ORDINANCE 1795

AN ORDINANCE AUTHORIZING A LONG TERM TAX EXEMPTION AND A FINANCIAL AGREEMENT BETWEEN THE BOROUGH OF COLLINGSWOOD AND 30 FERN URBAN RENEWAL, LLC FOR PROPERTY LOCATED AT 30 FERN AVENUE

WHEREAS, 30 Fern Urban Renewal, LLC ("30 Fern"), an urban renewal entity qualified to do business under applicable laws of the State of New Jersey and the ground lessee of property located at Block 38, Lots 1, 3.01 and 10.01 in the Borough of Collingswood ("Borough") more commonly known as 30 Fern Avenue ("Subject Property"), has applied to the Borough's Board of Commissioners ("Commissioners") for a long term tax exemption for improvements to be made at the Subject Property pursuant to the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1, et. seq. ("Tax Exemption Law"); and

WHEREAS, pursuant to Resolution No. 2023-235, adopted on December20, 2023, the Borough Commissioners designated the Subject Property as a non-condemnation area in need of redevelopment; and

WHEREAS, pursuant to Ordinance No. 1778, adopted on February 5, 2024, the Borough Commissioners adopted a Redevelopment Plan for the Subject Property; and

WHEREAS, pursuant to Resolution 24-173, adopted on October 7, 2024, the Borough Commissioners designated 30 Fern as Redeveloper of the Subject Property and authorized a Redevelopment Agreement which was subsequently executed by the Borough and 30 Fern representatives; and

WHEREAS, 30 Fern has requested a long term tax exemption consisting of a term of 30 years and has agreed that it will pay, at a minimum, an annual service charge of eighty-five percent (85%) of real property taxes otherwise due ; and

WHEREAS, the Subject Property formerly served as the Collingswood Presbyterian Church and is now to be renovated and repurposed to develop a multi-unit apartment building consisting of twenty-six (26) residential apartment units with improvements to the existing parking lot and driveways; and

WHEREAS, the Borough Commissioners have reviewed the application of 30 Fern including the estimated cost of completing the improvements, the real property taxes currently being assessed at the Subject Property, the estimated annual service charge that would be made paid by 30 Fern during the period of the agreement and the estimated tax payments that would be made by the applicant on the project during the first full year following the termination of the tax agreement and such other information as required for consideration under the Tax Exemption Law; and

WHEREAS, the Borough Commissioners have considered the relative benefits of the proposed project including the following:

(i) the project will rehabilitate an aged property currently vacant;

(ii) the project will provide construction jobs and opportunities for employment following leasing of 26 newly renovated apartments;

(iii) without the incentive of the tax exemption contemplated by 30 Fern, the project would not be undertaken; and

(iv) the Borough will benefit from the payment in lieu of taxes to be made by 30 Fern during the term of the financial agreement; and

WHEREAS, the Borough Commissioners have determined that it would be in the best interest of the residents of the Borough to enter into a financial agreement ("Financial Agreement") with 30 Fern pursuant to the Tax Exemption Law to provide for tax exemption relating to the improvements at the Subject Property in that the exemption will further the redevelopment of the Subject Property, prevent further decline in its condition and value, enhance its long-term value and permit the Borough to rely upon it as a source of payment of future tax revenue.

NOW, THEREFORE, BE IT ORDAINED by the Commissioners of the Borough of Collingswood, County of Camden, State of New Jersey, that the Mayor or his designee shall be authorized to take any and all action necessary to negotiate and enter into a Financial Agreement with 30 Fern for the Subject Property to provide for exemption of local real property taxes for the land and the improvements made at the Subject Property in accordance with the Borough's tax assessments and applicable tax rate and, further, the term of the agreement shall be for a period of thirty (30) years following completion of the project.

This ordinance shall take effect immediately upon final adoption and publication according to law.

Introduced: November 14, 2024
Adopted: December 2, 2024

M. James Maley, Jr., Mayor

absent

Robert Lewandowski, Commissioner

Morgan Robinson, Commissioner

K. Holly Mannel, Borough Clerk