

**ORDINANCE NO. 3475-18**

**ORDINANCE OF THE BOROUGH OF RUTHERFORD, COUNTY OF BERGEN, STATE OF NEW JERSEY, APPROVING THE APPLICATION OF, AND EXECUTION OF FINANCIAL AGREEMENT WITH, PARK AVENUE URBAN RENEWAL COMPANY, LLC REGARDING THE MAPLES REDEVELOPMENT AREA**

**WHEREAS**, the governing body of the Borough of Rutherford (the “**Borough**”) is authorized to determine whether certain property located within the Borough is in need of rehabilitation or redevelopment under the New Jersey Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.* (the “**Redevelopment Law**”); and

**WHEREAS**, the Borough previously designated the properties known as 131 Chestnut Street (Block 73, Lots 7.01, 9 and 10), 106 Park Avenue (Block 73, Lot 23) and 114 Park Avenue (Block 73, Lots 22.02 and 22.03) (collectively, the “**Maples Rehabilitation Area**”) as an area in need of rehabilitation under the Redevelopment Law; and

**WHEREAS**, on April 26, 2005, the Borough adopted Ordinance Number 3077-05, approving and adopting a redevelopment plan for the Maples Rehabilitation Area (the “**Redevelopment Plan**”); and

**WHEREAS**, the Borough subsequently designated the properties within the Maples Rehabilitation Area, along with the parcel known as 137 Chestnut Street (Block 73, Lot 7) (collectively, the “**Redevelopment Area**”) as an “area in need of redevelopment”; and

**WHEREAS**, the Borough then amended the Redevelopment Plan to provide, among other things, that the underlying designation of the area was in need of redevelopment, rather than in need of rehabilitation; and

**WHEREAS**, on May 9, 2018, the Borough and Park Avenue Urban Renewal Company, LLC (the “**Entity**”) entered into that certain redevelopment agreement (the “**Redevelopment Agreement**”), pursuant to which the Entity agreed to redevelop the Redevelopment Area by constructing thereon a project consisting of 52 residential units and approximately 4,947 square feet of retail space (collectively, the “**Project**”); and

**WHEREAS**, despite the Redeveloper’s investment of equity and borrowed funds, such amounts are insufficient to feasibly pay for all of the costs associated with the development and construction of the Project; and

**WHEREAS**, the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the “**Long Term Tax Exemption Law**”) authorize the Borough to accept, in lieu of real property taxes, an annual service charge with respect to the Project; and

**WHEREAS**, the Entity submitted to the Mayor an application (the “**Application**”), which is on file with the Borough Clerk, for approval of a long term tax exemption for the Project; and

**WHEREAS**, the Entity also submitted to the Mayor a form of financial agreement (the “**Financial Agreement**”), a copy of which is attached as an exhibit to the Application, establishing the rights, responsibilities and obligations of the Entity; and

**WHEREAS**, pursuant to the terms of the Financial Agreement, in lieu of real property taxes on the Project, the Entity will pay an annual service charge (the “**Annual Service Charge**”) to the Borough; and

**WHEREAS**, the Mayor submitted the Application and Financial Agreement to the Borough Council along with his recommendation for approval, a copy of which recommendation is on file with the Borough Clerk; and

**WHEREAS**, the Borough Council has determined that the Project represents an undertaking permitted by the Long Term Tax Exemption Law, and hereby finds that the relative benefits of the Project justify the long term tax exemption requested in the Application,

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and Borough Council of the Borough of Rutherford, County of Bergen, New Jersey, as follows:

1. The Application and form of Financial Agreement are hereby approved.
2. The Mayor is hereby authorized and directed to execute the Financial Agreement with the Entity in substantially the same form as that contained within the Application, subject to minor modification or revision, as deemed necessary and appropriate after consultation with counsel.
3. Executed copies of the Financial Agreement shall be certified by and be filed with the Office of the Borough Clerk. The Clerk shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the Borough, and County Counsel and the Chief Financial Officer of Bergen County within 10 days of the execution of the Financial Agreement.

4. If any part(s) of this ordinance shall be deemed invalid, such part(s) shall be severed and the invalidity thereby shall not affect the remaining parts of this ordinance.

5. This ordinance shall take effect in accordance with law.

**ATTEST:**

**BOROUGH OF RUTHERFORD**

Margaret M. Scanlon

Margaret M. Scanlon, Borough Clerk

Joseph DeSalvo Jr.

Joseph DeSalvo Jr., Mayor

I hereby certify the foregoing to be a true copy of an ordinance adopted by the Mayor and Council at a meeting held on September 11, 2018.

Margaret M. Scanlon

Margaret M. Scanlon, Borough Clerk