

TOWNSHIP OF VERONA
COUNTY OF ESSEX, STATE OF NEW JERSEY
RESOLUTION No. 2019-180

A motion was made by Councilman Ryan; seconded by Councilman Giblin that the following resolution be adopted:

**DESIGNATING A REDEVELOPER, AUTHORIZING THE EXECUTION OF
AN AGREEMENT FOR PAYMENT IN LIEU OF TAXES PURSUANT TO
N.J.S.A. 55:14K-1 ET SEQ., AND AUTHORIZING THE EXECUTION OF A
REDEVELOPER AGREEMENT, WITH PIRHL DEVELOPERS, LLC
CONCERNING PROPERTY IDENTIFIED AS BLOCK 2301, LOTS 11, 12, 14,
15 AND 16 ON THE TOWNSHIP TAX MAPS**

WHEREAS, on February 11, 2019, the Township Council for the Township of Verona (the "**Township Council**") adopted Resolution No. 2019-55, designating as a non-condemnation redevelopment area, as defined in the New Jersey Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, *et seq.* (the "**Redevelopment Law**"), Block 2301, Lots 1 through 12 and 14 through 19 as shown on the Tax Map of the Township, commonly known as the "Depot and Pine Redevelopment Area," (the "**Redevelopment Area**"); and

WHEREAS, by Ordinance No. 2019-16 the Township Council adopted a redevelopment plan for the Redevelopment Area entitled "Depot and Pine Redevelopment Area, Redevelopment Plan, Block 2301, Lots 1-12, 14-19, Township of Verona, New Jersey", dated April 22, 2019 (as may be amended and supplemented from time to time, the "**Redevelopment Plan**"); and

WHEREAS, the Township is the Owner of real property identified on the Township's tax map as Block 2301, Lots, 11, 12, 14, 15, and 16 or a mutually agreeable reconfiguration of property in the event the Township undertakes a land swap with the owners of Block 2301, Lots 17 and 18 (the "**Property**"); and

WHEREAS, PIRHL Developers, LLC (the "**Redeveloper**") seeks to be designated as the "redeveloper" (as defined in the Redevelopment Law) of the Property, so as to redevelop the Property in accordance with the terms of the Redevelopment Plan and the Redevelopment Law; and

WHEREAS, the Township desires to sell the Property to Redeveloper for \$1.00, for redevelopment of the Property with an affordable housing project consisting of not less than 85-units, including 17 one-bedroom units, 46 two-bedroom units, and 22 three-bedroom units, lobby, community room, and management office, to be located in a four-story elevator building, 139 on-site parking spaces, together with such other improvements as may be necessary in connection therewith, (the "**Project**"); and

WHEREAS, the Project will help satisfy the Township's "Mt. Laurel" affordable housing obligation; and

WHEREAS, the Project will be subject to the requirements of the New Jersey Housing and Mortgage Finance Agency (the "**HMFA**"), including mortgage and loan documents executed pursuant to N.J.S.A. 55:14K-1 et seq. (the "**HMFA Law**"); and

WHEREAS, the not less than 85 units of rental housing in the Project will qualify as low and moderate income units under the Fair Housing Act, N.J.S.A. 52:27D-301 et seq. and the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq., except as exempted by Section 42 of the Internal Revenue Code relative to Federal Low-Income Housing Tax Credits; and

WHEREAS, the HMFA Law permits the governing body of a municipality in which a housing project financed by the HMFA is located to exempt such housing project from real property taxation if the housing project's sponsor enters into an agreement (a "**PILOT Agreement**") with the municipality for payments to the municipality in lieu of taxes for municipal services; and

WHEREAS, the Township Council find that entering into a PILOT Agreement with the Redeveloper is necessary to assure implementation of the Project and the construction of the affordable rental housing, and have negotiated a PILOT Agreement with the Redeveloper

consistent with HMFA Law and protocols that obligate the Redeveloper to pay an annual service charge of 1% of its Project revenues to the Township for a period of 30 years; and

WHEREAS, the Redeveloper has provided an estimate of Project revenues and payments in lieu of taxation to the Township, it being acknowledged that the actual Project revenues and corresponding payments in lieu of taxation cannot be determined until the Project has been implemented and, further are subject to HMFA Law; and

WHEREAS, the Township Council deem it appropriate to authorize and enter into a PILOT Agreement with the Redeveloper (in the form attached hereto as Exhibit A; and

WHEREAS, in order to effectuate the Redevelopment Plan and the redevelopment of the Property, the Township desires to designated Redeveloper as the redeveloper of the Property and to authorize the execution of a redevelopment agreement with the Redeveloper (in the form attached hereto as Exhibit B, the “**Redeveloper Agreement**”).

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Verona as follows:


1. The preamble to this Resolution is hereby incorporated as if more fully set forth herein.
2. The Redeveloper is hereby designated as the “redeveloper” of the Property pursuant to the Redevelopment Law.
3. The Township Manager and Township Clerk are hereby authorized to execute a PILOT Agreement for payments in lieu of taxes with the Redeveloper, in the form attached hereto as Exhibit A, with such changes, omissions or amendments as the Township Manager deems appropriate in consultation with the Township’s redevelopment counsel, planning consultant and other professionals.
4. This Resolution is hereby adopted with the intent and purpose that from the date of execution of a mortgage from the HMFA, the proposed Project, including both the land and improvements thereon, will be exempt from real property taxation as provided in the HMFA Law, provided that payments in lieu of taxes for municipal services supplied to the Project are made to the municipality in the manner set forth in the attached PILOT Agreement.
5. The Township Council does hereby adopt the within Resolution and make the determination and findings herein contained by virtue of, pursuant to, and in the conformity with the provisions of the HMFA Law with the intent and purpose that the Agency shall rely thereon in making a mortgage loan to the Redeveloper, which shall construct, own and operate the Project.
6. The Township Manager and Township Clerk are hereby authorized to execute the Redeveloper Agreement, in the form attached hereto as Exhibit B, with such changes, omissions or amendments as the Township Manager deems appropriate in consultation with the Township’s redevelopment counsel, planning consultant and other professionals.
7. This resolution shall take effect immediately.

ROLL CALL:

AYES: McGrath, Giblin, Ryan, Roman, McEvoy

NAYS:

THIS IS TO CERTIFY THAT THE FOREGOING IS A TRUE AND EXACT COPY OF A RESOLUTION ADOPTED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF VERONA AT THE REGULAR MEETING HELD ON NOVEMBER 18, 2019.


JENNIFER KIERNAN
MUNICIPAL CLERK

