

TOWNSHIP OF UPPER DEERFIELD

ORDINANCE 875

ORDINANCE OF THE TOWNSHIP OF UPPER DEERFIELD, COUNTY OF CUMBERLAND, NEW JERSEY APPROVING A LONG-TERM TAX EXEMPTION AND AUTHORIZING THE EXECUTION OF A FINANCIAL AGREEMENT WITH LARK URBAN RENEWAL, LLC

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

WHEREAS, pursuant to Section 4 of the Redevelopment Law, the Township designated the Township Committee as the “**Redevelopment Entity**,” as such term is defined at *N.J.S.A. 40A:12A-3*, with full authority to exercise the powers contained in the Redevelopment Law to facilitate and implement the development of the Redevelopment Area; and

WHEREAS, by Ordinance 832, adopted December 30, 2021, the Township Committee of Upper Deerfield Township adopted the Amended Highway 77 Redevelopment Plan for the Redevelopment Area designated therein (and as depicted on the 2001 Map), inclusive of the lands located at along Highway 77 between Silver Lake Road and Love Lane being known as Block 1206, Lots 1, 1.01 and 1.05 and Block 2012, Lot 1.02 on the Upper Deerfield tax map (the “**Redevelopment Plan**”); and

WHEREAS, the aforesaid lands located at along Highway 77 between Silver Lake Road and Love Lane being known as Block 1206, Lots 1, 1.01 and 1.05 and Block 2012, Lot 1.02 on the Upper Deerfield tax map shall be referenced herein as the “**Redevelopment Area**”, and

WHEREAS, by Resolution 2024-5 adopted on May 16, 2024, the Upper Deerfield Township Committee, sitting as the Redevelopment Entity, conditionally designated Lark Urban Renewal, LLC (“**Redeveloper**”) as Redeveloper of the Redevelopment Area, subject to the Redevelopment Entity and Redeveloper entering into a mutually satisfactory redevelopment agreement, and

WHEREAS, by the aforesaid Resolution 2024-5, the Redevelopment Entity determined that the project proposed by Redeveloper for a portion of the Redevelopment Area was substantially consistent with the Redevelopment Plan, and

WHEREAS, thereafter Redeveloper made application to the Planning Board of Upper Deerfield Township (the “**Planning Board**”) requesting preliminary and final major site plan approval, with variances, for the construction of an 80,083 square foot (“SF”) cold storage warehouse and associated improvements, including, but not limited to, 25 trailer storage spaces, 14 loading docks, and 60 vehicular parking spaces on a portion of the Redevelopment Area (the “**Project**”) and a minor subdivision (collectively, the “**Application**”) and

WHEREAS, by way of the requested minor subdivision, the Redeveloper proposed to consolidate the four existing lots (Block 1206, Lots 1, 1.01 and 1.05 and Block 2012, Lot 1.02), and then to subdivide the consolidated lot into two new lots, and

WHEREAS, Redeveloper appeared before the Planning Board at a public hearing on July 15, 2024 to present its proofs and at the aforesaid public hearing the Planning Board approved the Application, and

WHEREAS, thereafter on August 12, 2024, the Planning Board adopted a resolution approving the Application (the “**Resolution**”), and

WHEREAS, the minor subdivision of the Redevelopment Area created two new parcels which have been designated as Block 1206, Lot 1 (the “**Property**”) and as Block 1206, Lot 1.01 (the “**Future Development Parcel**”), and

WHEREAS, the Redevelopment Entity has granted to Redeveloper final project approval of the Project and designated Lark Urban Renewal, LLC as Redeveloper with respect to the Property and has authorized the execution of a certain Redevelopment Agreement with respect to the Project which sets forth the terms and conditions for the redevelopment of the Project on the Property; and

WHEREAS, the Project will conform to the Redevelopment Plan, the site plan approved by the Planning Board, and the terms and conditions of the Redevelopment Agreement; and

WHEREAS, the applicant, Lark Urban Renewal, LLC, is a duly authorized urban renewal entity and the contract purchaser of the Property; and

WHEREAS, Lark Urban Renewal, LLC will undertake the financing, design, construction and completion of the Project; and

WHEREAS, the Redeveloper has filed: (1) the application attached hereto as Exhibit A (the “**Application**”) seeking a tax exemption and approval of an urban renewal project; and (2) a form of Financial Agreement (the “**Financial Agreement**”) attached as Exhibit B, pursuant to the Long-Term Tax Exemption Law, *N.J.S.A. 40A:20-1 et seq.* (the “**LTTE Law**”); and

WHEREAS, on February 6, 2025, the Township Committee by adoption of Resolution 25-66 approved the Application and Form of Financial Agreement and directed the Clerk to prepare and introduce this Ordinance to be considered in accordance with applicable law; and

WHEREAS, the Township has made the following findings:

1. The Redevelopment Area is currently underutilized and will benefit from the construction of the Project. The Project is expected to produce approximately 40-50 permanent jobs in addition to numerous construction jobs. Furthermore, the property generated approximately \$1,315 in 2024 in real estate taxes per year. Upon stabilization, it is projected that the Project would pay an annual service charge of \$243,543 in the first year as well as total annual service charges of more than \$10,786,345 over the thirty (30) year term of the tax exemption. Upon expiration of the exemption, the Project will be fully assessed and conventionally taxed; and

2. In light of market conditions and other factors currently impacting investment risk, it is not financially feasible to undertake the development of the Project in the absence of the tax

exemption provided by this Agreement; and

3. Given the scale of the Project and the risks associated with new construction development, without the exemption, the Entity would likely not have developed the Project in New Jersey; and

4. The Project is consistent with the Redevelopment Plan, will further its objectives, and will contribute to the economic growth of the Township.

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the Township seeks to enter into the Financial Agreement in the form attached hereto as Exhibit B which shall govern the terms of the tax exemption for the Project and the Annual Service Charge to be paid to the Township in lieu of conventional taxation; and

WHEREAS, the Township Committee has determined that the Project represents an undertaking permitted by the LTTE Law, and has further determined that the Project is an improvement made for the purposes of clearance, replanning, development or redevelopment of an area in need of redevelopment within the Township, as authorized by the LTTE Law; and

NOW, THEREFORE, BE IT ORDAINED BY THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF UPPER DEERFIELD, NEW JERSEY AS FOLLOWS:

1. An exemption from taxation as set forth in the Application is hereby granted to the Entity, with respect to the Project Improvements, but not the land, for the term set forth in the Financial Agreement; provided that in no event shall the tax exemption exceed the earlier of (a) thirty-five (35) years from the date of execution of the Financial Agreement or (b) thirty (30) years from the Entity's receipt or eligibility for receipt of a Certificate of Occupancy for the Project and only so long as the Entity remains subject to and complies with the Financial Agreement and the LTTE Law and any other agreement related to the Project or the Project Site; and provided further, that in no event shall the Annual Service Charge, for every year the property tax exemption is in effect, be less than the total taxes levied against the Project Site in the last full tax year it was subject to taxation.

2. The Mayor and/or Township Administrator, in consultation with counsel to the Township, are hereby authorized to execute and/or amend, modify or make such necessary changes to the Application, the Mayor's Recommendation, the Financial Agreement and any other agreements or documents necessary to effectuate this ordinance and the Financial Agreement.

3. The executed copy of the Financial Agreement and this ordinance shall be certified by the Township Clerk and filed with the Tax Assessor for the Township and the Director of the Division of Local Government Services.

4. The Project shall conform to all federal and state law and ordinances and regulations of the Township relating to its construction and use, including the Redevelopment Plan.

5. The Entity shall, in the operation of the Project, comply with all laws so that no person, because of race, religious principles, color, national origin or ancestry, will be subject to discrimination.

6. The Redeveloper shall, from the time the Annual Service Charge becomes effective, pay the Annual Service Charge as set forth in the Financial Agreement.

7. The following occurrences are express conditions to the grant of this tax exemption, to be performed by the Entity:

(a) The Entity shall not, without prior consent of the Township as set forth in the Financial Agreement, convey, mortgage or transfer all or any part of the Project which would sever, disconnect or divide the improvements being tax exempted under the Financial Agreement from the land underlying the exempted improvements.

(b) The Entity shall complete the Project within the timeframes set forth in the Redevelopment Agreement.

8. This ordinance shall take effect in accordance with all applicable laws.

John Daddario, Chairman

Adopted: February 20, 2025

Attested:

Roy J. Spoltore, Township Clerk

First Reading: February 6, 2025

Publication: February 12, 2025

Publication of Final Adoption: February 28, 2025

EXHIBIT A

Application for Long Term Tax Exemption

EXHIBIT B
Financial Agreement