**WHEREAS**, Valley Road URE has made an application (“Application”) for approval of a long-term tax exemption, along with a proposed form of Financial Agreement (“Agreement”) pursuant to the New Jersey Long-Term Tax Exemption Law, N.J.S.A. 40A:20-1, *et seq.* (“Act”); and

**WHEREAS**, the Act authorizes a municipality to enter into a Financial Agreement with a duly qualified urban renewal entity undertaking a project set forth in a redevelopment plan adopted by a governing body pursuant to Local Redevelopment and Housing Law (“Redevelopment Law”), including the grant of a long-term tax exemption to the Project; and

**WHEREAS**, the Application provides for construction of residential rental units on the Property (“Project”), which Project is in accordance with the redevelopment plan adopted by the Borough pursuant to Ordinance 04-12; and

**WHEREAS**, Valley Road URE has qualified to do business under the provisions of the long-term tax exemption law; and

**WHEREAS**, the Governing Body, having reviewed the Application and Agreement, hereby finds as follows:

1. That the aggregate annual service charge, as such term is defined in the Agreement, projected for the Project in the initial stabilized year of operation is estimated at \$699,000 for 300 units, or \$2,330 per unit;
2. That the Project is expected to result in the creation of approximately 270 construction jobs;
3. That the Project, upon completion, is expected to result in the creation of approximately 40 full-time and part-time jobs;

4. That the Project will facilitate the remediation of environmental contamination and the revitalization and productive reuse of land currently in a blighted, stagnant, unproductive, and fallow condition;
5. That the Project will result in substantial benefit to the community by alleviating existing blight conditions at the Redevelopment Area, and providing a steady range of housing opportunities within the Borough;
6. That, consistent with the redevelopment plan, the Project will further the redevelopment plan objectives and contribute to the economic growth of the Borough in general, and specifically the Redevelopment Area;
7. That the aforesaid benefits of the redevelopment Project exceed the costs, if any, associated with granting the tax exemption provided by this Agreement; and
8. That the assistance provided by this Agreement is a significant and critical inducement to the entity to proceed with the Project for which the entity maintains that no Project could be built;

and

**WHEREAS**, the Governing Body has determined that it is in the public interest to authorize execution of the Financial Agreement.

**NOW, THEREFORE, BE IT ORDAINED** by the Governing Body of the Borough of Mt. Arlington, in the County of Morris, State of New Jersey, that:

1. The Application of Valley Road Development URE, LLC for approval of the proposed Project, execution of the attached Financial Agreement, and the grant of a long-term tax exemption for the Project is hereby approved.
2. The exemption from taxation on improvements to be constructed by the entity on Block 61, Lots 42.01 and 42.02 is hereby approved for a period of the earlier of thirty-five (35) years from the execution of the Financial Agreement, or thirty (30) years from the date of substantial completion of the Project of the issuance of a Certificate of Occupancy for the Project, and only as long as the entity is subject to and in compliance with the terms of the Financial Agreement and the long-term tax exemption law.

3. The Mayor of the Borough of Mt. Arlington is hereby authorized to execute, on the Borough's behalf, the Financial Agreement substantially in the form attached hereto.
4. An executed copy of the Financial Agreement authorized by this Ordinance shall be kept on file in the Office of the Borough Clerk for purposes of review and record.
5. The Project, when completed, shall conform with all State laws and Ordinances of the Borough of Mt. Arlington relating to its construction and use.
6. The entity shall pay an annual service charge based on 11% of the annual gross revenue generated from the Project as set forth in the Financial Agreement. The annual service charge rate shall be fixed for the entire term of the tax exemption, but after the initial fifteen (15) years of the term, the minimum annual service charge shall be determined as otherwise set forth in the Financial Agreement. Following submission of an annual auditor's report within ninety (90) days of the end of each fiscal year or calendar year, the Borough and the entity shall adjust any overpayment or underpayment determined for the audited period.
7. The entity shall submit a total Project cost audit by a certified public accountant within ninety (90) days following substantial completion of the Project.

**BE IT FURTHER ORDAINED**, that if any part of this Ordinance shall be deemed invalid, such part shall be severed, and the invalidity thereby shall not affect the remaining parts of this Ordinance.

**I HEREBY CERTIFY** this to be a true and correct Ordinance of the Mayor and Borough Council of the Borough of Mount Arlington, introduced on April 2, 2013 and will be further considered after a Public Hearing held on April 15, 2013 at the Municipal Building at 7:00 p.m.

BE IT FURTHER ORDAINED, that this Ordinance shall take effect according to law.

ATTEST:

  
LINDA DeSANTIS, RMC, Clerk

BOROUGH OF MT. ARLINGTON

  
ARTHUR ONDISH, Mayor

Dated:

**CERTIFICATION**

I, Linda DeSantis, Municipal Clerk for the Borough of Mt. Arlington, do hereby certify that the foregoing is a true copy of an Ordinance duly adopted by the Governing Body at their April 15, 2013 meeting.

  
Linda DeSantis, RMC

and at the same time had obtained the necessary permits to the

of the same

*[Handwritten signature]*

of the same

of the same

EXHIBIT

On the 1st day of April, 1914, the undersigned, being duly sworn, depose and say that the foregoing is a true and correct copy of the original of the same as the same was presented to the undersigned for filing.

*[Handwritten signature]*  
JAMES H. HARRIS

*[Handwritten signature]*