

MONROE TOWNSHIP, MIDDLESEX COUNTY

ORDINANCE NO.: O-12-2020-023

AN ORDINANCE OF THE TOWNSHIP OF MONROE
IN THE COUNTY OF MIDDLESEX, NEW JERSEY,
TO EXECUTE AN AGREEMENT FOR PAYMENTS IN LIEU OF TAXES
AND A FINANCIAL AGREEMENT BETWEEN THE TOWNSHIP OF MONROE AND
CONIFER REALTY, LLC IN CONNECTION WITH REAL PROPERTY KNOWN AND
DESIGNATED AS TAX BLOCK 41, LOT 14 ON THE OFFICIAL TAX MAP OF THE
TOWNSHIP OF MONROE, MIDDLESEX COUNTY, NEW JERSEY LOCATED ON
CRANBURY HALF ACRE ROAD, MONROE, NEW JERSEY

WHEREAS, the Township Council of the Township of Monroe (the "Council") has determined that there is a need for an affordable housing project in the Township; and

WHEREAS, Conifer Realty, LLC (the "Developer") is a long term lessee from the Township, who is the owner of certain real property known and designated as Block 41, Lot 14 on the Official Tax Maps of the Township of Monroe, Middlesex County and commonly located on Cranbury Half Acre Road, Monroe, New Jersey (the "Property"); and

WHEREAS, the Developer proposes to construct an 80 unit Affordable Housing development for veterans housing project (hereinafter referred to as the "Project") pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 55:14K-1 et seq.), the rules promulgated thereunder at N.J.A.C. 5:80-1.1 et seq., and all applicable guidelines promulgated thereunder (the foregoing hereinafter collectively referred to as the "HMFA Requirement"); and

WHEREAS, the Project will be subject to the HMFA Requirements and the mortgage and other loan documents executed between the Developer and the New Jersey Housing and Mortgage Finance Agency (hereinafter referred to as the "Agency"); and

WHEREAS, the Project may be subject to requirements of the New Jersey Department of Community Affairs (hereinafter referred to as the "Department of Community Affairs"), Neighborhood Preservation Balanced Housing Program in accordance with N.J.S.A. 52:27D-320 and applicable rules promulgated thereunder at N.J.A.C. 5:43-1.1 et seq., and the mortgage and other loan documents executed between the Sponsor and the Commissioner of the Department of Community Affairs, or any other Department of Community Affairs programs as applicable; and

WHEREAS, the Developer has presented to the Council a revenue projection for the Project which sets forth the anticipated revenue to be received by the Developer from the operation of the Project as estimated by the Developer and the Agency, a copy of which is attached hereto and made a part hereof as Attachment A.

WHEREAS, the Township and the Developer desire to enter into a long term tax exemption and financial agreement with the Developer in connection the Property.

NOW, THEREFORE, BE IT ORDAINED, by the Township Council of the Township of Monroe, Middlesex County, State of New Jersey:

1. The aforementioned recitals are incorporated herein as though fully set forth at length.
2. The Council understands and agrees that the revenue projections set forth in Attachment A are estimates and that the actual payments in lieu of taxes to be paid by the Developer to the municipality shall be determined pursuant to the Agreement for Payments in Lieu of Taxes executed between the developer and Township.
3. The Council hereby authorizes the Mayor and Clerk to execute Agreement for Payments in Lieu of Taxes and Financial Agreement in substantial conformity with the Financial Agreement appended hereto as Attachment B.

BE IT FURTHER ORDAINED, that if any section, paragraph, subsection, clause or provision of this Ordinance shall be adjudged by the courts to be invalid, such adjudication shall apply only to the section, paragraph, subsection, clause or provision so adjudicated, and the remainder of the Ordinance shall be deemed valid and in effect; and

BE IT FURTHER ORDAINED, that any ordinance or parts thereof in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict; and

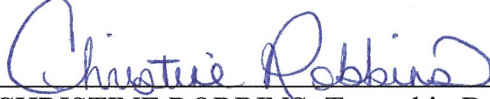
BE IT FURTHER ORDAINED, that this Ordinance shall take effect upon passage and publication in accordance with applicable law.


 MIRIAM COHEN, Council President

RECORDED VOTE – INTRODUCTION – December 7, 2020						
COUNCIL	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
Councilman Baskin			X			
Councilman Dalina			X			
Councilman Dipierro		X	X			
Council V. President Schneider	X		X			
Council President Cohen			X			

NOTICE

Notice is hereby given that the foregoing Ordinance was introduced and passed on first reading at a meeting of the Monroe Township Council held on December 7, 2020. Said Ordinance will again be read and considered for final passage at the next scheduled meeting of the Monroe Township Council to be held on December 28, 2020 at 6:30 p.m. virtually via Zoom. At said time and place all persons having an interest in the foregoing Ordinance will be granted an opportunity to be heard concerning the same prior to consideration for final passage by the Council.


 CHRISTINE ROBBINS, Township Deputy Clerk

RECORDED VOTE – SECOND READING & FINAL ADOPTION– December 28, 2020						
COUNCIL	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
Councilman Baskin			X			
Councilman Dalina	X		X			
Councilman Dipierro			X			
Council V. President Schneider		X	X			
Council President Cohen			X			

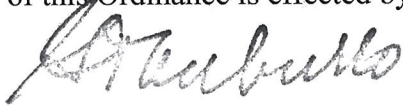
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 CRANBURY HALF ACRE ROAD, MONROE, NEW JERSEY**

MAYORAL APPROVAL

By virtue of the Optional Municipal Charter Law of 1950 and Chapter 3, Section 19 of the Code of the Township of Monroe, my approval of this Ordinance is effected by the affixing of my signature hereto.


 GERALD W. TAMBURRO, Mayor

Date signed: 12/29/2020

ATTACHMENT A

Monroe Township

6.28%
Year 1 61,632
Year 2 63,481
Year 3 65,385
Year 4 67,347
Year 5 69,367
Year 6 71,448
Year 7 73,592
Year 8 75,800
Year 9 78,074
Year 10 80,416
Year 11 79,537
Year 12 81,923
Year 13 84,381
Year 14 86,912
Year 15 89,520
Year 16 92,205
Year 17 94,971
Year 18 97,820
Year 19 100,755
Year 20 103,778
Year 21 106,891
Year 22 110,098
Year 23 113,401
Year 24 116,803
Year 25 120,307
Year 26 123,916
Year 27 127,634
Year 28 131,463
Year 29 135,406
Year 30 139,469

ATTACHMENT B

AGREEMENT FOR PAYMENT IN LIEU OF TAXES

Conf. Realty, LLC
THIS AGREEMENT, made this 28th day of December, 2020,
between _____ having an office at 20000 Horizon Way, Suite
180, Mt. Laurel, NJ 08054 (hereinafter the "Sponsor") and the Township of Monroe, a municipal
corporation in the County of Middlesex and State of New Jersey (hereinafter the "Municipality").

WITNESSETH

In consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

1. This Agreement is made pursuant to the authority contained in Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 (N.J.S.A. 55:14K-1 et seq.) (hereinafter "HMFA Law") and a Resolution of the Council of the Municipality dated December 28, 2020, (the "Resolution") and with the approval of the New Jersey Housing and Mortgage Finance Agency (hereinafter the "Agency"), as required by N.J.S.A. 55:14K-37.

2. The Project is or will be situated on that parcel of land designated as Block 41, Lot 14 as shown on the Official Assessment Map of the Township of Monroe, and located on Cranbury Half Acre Road, New Jersey.

3. As of the date the Sponsor executes a first mortgage upon the Project in favor of the Agency (hereinafter referred to as the "Agency Mortgage"), the land and improvements comprising the Project shall be exempt from real property taxes, provided that the Sponsor shall make payments in lieu of taxes to the Municipality as provided hereinafter. The exemption of the Project from real property taxation and the sponsor's obligation to make payments in lieu of taxes shall not extend beyond the date on which the Agency Mortgage is paid in full, which, according to the HMFA Law, may not exceed fifty (50) years.

4. (a) For projects receiving construction and permanent financing from the Agency, the Sponsor shall make payment to the Municipality of an annual service charge in lieu of taxes in such amount as follows:

(1) From the date of the execution of the Agency Mortgage until the date of Substantial Completion of the Project, the Sponsor shall make payment to the Municipality in the amount equal to the current real estate taxes (pursuant to the HMFA Law, the annual amount may not exceed the amount of taxes due on the property for the year preceding the recording of the Agency Mortgage). As used herein, "Substantial Completion" means the date upon which the Municipality issues the Certificate of Occupancy for all of the units in the Project.

(2) From the date of Substantial Completion of the Project and for the remaining term of the NJHMFA Mortgage, the Sponsor shall make payment to the Municipality in an amount equal to five percent (5%) of Project Revenues.

(b) For Projects receiving permanent financing only from the Agency, the Sponsor shall make payment to the Municipality in an amount equal to 5 percent (5%) of Project Revenues from the date of the Agency Mortgage and for the remaining term of the Agency Mortgage.

(c) As used herein, "Project Revenues" means the total annual gross rental or carrying charge or other income of the Sponsor from the Project less the costs of utilities furnished by the Project, which shall include the costs of gas, electricity, heating fuel, water supplied, and sewage charges, and less vacancies if any. Project Revenues shall not include any rental subsidy contributions received from any federal or state program.

(d) The amount of payment in lieu of taxes to be paid pursuant to paragraphs (a) or (b) and (c) above is calculated in Exhibit "A" attached hereto. It is expressly understood and agreed that the revenue projections provided to the Municipality as set forth in Exhibit "A" and as part of the Sponsor's application for an agreement for payments in lieu of taxes are estimates only. The actual payments in lieu of taxes to be paid by the Sponsor shall be determined pursuant to Section 5 below.

5. (a) Payments by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the Tax Collector of the Municipality in the same manner and on the same dates as real estate taxes are paid to the Municipality and shall be based upon Project Revenues of the previous quarter. No later than three (3) months following the end of the first fiscal year of operation after (i) the date of Substantial Completion (for projects receiving construction and permanent financing) or (ii) the date of the Agency Mortgage (for projects receiving permanent financing only) and each year thereafter that this Agreement remains in effect, the Sponsor shall submit to the Municipality a certified, audited financial statement of the operation of the Project (the "Audit"), setting forth the Project Revenues and the total payments in lieu of taxes due to the Municipality calculated at 6.28 percent of Project Revenues as set forth in the Audit (the "Audit Amount"). The Sponsor simultaneously shall pay the difference, if any, between (i) the Audit Amount and (ii) payments made by the Sponsor to the Municipality for the preceding fiscal year. The Municipality may accept any such payment without prejudice to its right to challenge the amount due. In the event that the payments made by the Sponsor for any fiscal year shall exceed the Audit Amount for such fiscal year, the Municipality shall credit the amount of such excess to the account of the Sponsor.

(b) All payments pursuant to this Agreement shall be in lieu of taxes and the Municipality shall have all the rights and remedies of tax enforcement granted to Municipalities by law just as if said payments constituted regular tax obligations on real property within the Municipality. If, however, the Municipality disputes the total amount of the annual payment in lieu of taxes due it, based upon the Audit, it may apply to the Superior Court, Chancery Division for an accounting of the service charge due the Municipality, in accordance with this Agreement and HMFA Law. Any such action must be commenced within one year of the receipt of the Audit by the Municipality.

(c) In the event of any delinquency in the aforesaid payments, the Municipality shall give notice to the Sponsor and NJHMFA in the manner set forth in 9(a) below, prior to any legal action being taken.

6. The tax exemption provided herein shall apply only so long as the Sponsor or its successors and assigns and the Project remain subject to the provisions of the HMFA Law and Regulations made thereunder and the supervision of the Agency, but in no event longer than the term of the Agency Mortgage. In the event of (a) a sale, transfer or conveyance of the Project by the Sponsor or (b) a change in the organizational structure of the Sponsor, this Agreement shall be assigned to the Sponsor's successor and shall continue in full force and effect so long as the successor entity qualifies under the HMFA Law or any other state law applicable at the time of the assignment of this Agreement and assumes the Agency Mortgage.

7. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the HMFA Law, or any other applicable state law, the Project shall be taxed as omitted property in accordance with the law.

8. The Sponsor, its successors and assigns shall, upon request, permit inspection of property, equipment, buildings and other facilities of the Project and also documents and papers by representatives duly authorized by the Municipality. Any such inspection, examination or audit shall be made during reasonable hours of the business day, in the presence of an officer or agent of the Sponsor or its successors and assigns.

9. Any notice or communication sent by either party to the other hereunder shall be sent by certified mail, return receipt requested, addressed as follows:

(a) When sent by the Municipality to the Sponsor, it shall be addressed to 20000 Horizon Way, Suite 180, Mt. Laurel, NJ 08054 or to such other address as the Sponsor may hereafter designate in writing and a copy of said notice or communication by the Municipality to the Sponsor shall be sent by the Municipality to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

(b) When sent by the Sponsor to the Municipality, it shall be addressed to Alan Weinberg, Business Administrator, QPA, Township of Monroe, One Municipal Plaza, Monroe Township, NJ 08831 or to such other address as the Municipality may designate in writing; and a copy of said notice or communication by the Sponsor to the Municipality shall be sent by the Sponsor to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

10. In the event of a breach of this Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court, Chancery Division, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the HMFA Law.

11. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a sufficient number of counterparts to evidence the execution of the Agreement by each party hereto.

ATTEST *WITNESSES*

Con. Per Realty, LLC

Joanne M. O'Shaughnessy
JOANNE M. O'SHAUGHNESSY, Adm Asst
ATTEST

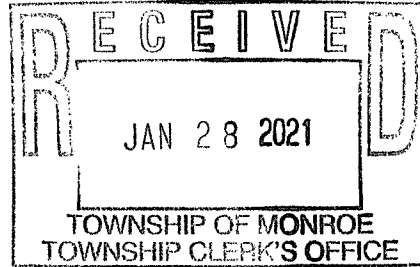
By: *Charles M. Lewis*
Charles M. Lewis, Senior Vice President
Monroe Township

Christine Robbins
Christine Robbins, Deputy Twp. Clerk

By: *Gerald W. Tamburro*
Gerald W. Tamburro, Mayor

January 26, 2021

Tanya Pannucci, R.M.C.
Township Deputy Clerk
Township of Monroe
Municipal Complex
1 Municipal Plaza
Monroe Township, NJ 08831-1900



RE: O-12-2020-023
Monroe Veterans Housing

Dear Tanya:

Pursuant to your letter of January 12, 2021, enclosed please find a signed copy of the Payment in Lieu of Taxes Agreement. As we discussed, I changed the name from Woodbury Heights Urban Renewal, LLC to Conifer Realty, LLC. I also filled in the date, using the date of the ordinance. I trust that is acceptable to you.

Thanks for your help. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles M. Lewis".

Charles M. Lewis
Senior Vice President
Conifer Realty, LLC

CML/jmo
Enclosure

cc: Christopher Pugliese, Project Director – Conifer Realty, LLC



www.coniferllc.com

2000 HORIZON WAY, SUITE 180, MOUNT LAUREL, NJ 08054

[E] contactus@coniferllc.com [P] (856) 793-2078 [F] (856) 793-2007